**UNREVISED HANSARD**

**NATIONAL ASSEMBLY**

**THURSDAY, 2 SEPTEMBER 2021**

***PROCEEDINGS OF THE NATIONAL ASSEMBLY***

The House met at 14:00.

The House Chairperson Mr C T Frolick took the Chair and requested members to observe a moment of silence for prayer or meditation.

# WELCOMING OF NEW MEMBERS

(Announcement)

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon members. Order! You must exchange these pleasantries before you come into the House. Hon members, before we proceed with today’s business, I wish to announce that the vacancy which occurred in the NA due to the passing of Mr L M Ntshayisa has been filled by the nomination of Mr S M Jafta with effect from 18 August 2021.

The vacancy which occurred due to the loss of membership of the National Assembly by Mr B Yoko in terms of section 43 (3)(c) of the Constitution Republic of South Africa, 1996 has been filled by the nomination of Mr M Nyhontso with effect from 31 August. 2021.

The members have made and subscribed the oath in the Speaker’s

office. I wish to welcome the hon members.

Lastly, in the interest of safety for all present in the Chamber please keep your mask on and sit in you designated areas and also minimise your movement as far as possible. The secretary will read the first order of the day.

# CONSIDERATION OF SECOND REPORT OF NATIONAL ASSEMBLY RULES COMMITTEE FOR 2021 ON MECHANISMS FOR MONITORING REPLIES TO QUESTIONS AND ESTABLISHMENT OF NEW PORTFOLIO COMMITTEE

Ms R M M LESOMA: Thank you, hon House Chair, I move that the Report be adopted.

There was no debate.

That the Report be adopted.

Motion agreed to.

Report accordingly adopted.

Mr N SINGH: Hon Chairperson, I don’t want to disturb the secretariat, but I just want to check, is there no declaration that you are allowing on the first report?

The HOUSE CHAIRPERSON (Mr C T Frolick): There has been no request for declarations, hon Sign. So I put the question and nobody indicated anything and so we move to the next item.

Mr N SINGH: If that is how it is going be then it is going to be, but usually all reports do have declarations. Thank you.

The HOUSE CHAIRPERSON (Mr C T Frolick): We request the Chief Whips of political parties to indicate to the table staff and that is why I put the question. If you object or if there is any indication when I put the question, then I will allow for declarations to take place. In this instance, it did not happen. In fact, I called twice to ask if there are any objections and there were none.

The secretary has read the second order and I will now call the hon Mphushe to introduce the report from the Chamber. Is the hon member in the Chamber or in the virtual platform?

Hon Mphushe, are you on the virtual platform? Are you connected to the virtual platform? The hon Singh was speaking on virtual so we should not have a problem. Hon April, will you continue?

# CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON TOURISM ON OVERSIGHT VISIT AT WATERFRONT CORONAVIRUS RAPID TESTING CENTRE (LOOKOUT TESTING CENTRE), CAPE TOWN IN WESTERN CAPE PROVINCE

Mr H G APRIL: Thank you for the opportunity, hon Chair. The National Development Plan, NDP, recognises tourism as the main drivers of employment and economic growth. Tourism is also positioned as one of the six core pillars of growth in the country’s new growth path framework. The industrial policy action plan has also identified the sector as one of the areas that contributes to the development of areas with potential growth such as rural areas and cultural industries among others.

Hon members, the ANC-led government has been advocating for inclusive growth of the tourism sector for many years. The transformation of the sector can no longer be delayed for our country to fundamentally address the triple challenges of poverty, unemployment and inequality. We need a tourism sector that is redistributive. We need programmes that increase the ownership, value, management, control, skills enterprise, supplier and socioeconomic development of previously disadvantaged people. These include implementing capacity building programmes and incentives to transform the sector and provide developmental support to rural tourism enterprises. It is in this light that the ANC advocate for policies that will practically transform the lives of the marginalised and previously disadvantaged people. Such policies include black economic empowerment, BEE.

It is glaringly clear that parties such as these ones, the DA and their friends AfriForum and Solidarity who continue to be a hindrance to our transformation agenda, are comfortable with the status quo. The fact that South Africa is rated the most unequal country in the world is not alarming to them. The father of our democratic South Africa, *baba*, *ntate,* former President Nelson Rolihlanhla Mandela once asked a question that we can all ponder on:

When the history of our times is written, will we be remembered as the generation that turned our backs in a moment of global crisis or will it be recorded that we did the right thing.

Hon members, it is time that you do the right thing.

Owing the impact of COVID-19 pandemic, tourism had to be completely stopped from time to time. In spite of these challenges the department achieved 55 of the 67 targets identified for the second quarter. Of the twelve targets not achieved, the department completed ... [no sound.] ... whilst the remaining nine require intervention in terms of financial

... [Interjections.] ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon April, will you just take your seat please. What is your point of order hon member?

Mr I M GROENEWALD: House Chair, I just want to find out, you read out a report about rapid testing and oversight visit of tourism and I don’t think the hon member is busy with that report. If you can just clarify that.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, is that the report you are speaking to?

Mr H G APRIL: ... That is correct Chair.

The HOUSE CHAIRPERSON (Mr C T Frolick): Please proceed.

Mr H G APRIL: Whilst the remaining nine require intervention in terms of financial performance, the department spent R800 000 million of the R1,4 billion adjusted by the end of the 3rd quarter. The committee makes the following recommendations to the Minister of Tourism:

Firstly, the effect of an efficient implementation of tourism sector recovery plan to ensure that the sector is reignited and rejuvenated. Secondly, the Minister of Health and the National Corona Virus Council should prioritise tourism frontline workers in the second phase of the rollout. Thirdly, the board of the South African Tourism must develop revised domestic tourism strategy that ensures the development and activation of domestic travel in order to encourage South Africans to travel within their country thus expediting the recovery of the sector. There is a need for more effective and efficient implementation of the Tourism Equity Fund so that

our black tourism participants in the small *dorpies* in the farms and smaller towns should be more inclusively introduced and part of the tourism trajectory. I thank you, House Chair.

*Declarations of Vote:*

Mr M S F DE FREITAS: House Chair, this government’s job destroying lockdown and travel restrictions have regressed tourism at least 10-years. Stats SA reports that foreign arrivals dropped by 71%, from 15,8million in 2019 to less than 5million in 2020. The overall number for travellers decreased by over 50%, in a 15-year period from nearly 24,6million record in 2006 to 12,1million travellers record in 2020.

South Africa did not receive visitors for the six-months period from April to September last year. The priority must be for us to go back to normal so that we can start working towards bringing back tourism to at least 2006 levels. One of the ways to normalise the situation is to ensure that testing and vaccination are done with speedily and efficiently to as many tourists as possible.

The portfolio committee’s visit to the health passport South Africa, HPSA, Rapid COVID-19 Testing Centre at the Waterfront in Cape Town in March this year was therefore most interesting

and important. The secure system combines testing and vaccination with the latest digital technology to provide an efficient health passport system which can be integrated with the existing travel health and event systems.

The HPSA has developed a process to accommodate high volume on site testing rather, 65 000 people within eight-hours and work with all official COVID-19 test assistants. The system quickly integrates with health systems, venues, airports, test centres and events ticketing platforms for conferences, concerts, culture and sporting events. This type of testing and health passport system can help to immediately reopen the travel tourism events and hospitality industry whilst also protecting individuals, businesses, the economy and society.

Travellers can upload their official passports details on to their health passport app which could be automatically links to airlines notifying them in real time that the passenger’s documents are in order and the passenger is fit to fly. All this is done meeting all the Protection of Personal Information Act, POPI Act, requirements.

The health passport scanner is engineered to enable airports, stadiums, arenas, conference centres and other venues to

safely reopen. It does not require any hardware or special integration. This technology has been proven successful and can be used internationally at events that have thousands of people attending. Locally, this technology was also tested and proved successful. In December last year, it was tested at a live music event called RECHARGE 2020 Grand Café & Beach in Cape Town. At this event 500 people were tested for COVID-19, with 30 who were found to being positive. The event was proven to be successful as in the end, it was not a super spreader event.

Government should encourage the rollout of this programmes by the private sector as they are able to do this efficiently and cost-effectively. Government’s only role should be to facilitate such technologies. Facilitation, collaboration and co-ordination must be explored between the private sector and the various governments departments which is health, home affairs and tourism. Tourism and the ... [Inaudible.] ... need to be prioritised as this contributes to economic growth and job creation. Government needs to therefore explore collaborations with the private sector. In doing this, tourism will begin to properly reopen in a form of various tourism attraction, - attracting events, concerts and conferences etc.

Internationally, we seeing more tourism markets are reopening in variety of countries or within the prescribed covid protocols. These tourism sectors are being revived and people are returning to their jobs. We need to do this as well immediately. Thank you, House Chair.

Mr T M LANGA: Hon House Chairperson, dozens of people have lost their jobs in the hospitality sector as a result COVID-19 pandemic. As they cried for their businesses and jobs, the Department of Tourism was nowhere to be found. However, the problems facing the industry predate the COVID-19 pandemic as far back as 2019.

Statistics SA reported that there was a dramatic decline in the number of people visiting South Africa. This was as a result of multiplicity of factors, but at the centre of which was a governance incompetence such as unintelligible unabridged birth certificates requirements for travelling parents with their children.

The performance of the sector during the period of COVID-19 lockdowns has led to a heavy load on the shoulders of those dependent on this sector.

Many businesses have closed and thousands of people have lost their jobs. There has been no relief worth talking about following these. There has been no innovation on the side of government to save jobs and create localised activities to sustain the sector.

The department has done nothing to promote local tourism. Nothing to provide relief to both workers and employers during this period and done absolutely nothing to table a survival strategy for the industry taking into account the fact that we must adopt to living with COVID-19.

To date the bulk of this sector is still dominated by white people. They own lodges, the nature reserves, the hotels and bread and breakfasts, B&Bs. They also own the routes. They employ black people and exploit them and pay them peanuts as wages.

There has been no fundamental shift on where this department is focusing to grow the sector. There has been no innovation around township tourism, no plans to boost heritage tourism. When we speak about the heritage we speak about African- centred heritage.

We also know that the new Minister of Tourism was brought into this portfolio as a form of demotion because she poses political risk to the continuation of Ramaphosa as the President. However, we do hope that she can do what no other Minister of Tourism has done before and that is to make the sector the mainstream sector for job creation and economic growth. The EFF reject this report.

Mr K P SITHOLE: Hon House Chairperson, the tourism industry has undeniable hit hardest of the sectors by international restrictions imposed by the COVID-19 pandemic. This harsh reality calls for urgent collaboration between the public and private sectors to ensure that we can safely accommodate international relations and business travel and rebuild this industry.

As a committee, we have been told by the Tourism Business Council of SA that before the pandemic, South Africa welcomed 10,2 million tourists in 2019 alone which accounted for R81,9 billion in total foreign direct spend.

South Africa is also the largest tourism economy in Africa and therefore the recovery and the building of this sector is

crucial. It should be therefore a top priority for the government in conjunction with the private sectors.

On the oversight visit, members explored new health passport system. The IFP could fairly support the committee’s recommendations that the Cabinet should explore the effectiveness of various health passport system. There is an urgent health support system affordable and viable. The urgency of this matter cannot be more stressed, government cannot sit back and wait. We need to actively engage with the private sectors and private performance standards, so that government initiatives in boosting these sectors with proper measures.

The IFP also cautions that business opportunities in collaboration with government should be devoted of any loopholes of potential corruption. One of the most threatening consequences in fighting this pandemic was the horrific mismanagement of funds during the emergency procurement of goods. Even more tragic is government inability to hold those who simply abuse these procurement measures and procedures to enrich themselves accountable.

The people of South Africa are disparate for our economy to show signs of economic recovery. The recovery of tourism industry need to be a top priority. The IFP support the committee of the vision that this industry cannot be fully operational again, if we have correct protocols in place and viable and effective health passport system. This however will depend on government’s ability to put plans in place to actively engage with the private sectors and develop this technology. We cannot be left behind ... [Time expired.]

Mr I M GROENEWALD: Hon House Chairperson, tourism is a sector in dire need to reopen fully. Jobs in a value-chain must be secured and be protected against further loss. South Africa must establish itself in a new norm of international tourism and secure its market segment as soon as possible.

The tourism sector is at the downward spiral as unemployment increased and the economy worsened because the sector relies on people domestically and abroad.

Government is the one biggest obstacle in this sector where private business is looking for solutions and government want to talk about solutions.

The health passport and the ... [Inaudible.] ... passes both being in these sectors crucial for tourism sector.

Government work too slow and the department should hit the fast-forward button so that there is a much needed growth in the tourism sector. Let us stop getting reports and talk about reopening, but start implementing.

These private sector initiatives with rapid testing will play a key role in reopening of tourism industry. In an industry that relies on larger crowds and volumes of people like sporting stadiums, concert events and entertainment, especially in the local market.

Without making vaccination mandatory,

*Afrikaans*:

En ek herhaal, geen verpligte inenting nie.

*English*:

Cabinet needs reality and must the government hold hands with the private sector to ensure the economy and industries like tourism don not get extinct. Thank you, hon House Chairperson.

Mr W M THRING: Thank you, hon House Chairperson. The ACDP acknowledges the negative impact that COVID-19 has had on the tourism and hospitality sectors in particular. These sectors have potentially been the hardest hit with thousands of jobs lost. That said, the ACDP also warned as early as April 2020 that, a hard lockdown would decimate our economy and could potentially have a worse effect on lives and livelihoods, than the virus itself. We are also on record for calling for safe voluntary vaccines, the contents of which must be made available to those who take the vaccine.

Of great concern to the ACDP has been a call in certain sectors for mandatory vaccines. While President Ramaphosa is on record assuring South Africans that vaccines will not be mandatory, his Cabinet Minister Mr Nxesi issued a directive, making it possible for employees to declare COVID-19 vaccines mandatory in the workplace. This doublespeak sows a confusion and the President's own Minister casts a shadow of doubt on the reliability of the President's word. The question then is: Can South Africans trust their President, with the truth? The ACDP is also on record as saying that it will oppose vaccine passports. We believe in the constitutionally enshrined rights of all South Africans, as expressed in Chapter 2 of the Bill of Rights, in our Constitution. South Africans have the rights

to freedom of movement human dignity, the right to life, the right to bodily and psychological integrity and the freedom of religion, belief and opinion, as well as expression, among others. Our Constitution guarantees the freedom of choice and bodily integrity, and just as we respect the rights of those who have taken the COVID-19 vaccine so should we respect the rights of those who choose not to.

So, this report recommends that the Minister engages with Cabinet to explore the effectiveness and the efficacy of various health passport systems, which could be integrated with existing travel health, and events systems by combining efficient testing vaccinations and real time mobile technologies now available in South Africa. This passport system will allow entry to events of the testing using the rapid antigen or Polymerase Chain Reaction, PCR test. There are many in South Africa who opposed a dompas system during apartheid, which separated South Africans based on race. We must just as intensely oppose hell to dompas us which would inevitably separate South Africans into the groups of us and them. We understand that, this report seeks to open up the tourism sector, and for as long as the ACDP has a condition that, there will not be mandatory vaccines, then we can talk about accepting. I thank you Chair.

Mr C H M SIBISI: House Chair, the NFP supports the report. Thank you.

Ms P T MPUSHE: Thank you House Chair. Allow me House Chair to say in vernacular, ...

*IsiXhosa*:

... ingqanga neetsiba zayo. Ndiyakhahlela ngale njikalanga yanamhlanje ...

*English*:

... greeting you all in the greatest name of the ANC and its allies. The ramification of COVID-19 on the economy and livelihoods have been dire. This disease has altered our lives and propelled us to do things differently and think differently. It has put unimaginable strain on the labour market globally. According to the United Nations World Tourism Organisation, the global pandemic, the first of its scale in the new era of the interconnectedness, has put 100 million jobs at risk. Many in micro, small and medium-sized enterprises that employ a high percentage of women who represent 54% of the tourism workforce. The reduced tourism activities affected the entire local economies, ordinarily 76% of the domestic tourism spent in on the food and beverage,

shopping and recreation, while only 24% of the spend is on accommodation. The entire economies of the cities, towns and rural areas which depend on the year-end holiday season were badly affected.

It is against this backdrop that the Tourism Business Council of South Africa, the Department of Tourism and the Portfolio Committee on Tourism, commits to the full realisation of the plans and commitments of the Tourism Sector Recovery Plan. The ANC is determined to see the tourism sector lead the recovery of our economy, and carry our people through these difficult times and unprecedented rates of unemployment and poverty.

Hon House Chair and hon members, our oversight visit to the Waterfront Coronavirus Rapid Testing Centre was truly eye- opening and filled up with hope for the recovery of the tourism sector. It has also enlightened us on the many opportunities we can leverage from digitisation. The Health Passport SA has developed the process to accommodate high volume on site testing of over 65 000 people within eight hours and work with all official COVID-19 tests types, including the Polymerase Chain Reaction and Rapid Antigen tests.

The committee was made aware that travellers can upload their official passenger locator forms to the travel wallet section within the Health Passport Worldwide App, which allows for details such as the flight booking number and passport number which can be automatically linked to airlines, notifying them that a passenger’s documents are in order and the passenger is fit to fly. This system is currently being rolled out to businesses and funding will have to be secured and sourced for it to be available to the general public.

Hon members, since the advent of the COVID-19 on our shores, the ANC has always prioritised human life while also trying to mitigate against its impact on the economy and household. It is in the same vein that, we support the work of the Health Passport SA and supported the views of the committee that, the work of the on the rapid testing system needs to be decentralised to where people are located. There is a need to establish whether the technology could assist with the track and trace and be able to ascertain where the ticket was bought by someone who was tested. There is a need to invest in mobile testing capability. There is a need for formal engagement between the private sector and the government to deal with the cost mitigation.

Evidently, COVID-19 has changed how many sectors operate, and the meetings, incentives, conventions and exhibitions sector is no exception. Signs of the new forms of business event are merging as the hybrid meetings with virtual and ... [Inaudible] ... elements are being convinced. This new normal is presenting a new business model for the Meetings, Incentives, Conventions and Exhibitions, MICE sector in calls for speedy adaptation methods by the MICE sector in South Africa.

The ANC supports the view of the committee that, a key success factor to their resurgence of MICE sector in South Africa depends on the deliberate collaboration amongst the travel, hospitality and tourism services that play a role in the collaboration. This collaboration is critical as the pandemic has disrupted a value chain amongst the myriad of critical stakeholders that include event organisers.

The COVID-19 pandemic will compel events business stakeholders to adopt a new way of doing business given the dictate of the prevailing operational environment in Africa. This therefore calls for new innovative ways by both the SA National Convention Bureau and the MICE business sector to invest in new information and communication technologies infrastructure

and customised value venues to be ready for the new normal in hosting business events. The ANC supports this report. I thank you.

Ms R M M LESOMA: Hon House Chair, I move that the report be adopted. Thank you.

Motion agreed to.

Report accordingly adopted.

# CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON TOURISM ON SECOND AND THIRD QUARTER PERFORMANCE REPORT FOR 2020/21 FINANCIAL YEAR

Mr H G APRIL: Chair, speaking at the launch of the Tourism Equity Fund, President Cyril Ramaphosa reminded the nation that SA Tourism Sector has a tremendous potential. The fact that the tourism directly accounts to 2,9% of South Africa’s GDP at 8,6% indirectly, it supports about 1,5 million direct and indirect jobs. Its significantly but not nearly enough.

South Africa is one of the world’s most popular long old

destination. It is a sector that is labour intensive and

therefore has immense job creation capacity. It’s a vibrant and value chain and it generates foreign direct investment and significant export earnings.

Tourism stimulates and support the development of small businesses. It has the greatest potential for long hold visit and it has with the right policy. It is one of the economic sectors that can play a pivotal role in transforming the economy and contributing to changing patterns of ownership and control.

In fact, during the period under review, the Secretary General of the United Nations will tourism generation Zurek Polakovsky remarked:

The Covid-19 crisis is an opportunity to rethink the tourism sector and its contribution to the people and the planet an opportunity to bring back better towards a more sustainable inclusive and resilience tourism sector that ensures the benefits of tourism are enjoy widely and fairly.

It has not been easy, but those of us fortunate and blessed enough to be still alive today need to have the courage to build back better together.

We need to play our part towards reducing the number of infections by contributing and continuing to abide by the Covid-19 regulations and guidelines, ensure that we vaccinate as well as encourage those around us to do the same.

The vaccination rollout initiative is central to our programme to reignite and rejuvenate tourism sector. Recent numbers indicate that more than 12,5 million South Africans have been vaccinated and we can see based on numbers that there is a decline in infections. As the President said in his state of the nation address, like the fynbos the tourism sector and our economy shall come out of this fire rejuvenated and grow afresh. With these observations we acknowledge as the Portfolio Committee on Tourism that indeed together we can do more. I thank you.

*Declarations of vote*:

Mr M F S DE FREITAS: House Chair, due to the imposed lockdown that decimated tourism and hundreds of thousands of jobs the department clearly does not understand that cannot continue to

do things the way they have in the past. In reading through this performance support it is clear the department does not understand and thus harness the importance of the private sector within tourism.

Previous performance report has shown this is a mere department report is ignoring the constant and consistent red flags that many thousands of tourists throughout the country will not be maintained and upgraded by government as it simply hasn’t sufficient funds, lacks the expertise, lacks the efficiency and in some cases new political will to do so.

Performance report consistently reflect our project to delayed and deadlines are not met for example. The Department of Tourism should instance look for partnerships in collaboration with the private sector. We have adversely interest in tourism sites and their success. Government should focus on showing the required infrastructure in place to ensure the growth and development of tourism. Instead, we see the opposite. For example, since government has allowed rail infrastructure to be left to be erect and unprotected and stolen piece by piece.

As things stand today, South Africa has no infrastructure so that meaningful rail and tourism sector except for those that

are created by the private sectors. The department speaks nothing about ensuring that it is a required that is look to acquire skills and professional to ensure the growth of tourism. Instead, it prefers demographically and gender being counts involve itself in activities that contribute nothing to tourism and the development thereof.

Instead of trying to create fair jobs from a former extended Public Works programmes it should rather ensure that some sites are upgraded. In doing this many more jobs automatically be elegant. Instead of handful of training programmes the government rollout should rather provide a centres scheme for private sector to do so instead. In so doing, lot more people becomes skilled but it will be done within the required deadlines inefficiently. For example, a target set by government to train tour guides for so many years has not been made. Why is the department not involved itself on this when highly trained highly qualified internationally and locally accredited training is in place and rollout by expert in the field within private sector?

Ironically, all these are leave done without costing the department a single cent. Align more involvement from the private sector will really transform tourism that government

is trying to do ideologically. The constant rush changing of block down levels has no positive of tourism and the development of it. It has the very negative effect. Instead, government should be creating consistency and stability the large tourism large market.

We should learn from countries that have prioritised the tourism industry in the same way that health workers as the first responded has been prioritised when it comes to vaccinations. House can really good to tourism in a post Covid era unless we do this. I thank you, House Chair.

Mr K P SITHOLE: Hon Chairperson, at the outset we wish to state that we are aware that the restriction imposed due to the Covid-19 pandemic inevitable had a major impact on the implementation of various programmes because the Department of Tourism and South Africa tourism be unity we cannot be ignore. We however must despite these challenges carefully monitor reason for non-performance and ensured that per pattern of failures are immediately addressed.

It is concern to the IFP that there is a securing theme of poor planning for project to be presented with third parties. For instance, the development of the national tourism

annalistic system framework did not commence. Due to the delay in appointing a service provider, we simply cannot ignore such failures. As Parliament, we have a duty to demand an answer in a presentation to the Joint Committee on Tourism Select Committee on Trade and Industry and small business development. In May 2020 Parliament was informed by the department that it need to compete development of this framework by the fourth quarter of 2020-21 financial year.

However, a service provider to develop this White Paper was simply not appointed in the second quarter. No proper risk reasons we are provided for this failure. The IFP agree with the committee that the department should urgently improve on its claiming and its eliminating delays in appointing services providers.

The IFP also noted there is increase in the brackets rate of the department and we wish to urgently impress on the department the urgent needs to fill these vacancies to ensure any project are not further delay. We cannot afford this such easily affordable further delays affordability failures highly in the treatment of important projects.

Furthermore, we agree with the committee that the Minister of Tourism should urgently facilitate the adoption of tourism

recovery plan as well as how it is to be funded. According to the report by Statistics SA on tourism released in April 2021, Value of tourists increased by 72,6% from 8,2 million in 2019 to 2,8 million in 2020. Furthermore, in 2018 alone the tourism sector accounted for 4,5% of total employment in South Africa.

It is critical, hon Chairperson, that rebuilding and recovery of tourism industry should be a key priority for South Africa. We cannot be preserving quiet innovative solutions stimulate travel, especially on the ... The IFP will accordingly carefully monitor the Department of Tourism and Tourism South Africa performance and accountability ... The IFP accept the report. [Time expired.]

Mr I M GROENEWALD: Thank you, hon House Chair. Government cannot say that they are doing everything in their power to get the tourism market unlocked again, and then put stumble blocks in the way for businesses to overcome. One cannot put all the same ingredients in a mix and expect different outcomes. The committee found that it is, the one market that was hit the hardest and most underfunded. The government political ideology is hampering the market to unlock, due to laws in place like affirmative action, Black Economic Empowerment, BEE, and over regulated labour laws.

The tourism market has hit rock bottom and is the ANC ideology not addressing the past anymore but rather creating a new injustice in this market where all participant, and especially the small, medium and micro enterprises, SMMEs, that was the greatest employer in the market, almost lost everything.

Addressing some of the challenges, different departments must work together to promote an attractive destination in an international market segment and encourage domestic tourism taking into account the new norm, yet, the police cannot ensure safety, local government can’t ensure infrastructure and government cannot create investors’ confidence.

Government must do what they can with the limited resources they have, but leave the private sector to do what they do best and that is to adapt to time and realities even if the ANC can’t seem to do so. This is the time for a new normal, implementation of innovation already done by the private sector, new approach to overcome challenges, and a new government without the ANC. Thank you, Chair.

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

Mr W M MADISHA: Hon Chair, thank you very much. The economic collapse that South Africa faces at the moment, demands a conscientious department and political leadership that can use tourism to deliver food on the tables of all poor South Africans. Whether we admit it or not, the economic redevelopment in South Africa is still going to take a very long time and many years, both because of Covid and the fact that, even before the Covid arrived, the economic realm in which the South Africans existed, was that of joblessness or poverty.

It is against this background that Cope believes that, tourism can contribute positively to improve lives of our people. Cope proposes that, firstly, South African tourism business must be designated to give outsiders many more authentic cultural experiences. That means that, all ethnic and cultural themes must be developed with a usage of a national team of designers, co-operatives, etc. initially funded and trained by the relevant department. Secondly, the department must emerge with a programme that will ensure the safety, nonexploitation and support for the tourists.

Thirdly, it must train the youth so that they can become the owners of tourism industry, that will help us to reduce the

two thirds of unemployment rate that our young people find themselves in today. Without doubt, properly organised tourism structures can improve the economy and save South Africans from the death they presently are faced with. As part of the promotion programme, we propose that, all tourists living in the country, must be debriefed to turn back their criticisms and suggestions for South Africa to evolve to new strategies and revive new policies. Thank you very much.

Ms L S MAKHUBELA-MASHELE: Hon House Chairperson, today the Portfolio Committee on Tourism has tabled the report on the second and third quarter performance for 2020-21 financial year. While the department managed to achieve 82% of its targets in the second quarter and 77,61% in the third quarter, the ANC is concerned about the impact of the COVID-19 on the programme such as Destination Development. The department has anticipated that the sites for the Expanded Public Works

Programme, EPWP, participants were supposed to be placed on experiential learning, will not be fully operational by the third quarter.

But fortunately, when the restrictions were lifted, more of the EPWP participants were placed in the different tourism and hospitality sites. This is a crucial project for the

alleviation of poverty and unemployment, particularly amongst our youth. Hon members, the ANC welcomes the fact that the department maintained a minimum representation of employees with disabilities of around 4,3%. We also welcome the department’s continued support for the small, medium and micro enterprises, SMMEs.

The ANC is also concerned that the department failed to meet the following targets: Fifty percent of women representation at senior level management, as a result of vacancies that occurred during the period under review, the 100% implementation of deliverables for the quarter one, quarter two and quarter three of the department’s communication strategy. The day the gender-equity dialogue was moved to the fourth quarter, because the facilitator on gender issues was not available.

Hon members, the environment was not conducive for SA Tourism to manage the 80% of its targets which they have been able to manage for the second quarter, and 68% for the third quarter. The COVID-19 variants that were detected, also made it difficult for our country to attract international and regional tourists. However, South Africa is seeing signs of recovery in the domestic tourism. The percentages changes in

the arrivals and departures in the O R Tambo and Cape Town International Airports in 2020, compared to the same month in 2019, demonstrates the recovery in the domestic travel.

As we focus on the recovery of the sector, priority source markets were identified to grow tourism into South Africa over the next five years. However, the onset of the pandemic decimated the potential from many of these source markets. SA Tourism must also refocus, rebuild and dynamically target regions that will boost the country’s tourism sector in the immediate term. About 20% of experts projects that the recovery will only pick up in the year 2022, and the focus sites will be on the regional and domestic markets. Some of the barriers to the recovery can be attributed to the slow vaccination responses time and the low consumer confidence.

The recovery depends on the three elements within this pandemic, which is the pandemic trajectory, travel restrictions and vaccine development. With all these hindrances and all these challenges that were confronted by the tourism sector as a whole, the department is able to report some positive spin offs, and it’s able to report on their performance. We know that tourism was the hardest hit sectors, and we welcome their recovery plan of the department

and our entity as tabled to the portfolio committee. We will also be supporting these trajectories and these plans towards recovery.

But we all know that, for tourism to get back on its feet, we need the people of our country to be vaccinated, we need the country to be able to get immunity. However, with all these challenges, tourism will rise and tourism will strive again, because we know that tourism does have the potential to do so. The ANC supports these recommendations of the quarterly performance as tabled before the House and the ANC supports the report. Thank you, Chairperson.

The ACTING CHIEF WHIP OF THE MAJORITY PARTY (Ms R M M Lesoma):

Thank you, hon Chair, I move that the report be adopted.

The HOUSE CHAIRPERSON (Mr C T Frolick): The motion is that the report be adopted. Are there any objections?

[Take in from Minutes.]

Motion agreed to.

Report accordingly adopted.

# CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON HIGHER EDUCATION, SCIENCE AND TECHNOLOGY ON FINANCIAL AND NON- FINANCIAL PERFORMANCE OF 2020-21 SECOND QUARTER OF DEPARTMENT OF SCIENCE AND INNOVATION

Ms N T MKHATSHWA: Hon House Chairperson, hon members and colleagues from the National System of Innovation. I stand before you at the beginning of this Heritage Month to table the 2020-21 second quarter financial and nonfinancial performance reports of the Department of Science and Innovation. The COVID-19 pandemic has reminded us that we cannot shy away from the importance of indigenous knowledge systems as seen with the increased reliance of communities of traditional medicines during this pandemic. So, as this Heritage Month begins, I implore on all of us to recommit ourselves to the protection, promotion, development and just management of indigenous knowledge systems.

The department’s original 2020-21 budget allocation was

R8,8 billion, which, when adjusted for inflation, represented a real increase of 3,1%. This being the first real increase since the financial year 2015-16. With the much-needed budgets for the department to continue doing its great work and to

ensure that the sectors are more inclusively and intentionally responsive, the committee welcomes this increase.

Unfortunately, this excitement was short-lived as funds had to be reprioritised to respond to the COVID-19 pandemic. The budget was reduced to 7,4%. By the end of the second quarter, the department has spent approximately 50% of its available budget and it shifts 61% of its 33 performance target for the quarter. The COVID-19 pandemic, the resultant lockdown and its effect on operations and productivity was the main reason for the slower than planned spending and the higher than usual number of unachieved targets.

The department assured the committee that with the easing of lockdown, both financial and nonfinancial performance was sure to improve. During the briefing, the department shared some of its key achievements for the period under review. Examples of this would include its investment and human capital development through the awarding of postgraduate bursaries, experiential work programmes for unemployed science and technology and innovation graduates. International patents are being filed as work to support the district model and most remarkably its research development and innovation in relation to COVID-19.

Cognisant of the department’s effort to support the national response to the COVID-19 pandemic, the committee commended the department and role-players in the national system of innovation for their work. Work that could only be done due to the historic long-term investment in building the nation’s research technology and innovation capabilities.

It was these capabilities, amongst many others, that could immediately be mobilised to enhance that possibility, for example, a test for COVID-19, to monitor and track the rate of infection, to participate in global efforts to develop a vaccine, to investigate prophylactic measures based on indigenous knowledge, assess the public attitudes to have perceptions of the virus and measures instituted to mitigate its effects. IsiLungu [English] is not our mother tongue.

And lastly, our ability to locally develop and manufacture ventilators. So, we must unequivocally applaud the department for continuing to play such an exceptional and central role in the country’s response to COVID-19.

Despite the budget reprioritisation that the department was affected by, now more than ever it is the time for us as a

government to understand the importance for an increase in budget for the Department of Science and Innovation to be able to continue to build the country’s resistance to many potential risks, such as this COVID-19 pandemic. Imagine how much more work this department could do with an increased budget. How much more resilient it could make us as a country with an increased budget. However, we must implore the department to ensure that in our cries for it to have an increased budget, it must ensure that its work is inclusive, intersectional and representational. uMzantsi jikelele [The whole of South Africa] must bear the fruits of the work of the department.

When considering the department’s input of key concern to the committee was the low amount spent on procuring services and goods for small and medium-sized enterprises, especially those owned by black females and persons with disabilities. In addition, the committee encouraged the department to actively and deliberately include persons with disabilities in their science, technology and innovation programmes.

The committee resolves to monitor with the department improving and meeting its targets for the procurement spent whether or not it was meeting its targets with regard to

beneficiaries and participants in the science, technology and innovation programmes and improving on achieving holistically all of its targets. This report is placed before the House for consideration and adoption. We hope that during this Heritage Month we will all take time to introspect and reflect critically on a myriad of matters relating to our collective identity as South Africans.

*Sepedi*:

Re a leboga, Modulasetulo.

*English*:

*Declarations of vote*:

Dr A LOTRIET: House Chairperson, this report covers the period

1 July 2020 to 30 September 2020. And as such it falls within a period when the country was barely three months into the COVID-19 pandemic and lockdown. It is thus within this context that the department’s performance has to be judged. At the end of the quarter under consideration, the department has spent 50,4% of the available budget which was 20,3% slower than the projected expenditure of R44,4 billion for the quarter.

If one looks at the report, it is clear that much of these underspending was due to slow spending, transfers and

subsidies within the research, development and support and socioeconomic innovation programmes. This is mostly attributable to the delayed implementation of various projects. There was also an underachievement in terms of planned performance targets in that 61% were achieved of the planned 33 targets. This can mostly be attributed to the impact of the COVID-19 lockdown on these specific operations. In looking at the under expenditure or slow expenditure of the budget programmes, the effect of the lockdown can be seen and has to be acknowledged.

However, there are matters of concern that have to be highlighted. Of great concern is the problems with staff capacity. This is a department that relies on highly skilled and qualified staff, and it would have a detrimental effect on the future performance if this cannot be addressed as a matter of urgency. It is concerning that at the time of the report the department had 97 vacancies. This has been a historic problem in the department and it is largely due to an inadequate budget.

The delays in finalising contracts such as that of the SA Radio Astronomy Observatory’s research and development infrastructure and the delays in the transfer of funds for the

Square Kilometre Array will have to be addressed, although one does understand that some of the delays are outside of the control of the department.

Although the department reported on underspending or slow spending in the second quarter, this department remains one of the best managed departments and still manages to perform extremely well in spite of an inadequate budget. We have again seen the importance of science and innovation in the changed world we live in now, specifically related to COVID-19. This department is at the centre of this. However, it can do it alone and it is incumbent on all other departments to join hands with the Department of Science and Innovation to enable them to promote and deliver science and innovation to address the future wellbeing of the country.

This department cannot and should not function in isolation, and their work should not be viewed as of minor importance. They need buy in and backing of government various departments in all spheres and the private sector. Science and innovation would determine and it is to a large extent already determining our future. The DA supports this report.

Ms N N CHIRWA: Chairperson, the EFF rejects this report as it is further confirmation that the department is determined to underfund the sector even when the funds are readily available. Under the quarter under review, the department failed to meet 50% of the targets it set for itself. And what is most alarming, is the inability to utilise and disburse funds that would change the lives of students in universities and Technical Vocational Education and Training, TVET, and improve community education development.

There is no consequence management because the Minister treats Parliament like a pulpit and comes and goes as he pleases at the expense of the critical mandate of oversight and the committee ought to perform. There was underspending that amounts R242,3 million in the community education and training programme and perennial vacancies that result in a poor rollout of developmental programmes.

The target to conduct testing within 40 days of qualifying applicants of the trade test under skills development was not met. Meaning potential artisans and motive forces of our economy have been left lingering without qualifications due to gross incompetence. Examiners and moderators who already

rendered their services in the 2019-20 financial year are subjected to non-payment due to ... [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member on the platform, just give me a moment please. Why are you rising hon member?

Mr G MAGWANISHE: Chair, I am rising on a point of clarity. I think the member on the platform is speaking about Higher Education and we are on Science and Innovation. Disbursement of funds really on Science and Innovation? No man.

The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you, hon member. Hon member, you may continue. Just stick to the report.

Continue, hon Chirwa.

Ms N N CHIRWA: Chairperson, we are under the impression that orders four and five are put as one. So, we are making a declaration for both those orders.

The HOUSE CHAIRPERSON (Mr C T Frolick): Let’s allow the hon

member to wrap it up nicely for us. [Interjections.]

Ms N N CHIRWA: Thank you, Chairperson.

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon members! Order! We earlier had a similar problem when the ANC also committed such a mistake. So, let us not have short memories. Continue, hon member.

Ms N N CHIRWA: Thank you, Chairperson. Examiners and moderators who already rendered their services in the 2019-20 financial year are subjected to non-payment due to

R209,6 million underspending in TVET and vocational sector. This inexplicable scenario is made worse by the fact that the TVET Infrastructure Grant has been drastically cut, further emphasising the lack of developmental appetite by those leading in this department.

The delay of transport payments to higher education institutions which amounts to R1,35 billion have been underspent is the most chilling statistic in this regard because it can be directly correlated to the starvation, financial exclusion and in the most extreme instances, the death of needy students like we saw in eThekwini TVET college with Yonwaba Manyanya.

Incompetence, austerity and poor financial management has consequences on the lives of people. And if we continue

allowing mediocrity to thrive without any firm measures to turn around performance in the department, then the youth of this country is justified in its continued revolt against the government of the day. The EFF therefore rejects this report. Thank you, Chairperson.

Mr S L NGCOBO: Hon Chairperson, it is undeniable that the COVID-19 pandemic has motivated the urgency and need to invest in research and technology. Investing in science, innovation and technology has the power to unlock the future and could transform our society. It is therefore concerning that South Africa’s current research productivity currently stands at 0,88% to 1% of the global output.

We urgently need to change this picture despite the National Development Plan, NDP, acknowledging that South Africa only spent 0,92% of gross domestic product, GDP, in 2007 on research and development, and that much more needs to be done to increase South Africa’s global competitiveness. We have been slow to address this situation.

The tragic reality is that our country’s ability to overcome

future pandemics will largely depend on its ability to fight

with science, innovation and technology — a clear fact our government has failed to acknowledge.

On consideration of the report the committee the IFP acknowledges the impact of the pandemic on the operations of the department. We however remain concerned about the department’s underspending. According to the report, the department only spent 50,4% of its available budget at the end of the second quarter, and spent only R944 million compared to R4,7 billion projected for this year.

Underspending on programmes will inevitably result in reprioritisation of funds by National Treasury. This will greatly hamper the advancement of science, innovation and technology. The IFP is furthermore concerned about the high number of vacant position in the department. According to the report, the department has the second quarter of 2020-21 had

97 vacant positions. This is simply unacceptable and needs to be addressed urgently.

The IFP agrees with the committee’s recommendation that the department should procure more services and goods from small medium enterprises. It is concerning that less than 1% of these goods and services are procured from such enterprise.

In conclusion, now more than ever, we need to focus on science, innovation and technology to uplift our communities, create employment opportunities and unlock potential of this glorious country of ours. we will be judged by the future nations on actions taken to advance science and technology to restrict the spread of future pandemics and to fight climate change. Let us not simply pay lip service to these commitments; let us make them a reality. The IFP accepts the report.

Dr W J BOSHOFF: Hon House Chair, the Department of Science and Innovation is normally one of the departments to generate some level of excitement due to the forward looking nature of its work. In the period ... [Inaudible.] ... however, COVID-19 was on everyone’s lips and in everyone’s throats. The department also had to cut its budget after it had briefly enjoyed its first budget increase in a considerable time. And this is not the important part of the problem, right at the stage when it was vital to invest in the future, it was necessary to cut the budget which does exactly that.

The lockdown should not bear all the blame for this reality. The weak growth in the South African economy stretches over years. It weakened the country’s resilience turning what would

be a disaster into a calamity. That is also the time when one asked questions about the efficiency with which funds had been invested.

The FF Plus asked many questions about the ... [Inaudible.]

... project which results under this department. Since then at least the recommendations of the finding’s report on maladministration were implemented. However, despite billions of rands being spent over nearly two decades on this project, income still needs to be generated. Information is that virtually no work had been done for at least two years now on this project.

In similar vein, is the titanium project. It is a venture with huge potential for the beneficiation of our mining resources. Yet, it appears to be at the stand still too. When the department reports it is of higher priority to declare the extent to which quotas regarding race and gender were reached than the funds generated by industrial uptake of processes developed within the department.

Even yesterday, the Director-General of Science and Innovation set the goal of attracting multinational companies to establish research and development in South Africa.

Historically and presently advantage companies from historically and presently advantage countries will be invited. But loyal South Africans are kept out of positions where they can make similar contributions because they had been advantaged before. That most probably contributes to the

97 vacant positions, a quarter of the total workforce in the department. Which brings us back to the start.

Policy decisions led to weak economic growth which led to lower taxes, which meant that money had to be saved on science and innovation when it was needed most. Nevertheless, the Freedom Front Plus supports this report.

Mr W M THRING: Hon House Chair, the ACDP posits that the Department of Higher Education, Science and Technology is key to turning around the economy of South Africa. History and research teach that those developed and developing nations who prioritise the disciplines of science, technology and innovation show great advancement in economic development as well as improvements in the general standard of living for their populations.

There is a correlation between increased investment in science, technology and innovation as well as GDP growth. The

ACDP supports the outcomes set for the National System of Innovation, NSI, which include a transformed, inclusive, responsive and coherent NSI; human capabilities and skills for the economy and development; increased knowledge generation and innovation output; knowledge utilisation for economic development and revitalising existing industries and stimulating research and industrial development; knowledge utilisation for inclusive development and innovation in support of a capable and developmental state. We are, however, as the ACDP, concerned about the downward revision of gross expenditure on research and development from a target of 1,5% to 1,1%. If anything, we should consider the upper limit if the six NSI outcomes are to be achieved by 2025.

Furthermore, we believe that the number of department-funded PhDs graduating annually as a contribution to the National Development Plan, NDP, of 100 PhDs per million populations by 2030 should be increased incrementally to meet the developmental needs of the country.

The outcome seeking to increase South Africa’s research productivity, currently at 0,88% of global share to 1% of global output is, in our view, mediocre. And the ACDP would call for a doubling of the current percentage if we are to be

taken seriously on the international stage of science, technology and innovation. With these concerns, the ACDP supports this report. I thank you.

Mr C H M SIBISI: Hon House Chair, we are present this time. Firstly, the NFP would like to congratulate hon Nompendulo Mkhatshwa for her election as the chairperson of the Portfolio Committee on Higher Education, Science and Technology. It is heart-warming to see young people excel in positions of leadership especially in the ANC, but it’s not about the face but the quality. The NFP wishes her a good run and remembers that she is representing young black girls from ...

*IsiZulu*:

... emakhaya ...

*English*:

... dreaming to transcend into positions of leadership. We would also like to welcome the guidelines by the Department of Health and the National Department of Higher Education, Science and Technology that will follow against gender-based violence on campuses. The recent hideous crime that happened in Fort Hare University of the murder of Nomcebo Mtebeni reminds the government of the importance of fighting gender-

based violence and femicide with a lot more than just guidelines. Gender-based violence and femicide have penetrated every aspect of life and its long-term psychological effects on the victims translate to the sad realities we see in our communities. We call on the department to push for laws that incriminate perpetrators of gender-based violence and femicide. We do not send our children to universities for them to be abused, shamed, sexually harassed and murdered. We send our children to give them a future and not and not for their future to be taken away from them.

The Minister must come out clearly and tell us why his department is opting to hire private forensic investigators instead of utilising the Special Investigative Unit, SIU, which has confirmed to the Select Committee on Public Accounts, Scopa, has the capacity to do professional forensic investigations. The NFP welcomes the report. Thank you, House Chair.

Mr B S YABO: Hon House Chair, hon members, fellow South Africans, let me first begin by sending our most sincere condolences to the families of the members of this House who have since fallen due to the COVID-19 pandemic.

*Setswana*:

Kere go ba malapa, gomotsegang bagaetsho.

*IsiZulu*:

Ngithi, dudu kunina zihlobo nezelamani.

*English*:

Let us also welcome Heritage Month in all its glory. For us to appreciate where we are and where we are going, we need to acknowledge our past and learn from it. We all need to be proud of our heritage. A heritage steeped in victory over adversity. The period under review was beset by a national lockdown which was intended to curtail the rapid spread of the COVID-19 virus which came to our shores in March 2020. The unintended result of the national lockdown was the rapid shrinking of the economy which came with dire consequences for the livelihoods of many South Africans. It is during this period that all and sundry felt the impact of the necessary national lockdown. This period also saw a reduction in government spending and the reprioritising of funds to deal with the effects of the pandemic.

I felt it was important to underscore this context as our friends from the EFF seem to think the reduction of spending

was caused by some magical incompetence that sprung out of the department. A department that we all praised for its second- quarter performance as parties in the committee.

Turncoats are a problem in this country. They applaud you, on one hand, they hit you on the same matter on another hand.

Turncoats are a problem in this country. We must acknowledge that the department achieved 20, which is 61%, of the 33 planned performance targets and did not achieve only 13.

The reason for the large number of targets that were not achieved was ascribed to the COVID-19 lockdown and its effects on operations and productivity. Furthermore, ongoing and worsening staff capacity issues as well as the current review of section 11(d) of the Income Tax Act, continues to hamper the administration of the research and development tax incentives

The predominant trend we have observed for the underspending of the various programmes of the department was due to delayed transfers which were not made to several entities in the department. It is common knowledge that the development of globally competitive economies has been underpinned and

buttressed by and large by being on the cutting edge of innovation.

It is, therefore, peremptory that a transversal department such as the Department of Science and Innovation spearheads the country’s participation in the knowledge economy and the realisation of surplus value from the commercialisation of the various innovative ideas under development.

The department must urgently amplify its work in the pursuit of the decadal plan as well as ossifying the framework for the National System of Innovation. And put science, technology and innovation of the accelerated inclusive economic growth.

We urge the department to ensure that it improves its performance output particularly as it relates to areas that have a meaningful impact on the overall performance of the department and its entities. The creation of jobs; the significant reduction of the gap between the haves and the have-nots, as expressed by the Gini coefficient, and the expansion of research critical mass and throughput through the funding of more doctoral and post-doctoral research needs to be given more attention moving forward. The creation of sustainable synergies between the department, its entities and

the private sector towards the attainment of inclusive economic growth remains as the focal point for all efforts geared towards achieving departmental targets.

Special focus on targeted procurement with a bias towards small and medium enterprises by the department is also encouraged and in particular those owned by black females and people with disabilities. We will monitor this continuously as the ANC.

We will also monitor the department to ensure the fair and representative inclusion of persons with disabilities in science, technology and innovation programmes and initiatives. The pandemic and the Fourth Industrial Revolution presents the opportunity for the country to leapfrog from a moribund economic state to a future of consistent economic growth through a sharp focus on science, technology and innovation.

With this as our vista, our collective future is bright. Thank you, House Chair.

Ms R M Lesoma moved: That the Report be adopted.

Motion agreed to.

Report accordingly adopted.

# CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON HIGHER EDUCATION, SCIENCE AND TECHNOLOGY ON 2020-21 SECOND QUARTER PERFORMANCE REPORT OF DEPARTMENT OF HIGHER EDUCATION AND TRAINING

Ms N T MKHATSHWA: Hon House Chairperson, members and citizens, it genuinely pierces my heart that exactly a week ago I stood before you and wish the families of two Fort Hare students condolences on the loss of their children. Again, I stand before you this afternoon and send our heartfelt condolences to the family and friends of, yet, another East London student. On the evening of Monday, the 30th of August 2021, at Walter Sisulu University, St Patrick’s Court student residence, a third-year Human Resource Management student was stabbed to death by a fellow student in an altercation. From the little that has been alleged to have occurred in the altercation there’s is an unquestionable need for a deliberate programme to inculcate a socially cohesive South Africa, starting with institutions of higher education not, of course, excluding many other social institutions. However, prioritising social institutions such as those in the basic

education sector and higher education sector as ... [Inaudible.] ... in our society.

We commit ourselves as a committee to working with the institutions and the department at large in addressing the ... [Inaudible.] ... social intolerances in our institutions. Hon members, the Portfolio Committee on Higher Education, Science and Innovation continues to endeavour towards strengthening oversight and accountability of the Department of Higher Education and Training. The committee has been consistent in monitoring progress towards the achievement of the financial and nonfinancial performance of the department against the predetermined targets set for the 2020-21 financial year.

For the 2019-24 Medium-Term Strategic Framework, MTSF, the department planned to extend access to Post-School Education and Training opportunities, plan to improve the efficiency and quality of the Post-School Education and Training, PSET, system, plan to ensure that the system is responsive to the currently economic needs of society, and lastly, to ensure success within the PSET system.

The department specially adjusted appropriation for the year 2020-21, amounted to a R107 billion which was inclusive of

R95,9 billion of voted funds and R11,3 billion of direct charges against the national revenue fund for the skills development. For the quarter under review that projected expenditure amounted to a translator to 73,3% of the available budget. At the end of the second quarter the lower than projected spending excluded direct charges amounted to a translated 3,5% of the available budget. The committee noted that the lower than the projected spending was due to the delays and transfer of earmarked grants to universities and respects or block and earmarked grants that will not transfer as projected.

Institutions of higher learning failed to submit their audited reports on time on their spent earmarked funds. Expenditure on goods and services during the second quarter was also slow.

The department underspent 48,7% of the quarterly projected expenditure. This was actually ... [Inaudible.] ... to the slow down activities due to the coronavirus disease, Covid, lockdown. In terms of the service delivery programme, the department had six-plan targets which was shared between its budget programme, administration, university education, skills development and the community education and training programme. The department achieved 50% of the planned quarterly targets.

The committee commends the ability of the department to achieve unqualified audit opinion for the funds audited by Auditor-General of South Africa. The target that was not achieved included the number of intergovernmental international scholarship for meetings which could not be convened due to the lockdown, and this has been rescheduled to the third quarter. The targets do have a biannual report on teaching and learning improvement plans which was not achieved because the monitoring of teaching and learning could not take place due to the lockdown. In relation to underspending on compensation of employees, the committee was concerned by the impact of the Department of Public Service and Administration circular instructing the halts of recruitment processes during the levels 5 and 4 of the lockdown.

Furthermore, the committee was concerned by the recurring reasons for ... [Inaudible.] ... in terms of nonachievement of targets. As such, we really implore the department to follow through on the mechanisms put in place to address the causes of underachievement. The four-months payment holiday on skills and levies is negatively impacted funding for Sector Education and Training Authority, Seta’s, and a National Skills Fund.

This further impacted the placement of students and work-based

learning and artisan development programme learnerships and internships.

Whilst we acknowledge that Covid-19 has had and continue to have an adverse impact on PSET sector, considering the immerse need for an increase budget for this department to ensure access and success in relation to the acquisition of skills and knowledge by many young people in this country, we strongly recommend, amongst others, that the department improve its spending to, you know, we can’t even lose a single cent, hon Letsie, avoid reprioritisation of these funds towards other government priorities. We also recommend that the department monitors implementation of remedial plans to address underachievement of targets. As the committee, we recommend ourselves to continue to monitor progress and the implementation of these recommendations that we made to the department entity and various institutions. This report is placed before the House for consideration and adoption.

*Xitsonga:*

Ndza khensa, Mutshamaxitulu.

*Declarations of vote:*

Ms C V KING: House Chairperson and colleagues, when any government department underperforms, two things are usually to blame: apartheid ... [Inaudible] ... and the new one, coronavirus disease 2019, Covid-19, lockdowns. The second quarter of 2020-21 review did not fall short of blaming Covid-

19 for not getting things done. The absence of the Minister and the Deputy Minister during the meeting did not go well with the committee. During this period the committee sent a letter to the office of the Minister regarding National Student Financial Aid Scheme, NSFAS, and no response was forthcoming, even after a reminder was sent to the Minister’s office. One could safely say that this office was refusing to account to Parliament when a member of the executive fails to comply with the constitutional obligations to account to Parliament, then oversight function of the committee over institutions and PSET sector will be futile.

We have a leadership vacuum in this department, especially during the Covid period. A vacuum ... [Inaudible.] ... that is set itself to every possible leadership alternative you could find. The oversight function of the committee is closer to monitor the progress made ... [Inaudible.] ... through the achievements of financial and nonfinancial performance of the department at this predetermines objectives and targets to put

into ... [Inaudible.] ... requirements of section 5,2 of the Money Bills Act. During this period, the Minister of Finance announced the reprioritisation of funds which led to the department’s special adjustment budget of R107 billion from an initial R116,86 billion. R5 billion was prioritised to fund Covid-19 related activities of which R1,5 billion was spent and the department to protect employees from Covid, and to purchase protective equipment. R2,5 million was allocated to NSFAS for the purchase of laptops for students since they were studying remotely and the remainder of these funds was allocated to universities and technical and vocational education and training, TVET, colleges for all Covid-19 related programmes.

What is of major concern is that funds to directed towards laptops should have ... [Inaudible.] ... during this quarter and finalisation ... [Inaudible.] ... only occurred during May 2021, which universities and TVET colleges comply to supply students with laptops out of their own funds during this quarter. They were 86 targets for the 2020-21 financial year. Quarter two had six targets of which four was a specific target. Three out of this six targets were achieved for an overall underspent of R4,5 billion of 5,5 of projected quarterly underspending. Failure for funded vacant posts in

the department and SA Qualifications Authority, Saqa, failure to conduct trade testing for 386 diesel mechanics, electricians, fitters and turner had an impact on their employability and self-employment of these candidates, and the loss of R6 billion by the skills development programme as a result of the four-months skills payment holiday where all ... [Inaudible.] ... for underachievers during this quarter as a result of Covid-19 lockdown.

Many of the variances and performance were recurring. They were not new issues. This implied a lack of a fake of consequence management measures that were not in place. The December performance of NSFAS and the National Skills Fund during this period did not rock the Minister to make ... [Inaudible.] ... changes. Instead, personality battles between the Minister and the director-general, DG, exacerbated the situation leaving no room for effective implementation to remedy the situation.

The observations and recommendations made by the committee was a clear indication that the department ... [Inaudible.] ... moving towards a downwards trajectory if this financial expenditure and targets were not met. No amount of ... [Inaudible.] ... blaming apartheid or certain aspects Covid-19

lockdown can hide the reparative nature of the department’s failure to get things done. Even when the DA presented to the President where the Covid-19 Blue Book to navigate skills development during this time ... [Inaudible.] ... slow pace of this department to adapt to a new normal as little underperforming during this period. The department’s task for upskilling a knowledge generation of our country. The department’s task to keep unemployment at bay. The DG should not be the only one to shape up or shape out, but the Minister as the overseeing authority should as well. Considering the recommendations made in this report, the DA will support this report. I thank you.

Ms N N CHIRWA: The EFF rejects the report, House Chairperson.

Mr S L NGCOBO: Thank you, hon House Chairperson, the higher education sector experienced immense upheavals over the period concerned, compromising the education of the millions of young South Africans and the functioning of all tertiary education institutions.

As with other government departments, this one also experienced budget adjustments to assist in the COVID-19

response. This together with the lockdown regulations had a direct impact on its ability to meet its targets.

The IFP acknowledges the Auditor-General’s unqualified audit opinion and trusts that the department’s remedial plan to adjust the audit findings is being implemented and will be reflected in this year’s report.

The IFP notes that the department’s understanding can be attributed to lockdown restrictions. This also impacted, amongst others, the filling of vacant critical posts and the department’s operational expenditure in items such as operating leases, training and development of employees and usage of facilities.

However, the department’s delays in providing the information requested by the committee remains a concern. Parliament cannot exercise effective oversight when the Minister does not provide the relevant information timeously.

The IFP reminds the department that accounting to Parliament is a constitutional obligation and it must endeavour to meet deadlines. Another point of concern is the relationship between the department and ... [Inaudible.] ... The IFP urges

the department to improve controls and accountability processes so that students are not left stranded as they have been in the past when school year commences.

Further, the department must develop together with institutions means by which to financially contribute to better security in and around campuses nationwide.

The scourge against violence and femicide is a priority concern and this must be reflected in the financial planning.

Finally, the department must improve its spending to avoid reprioritisation of funds meant for the expansion of access and success in education and training to other priorities of the government. This sector is critical to the development of South Africa, and every cent must be accounted for. The IFP supports the report.

*IsiZulu*:

Sethembe!

Mr S N SWART: House Chair, I think the FFPlus is before us, but I just want to indicate that we support the report

...[Inaudible.] ... Thank you.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Swart, Mr Thring is already here.

Mr S N SWART: My apologies, House Chair, thank you.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): You want to go ahead? You can go ahead. I am aware that I jumped FFPlus. We will go back to them.

Mr W M THRING: Hon House Chair, in considering the performance report of this department, the ACDP notes that it is tasked with a critical responsibility of educating and enabling our young people, but sadly, it has failed to perform.

We note, as we have in the past that as a nation, we are failing to capitalise on our youth dividend, opportunities to develop skills, nurture professionals and empower entrepreneurs are unacceptably going astray.

We see from the report that during the period under construction, nearly R2 billion from the total budget was underspent. What is worse, nearly 50% of the budget for goods and services was not spent. If ever there was a time that we needed to ensure that our people are supported and serviced by

government, it is now. Our people are desperate for services and jobs that will allow them to keep their heads above water. Yet the central reason for underspending repeated across the budget programmes is the department’s inability to fill vacant posts. This is reasoned by a moratorium placed on recruiting during the lockdown period levels five and four. It is simply not good enough.

If the department took its duty seriously, it would have busied itself during levels 5 and 4 to prepare and to make up for lost time. It would have ensured that recruiting and budgeting processes were in place when the moratorium ended. Instead, the department failed. It noted in the report, and I quote:

The committee was generally concerned about the recurring underachievement of set targets by the department, which reflected a lack of consequent management for poor performance.

What kind of example is the department setting for students that it is responsible for? If the department did its job, it would have adhered to the restrictions imposed and would practice what it preaches by being agile and adaptive. It

would ensure, especially now when unemployment has rocketed and the pockets run dry that budgets get spent. Clearly, COVID-19 is not the problem. The issues of underperformance existed before the pandemic arrived. The problem is that the ANC and this department have not prioritised students first. It has not taken its mandate seriously.

In the ACDP, we are guided by values, and yet we do not believe just in principled stewardship, we walk it. We realise the importance of planning and executing appropriately. We call upon the department to do the same. In fact, not just to do the same, but to do better. With those words, the ACDP accepts the report. Thank you.

Dr W J BOSHOFF: Hon House Chair, the second quarter report for the 2020-21 financial is no ordinary report, not for any institution or department anywhere. The quarterly status of the months of July, August and September in the year of the great lockdown is that the results of this was that normal work could not be done and consequently, normal goals could not be reached and normal credits could not be collected.

Therefore, all budgets had to be cut except those which had to be increased. In fact, all had to be increased, but it was not possible, so some were cut.

This department was hit particularly hard as there was a payment vacation for skills development levies in addition to other cuts, and these levies fund the National Skills Fund within the Department of Higher Education.

One of the main results of the lockdown was that learning and teaching was forced to go digital in record time. Not only data, but also gadgets had to be procured in record time. The National Student Financial Aid Scheme, NSFAS, had to continue with normal payments while also supplying laptops to students or that was the idea. The supply of laptops turned out be one of the major stumbling blocks in overcoming the negative effects of the lockdown.

The storm erupted over the head of the main administrator of the NSFAS, Dr Randall Carolissen, when he cuts of the process halfway through. What Dr Carolissen was at that stage one of the heroes of the committee, but it all suddenly changed. He cancelled the contract because elected suppliers did not conform to all requirements. In the committee, it was projected as if it was Higher Education’s own laptop ... [Inaudible.] ... or should we say Higher Education digital vibes.

In the process, the ministerial task team was appointed to investigate the period of administration and the Office of the Auditor-General went on with what it does every year. I have it on good authority that the Auditor-General’s report is ready to be published while we are still waiting for the ministerial task team.

As a House, we should pay close attention to the Auditor- General’s report because if it clears the administrator of wrongdoing, new question arises: Why was the administrator maligned and to whose benefit before the laptop order was cancelled? While we are talking, it would be nice to see more of the Minister and his deputy. I thank you.

Mr C H M SIBISI: House Chair, there is no declaration from the NFP but we support the report. Thank you.

Mr W M MADISHA: Hon Chair, a lot still has to be done in so far as institutions of higher learning is concerned. For example, I have not heard the report talking about higher education; many colleges have been shut down. Now, this led to the absence of improvement and implementation of new curricula, which must be relevant to the present economic revolution.

I heard someone saying “which one?”. If you go to Soshanguve, for example, three of them have been closed. Go to Lebowakgomo, it has been closed and very many others.

So, something has to be done to ensure that those who are there or those who must be admitted there are able to help us to develop the people of our country.

Further Education and Training, FET, colleges as well; there are no incentives and finances offered for FET students.

The other area is free technical and university education. What Cope believes must be done is that technical universities and academic universities should be made to offer studies in a long distance manner. This will obviously require material, for example, the e-learning material or even at the institution itself, we’ll have a situation where the educators will be able to recognize that the students cannot be there but can be able to study from a far.

We spoke earlier about the problems of the National Students Financial Aid Scheme, NSFAS, and a whole lot of other problems that face the education sector.

And I want to say that given that the whole problem that we are today facing, a lot has to be done. One would, therefore, say to the committee, please go and sit down and look into all these particular areas, not only universities but the colleges and a whole lot of other institutions so that we can be able to move forward. Thank you.

Ms J S MANANISO: House Chair, hon members, fellow South Africans ...

*Setswana*:

Re apere bontsho, akere le re bone? ... [Tsenoganong.] ... Re apara bontsho bono jaaka letshwao la go bontsha gore re kgatlhanong le ...

*English*:

... gender-based violence and femicide, GBVF, and as well ...

*Setswana*:

... re lla le maloko a a latlhegetsweng.

*English*:

I want to say to you in the House that young people of this

country would like to enjoy spring. However, they can’t,

because of GBVF. And I would want to call all men in this House to come to the front and be activists in terms of gender-based violence and femicide.

Hon Chairperson, the ANC adopts the report of the Portfolio Committee on Higher Education, Science and Technology on its consideration, Department of Higher Education and Training 2020-21.

Let me indicate that when the 2020-21 annual plan of the department was presented to the portfolio committee in May 2020, we did not envisage that the socioeconomic impact of COVID-19 pandemic will be so severe.

This has always impacted on the implementation of the predetermined objectives of the Department of Higher Education and Training.

Already towards the end of the 2020-21 first quarter on 24 June 2020, the Minister of Finance had indicated that we really had some challenges in terms of special adjustment budget.

The department had presented its second quarter report to the portfolio committee and it reflected the challenges that we have as the department.

Despite the challenges presented by COVID-19 the department achieved 50% of the targets that were planned for this quarter.

Good financial management is always critical, as we always emphasise. For the wellbeing of any organisation we need to do what we have to do with the money that we have.

The department had planned achieve an unqualified audit opinion for 2019-20 and it was achieved as planned. We also commend the department for developing a remedial plan to address the audit findings by the Auditor-General, AG.

As this committee we always call for consequence management to be implemented against officials who transgress policies and make the department incur irregular expenditure.

The department has assured the committee that investigations on irregular expenditure are conducted and those responsible will be taken to task.

We call all the strategic managers and executives to do their work and rise to the occasion in proper planning, proper implementation, proper evaluation and proper control.

Implementation of remedial plan should be monitored regularly to ensure that audit findings do not recur.

Our aim is to ensure that all institutions of higher learning are functionally, optimally, in order to produce graduates who will contribute to the developmental agenda of our country.

I could also indicate that we still have historical disadvantaged institutions where the legacy, apartheid, is still visible. The institutions enrol most of the previously disadvantaged and marginalised groups.

We, therefore, call for integrated approach and sectoral approach to strengthen and be utilised effectively, efficiently in improving the products and services for our people.

Hon Chair, we are hoping that this framework will inform funding and other support services allocations to these

institutions; I’m talking about historically disadvantaged institutions’ development framework.

We do not want to compete just locally. What we are saying as the committee is that we want to compete international and as well across, you know ...

*Setswana*:

... gotlhe, re nne bo *danko* ...

*English*:

... all over, and ensure that we bring this content of skills revolution to life.

Hon Chair, skills development is key towards supporting government efforts in growing the economy and addressing the triple challenges of unemployment, poverty and inequalities.

We note with concern that non-achievement of the targets in the skills development programme, especially that targets on trade test passes, due to lockdown. The department’s Institute for National Development of Learnerships Employment Skills and Labour Assessments, Indlela, was not conducting trade tests

for those who have booked. The department committed to address the backlog on trade testing.

Notwithstanding the budget constraints for the Sector Education and Training Authorities, Setas, due to skills levies and economic challenges and lockdown, we believe that the department and its entities will do more with what they have; proper planning prevents poor performance.

We urge that there should be constant engagements with all stakeholders in finding the best solutions for this particular department.

The department must move in speed in filling their critical vacancies.

Hon Chair, as I can see that I still have time I want to address the hon King. Hon king, I would want to lobby you to say that you must stop weighing issues; to us all issues of young people are important, we don’t have number one, we don’t have number two, we take them serious all of them and we will address them.

To hon ... from the ACDP, I think we would need your religious wisdom in our portfolio committee [Laughter.] so, you must attend and we acknowledge the fact that you have supported us.

Hon Madisha, we don’t table reports here, we consider reports. So, if you want to engage us on these issues you must attend the ... [Inaudible.]

To all our members of the portfolio committee, I want to thank you for displaying that ‘tell no lies and claim no easy victory’. You have actually applauded the report on the basis that you know that there’s work that has been done and there’s more to be done, and working together we will do more. I thank you. [Applause.]

The CHIEF WHIP OF THE MAJORITY PARTY (Ms R M M Lesoma): Hon

House Chair, I move for the report to be adopted.

Motion agreed to.

Report accordingly adopted.

# CONSIDERATION OF REPORT OF JOINT STANDING COMMITTEE ON DEFENCE ON ENGAGEMENTS WITH SOUTH AFRICAN DEFENCE INDUSTRY ROLE- PLAYERS FROM JULY 2019 TO 6 NOVEMBER 2020

Mr V C XABA: House Chair, thank you for the opportunity to introduce the report of the committee. The Joint Standing Committee on Defence has held several meetings with the relevant role-players in the South African defence industry environment since the inception of this Parliament. Today, I formally table the report of our interaction with the defence industry in this House. The report consolidates the various inputs by the role=players on the prospects and challenges currently facing the defence industry. The report draws some observations and concluded by making recommendations which underpins the oversight function of Parliament and recalibrates the focus of the relevant oversight - committees of both Houses.

The Defence industry plays an important role in promoting and sustaining the defence capabilities of the country. It underpins the strength of the SA National Defence Force. The confidence shown by the SA National Defence Force overtime and some local companies in the industry has been phenomenon. This has seen rapid growth in the industry and improved its import

capabilities while adding to the country’s balance sheet. For years the defence industry has have to sustain, upgrade, modernise and where necessary adapt treatment and systems for the Defence Force and became a key player in the defence industry world over. It developed intellectual property that has built competitive advantage, nurtured skills and expertise and helped to create high level engineering and technological jobs in the economy.

The 2015 Defence Review haps on the point that South Africa should retain and enhance its defence industrial capability. It goes on to say, and I quote:

South Africa requires an effective defence capability which include as an integral element a defence industry to support sovereign capabilities and maintain an essential level of strategic independence.

I add that when a country supports its Defence Force without having to solely rely on foreign-sourced equipment, militations, spares and technical support, it is able to maintain its strategic independence and power of strategic action to protect its interest vital to its survival and growth.

Several countries on the continent are now shifting away from being dependent on foreign-sourced defence equipment towards generating some measures of self-sufficiency. South Africa long achieved that. The early 70s and 80s sanctions arms embargo placed South Africa on this trajectory. However, the threat looms large with the decline in the SA National Defence Force, SANDF, acquisition budget. The decline in the Defence Force acquisition budget means reduced investment in the development of new equipment and systems to modernise and upgrade while the overall budget declined it impacts on the maintenance programme of the Defence Force.

Another challenge enumerated in the report is Denel. Denel has been experiencing liquidity crisis for almost three years.

This has resulted in it failing to honour its obligations. The Denel situation has made it difficult for many small, medium and micro enterprises, SMMEs, in the defence sector to survive because they formed part of the Denel supply chain. The committee welcomes the turnaround strategy to reposition Denel and other measures taken to intervene in its affairs. Denel must be saved. If it goes down it will go down with the part of the defence industry.

To that end I wish to site one of the recommendations mentioned in the report, namely, that the whole government approach should be adopted to increase support to the defence industry in order to prevent the loss of scarce skills to other countries and to attract new skills to the industry.

We are pleased to report that the concern around the end-user certificate has been addressed. It is my honour to formally table the report on behalf of the committee. Hon Chair, the report is so tabled. Thank you so much

*Declarations of vote*:

Mr S J F MARAIS: Chair, our world-renowned cutting edge defence industry is in a rapid decline with many challenges with little government appetite for assistance. A big challenge facing the industry is our declining Defence budget and its negative procurement impact on them. The current budget means that we cannot modernise through the acquisition of equipment and systems while essential upgrades, maintenance and overhauls are falling behind.

The facing out of the special defence account which was created for the SANDF’s capital acquisition is a major concern and a reason. There seems to be no alternative funding

mechanism in sight. the 2015 Defence Review expressed itself on this dire situation and how to address the Defence Force’s decline. Unfortunately, the Defence Review seems to be dead and buried by government. Because the implementation of this is not happening, we will have to accept a significantly reduced level of defence ambition and capabilities.

Despite the initiatives by the National Defence Industry Council, the industry is still in a rapid downwards spiral. Challenges identified by them include, the National Conventional Arms Control Committee, NCACC, ID system to process export applications appears to be outdated and not supporting the demand from their global clients. Concerns were experienced around the end-user certificate and its enforcement due to the receiving countries’ unhappiness, inter alia, security and in local inspections. The impact on this markets requires the outstanding concerns to be resolved immediately as a number of companies are losing business in strategic markets due to this.

The decrease in the Defence Force budget has resulted in the decline demand thus making it difficult for the defence companies to survive. The Denel implosion has made it difficult for many companies including SMMEs to survive. In

many cases Denel is their sole supplier. Denel, our state- owned aerospace in military technology conglomerate, was created when the manufacturing subsidiaries of Armscor was split off under Denel in order for Armscor to become an exclusive procurement agent for our Defence Force. Due to among others the implosion of Denel and the neglect of the Defence procurement equipment, Armscor is not fulfilling all its intended functions anymore. The dependency on the SANDF as the sole client has left them exposed and vulnerable to become an obsolete. Let there be no doubt that it is under the ANC rule that the 2015 Defence Review was not implemented including the required funding and restructuring while it was approved by Cabinet. Our defence capabilities were allowed to deteriorate to a mere shadow of its past statue, abilities and expertise. Many of our strategic landward, maritime and airforce equipment are close to be obsolete. Denel was mismanaged, abused, subjected to state capture and allowed to fall from grace with consequences to those responsible still to be seen. Government intervention is a glorious failure for all to see. It is another example of the President’s long play strategy that has led our country down which is known internationally embarrassment. It seems little or no political will exist to rescue this industry and to re-equip the Defence Force to protect our nation in a sustainable manner. The

cutting edge the Defence Force has been neglected for many years if not abandoned as a consequence of a government that neglected the SANDF as their primary client.

It is now up to us to extend a helping hand to the defence industry not only to rescue them from an extinction, but also to retain the competitive edge and to earn essential foreign exchange from the export. It is also up to us to rescue our own Defence Force from implosion and their ability to protect South Africa’s territorial integrity and secure the security of its people. Among others we must reconsider the current and future roles and viable structures of both Armscor and strategic Denel divisions to best meet the current and future threats and challenges in an affordable and sustainable manner. Now is the time to privatise the viable Denel divisions. Tomorrow they might be gone as well. We must hold those accountable who allowed the deterioration including political leadership. Heads must roll for the dereliction of their duties. Without consequences and bold political leadership, the integrity of our nation and the safety of our people will be compromised. I thank you.

Mr H A SHEMBENI: Thank House Chairperson, the state of the South African National Defence Force, is very precarious, to

an extend that the country has no capacity to defend her people to today, where any external threats arise. This comes as a result of many years of neglect and systematic defunding of critical sectors that make up the defence.

The 2015 Defence Review, laid bare these issues and what would need to happen to arrest the decline of the defence force, but to date the government has not taken any significant steps to reposition the defence force, to ensure that it has the capacity to defend the nation as constitutionally mandated to. The engagement with key role players in the defence industry laid bare these shortcomings. The rot has infiltrated almost all key state institutions.

The National Convection Arms Control Unit has outdated information technology, IT systems and cannot even keep proper records of their own work. Denel, an entity that should be at the forefront of key innovations and technologies in the defence industry across the continent has been ran down by mismanagement and incompetence at the highest levels of the state.

The Armaments Corporation of South Africa, Armscor is no any better. Its capacity to deliver has been severely hampered by

the spread of incompetence encouraged by the ruling party. As a result of this incompetence, South Africa is losing key intellectual property rights to foreign companies. And by so doing also endangering the safety of the nation. Because, key defence secrets are now known to the world. This is all deliberate, because it is impossible that the state has been unable to resolve management issues at Denel, for over four years now. Staff has not been paid, and the entity has not been unable to deliver on some important milestones.

The recommendations of the Joint Standing Committee on Defence are good recommendations, but there’s no way in hell that those who are responsible for the collapse of the defence force will take any action to arrest this decline. The Committee must take a hard line approach into ensuring that the recommendations are taken seriously. And, that there is a timeline dedicated to resolving issues the identified from engagements and the many reviews conducted on the defence force. We therefore accept the report.

Inkosi R N CEBEKHULU: Thank you, hon House Chairperson. The South African National Defence Force depends on several rule by us to execute its mandate efficiently. It is constitutionally designed to provide security for the

sovereignty of South Africa, but cannot do so without assistance, direct or indirect of several role players. As such, the engagement with industry role players in 2020 was an opportunity for the Joint Standing Committee on Defence to hear, first-hand the issues affecting the role players in defence and how these can be addressed.

What is concerning, is years of budget cuts for the defence industry have resulted in a South Africa National Defence Force that is no longer as efficient as it should be and that is lacking behind as regards to technological innovations.

This is keeping the SANDF two steps behind its counterparts. As such, there is a need to ensure that SANDF is properly funded. That its reserve fund for the procurement of equipment is reinstated and replenished. That its technology is upgraded and that all challenges are addressed.

A nation is as good as its national defence. It should embarrass us all that our national defence force has become so efficient that it could not pay its members deployed to KwaZulu-Natal, KZN. What does that say about its capacity to execute its mandate, in a time of real threat from external elements?

House Chairperson the funding of our national defence force is high but essential course, we must not compromise on. It should not be left to financial powers that be, to reduce the budget of the SANDF. The IFP acknowledges that since its inception the SANDF has been primarily dealing with suppliers whose identity and composition, do not advance the spirit of transformation. This must change. The SANDF should insist on its role players to advance transformation.

While entities like Denel have served us for a long time, they have made it difficult for small businesses to contribute to their supply chain. This must be addressed. While on Denel, I should emphasize that we not happing with how the entity is being run. And, how it is losing technical staff because they are not being paid. This is a real setback and should be addressed with urgency. We should get qualified people to run Denel, who are not seeking personal profits.

Another reason why the entities like Denel are failing, is that they have been to be nomads, that are constantly migrated from one department to the next. This must end, state entities must fall under the respective department for efficiency. I thank you House Chair.

Mr S N SWART: House Chair, the ACDP has written a report which highlights the challenges that have been plaguing the South African defence industry for some time. And this is an industry which has historically made a substantial contribution to the South African economy. And, we full agree with the report and with other speakers that the main challenge facing South Africa’s defence industry is as the report quotes:

The declining defence budget and its subsequent negative impact on the defence industry, and then of course upon the whole South African security.

The defence industry cannot be productive and profitable their client that finance to pay for the products ... and, we as the ACDP like other parties have continually pointed out that South Africa’s declining acquisition the defence budget is a matter of grave concern.

The country’s declining budget was again highlighted recently, when the SANDF was required to support the South African Police Service, SAPS, during the unrest in KwaZulu-Natal, KZN and Gauteng, with massive pressures on its resources. The ACDP also shares the concern expressed by Denel. I had the

opportunity to visit Denel, and its subsidiaries deeply saddened by financial statement, even its proud history and international standing and reputation.

The defence budget is one of the challenges, the further challenge one of leadership. The leadership challenge extends to leadership challenges of boycott made to these key institutions in the industry as well as the defence force itself. And, of course this will also mean the ethical transparent and the responsible stewardship of finances. We don’t want to see state capture, corruption taking place, this cannot be allowed to continue.

If as a report points out, South Africa’s defence industry will ... [Inaudible.] ... support. The key is what are we going to about it? We all stand at this podium and we all across the political party lines, saying that the defence force needs additional funding, but then we go on to the next item on the agenda, without remembering that we as Parliament appropriate the budget. We can adjust the budget, we can do it in this case within the terms of fiscal framework and I will urge the Joint Standing Committee on Defence to consider this when the medium term budget framework is considered within the

next few months. The ACDP will support this budget. I thank you.

Ms A J BEUKES: Thank you, hon Chairperson. I want to start by saying to the opposition that they think that we must adopt the principle of, I am because you are. It is only then that we will ensure a capable defence force. Hon Chairperson, the Report presented today for consideration by the House provide a clear outline of the different roles that must be played by the role players in the SA defence industry.

These entities have different roles to play in the economic recovery process, contributing in the process our economy from different platforms and positions. The SA defence industry has a critical and important role to play in the economic development of the country. The role of the defence industry does not merely provide security support, but provide for innovative and creative means to contributing to the economic activities and the fight against poverty and unemployment.

The role players are the National Conventional Arms Control, Denel, the Armaments Corporation of South Africa, Armscor, the National Defence Industry Council and the SA Defence Industries represented by Aerospace, Maritime and Defence

Industries Association. Our purpose is to get the contribution of the role players and make an assessment of the possible threats and challenges. The different role players must be able to play their respective roles as clearly outlined as per the mandate. The National Defence Industry Council, NDIC, was created to facilitate working relationship between the state and the defence industry. The funding models that were developed need to be monitored. In the process the private sector will be contributing to the creation of strengthening the capability of the defence industry directly contributing to the growth of the country’s economy.

We need a defence industry who is an important role player in the country’s job creation program and technical innovation. A capable defence industry will be able to produce its own equipment and not only rely on importing but producing even export equipment. This is not only to supply our own forces, but to generate revenue through selling of equipment. In order to achieve this kind of defence industry that is capable to sustain itself and contribute to in the economic recovery plan, we need different stakeholders to contribute in playing the different roles, like the Department of Public Enterprises and other relevant departments.

Denel is a critical role player and instrumental service provider to the SA National Defence Force. An urgent decision need to be taken in addressing the challenges that are faced by Denel. The challenges faced Denel have negative impact on the SA National Defence Force, SANDF. One of the major challenges is having outdated technological equipments which need to be addressed as soon as possible as opposed to security threat to the Republic of South Africa. This matter has been repeatedly raised. The sector has a responsibility of fighting poverty and inequalities in South Africa and cannot be responsible for small business collapsing.

Those that are supporting the sector, we therefore urge for immediate responses in proposals to challenges faced by the defence industry. Collectively, we need to work together to save the entities in the SA Defence Industry and provide a progressive response to the challenges faced by the defence industry.

*Afrikaans*:

Ten spite van kommer rondom Denel, bly die algehele verdediging-industrie gehard en vind hul steeds maniere om mededingend te bly, deur op internasionale uitvoere te fokus. Met die probleme by die National Conventional Arms Control

Committee, NACC, nou grootliks opgelos hoop die komitee dat dit die industrie aan sal spoor om voort te bou op hul uitvoere en sodoende die Suid-Afrikaans ekonomie bevorder.

Dit kan net gebeur as al die rolspelers saamwerk om die industrie te laat groei en lewensvatbaar te hou.

Armscor is ’n goeie voorbeeld, wat ten spite van drastiese verlaging van toelaes, steeds lewensvatbaar bly. [Tussenwerpsels.]

*English*:

In conclusion, Chair, we will continue with our oversight of the defence industry and specific to how it relates to the SA National Defence Force, SANDF, because the industry forms an integral part of the defence capability. As the African National Congress, we will rally behind the plea for more resources. I want to try and say something in my own language because it is Heritage Month.

*Nama:*

Hoatsama da ge a dīllkhā.

*English*:

Together we can do more. I thank you.

*Nama*:

Kai gangans (Thank you very much.)

*Afrikaans*:

Baie dankie.

Ms R M M LESOMA (On behalf of the Chief Whip of the Majority Party): Thank you, hon House Chairperson. I move:

That the Report be adopted.

Motion agreed to.

Report accordingly adopted.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon members, that concludes the business of the day. The House is adjourned.

The House adjourned at 16:23.