**UNREVISED HANSARD**

**NATIONAL ASSEMBLY**

**TUESDAY, 16 NOVEMBER 2021**

***PROCEEDINGS OF THE NATIONAL ASSEMBLY***

The House met at 14:02.

The Deputy Speaker took the Chair and requested members to observe a moment of silence for prayer or meditation.

# ANNOUNCEMENTS

The DEPUTY SPEAKER: Before we start, I would like to welcome all members back from the local government election campaign. We must congratulate all of you and the public generally, especially those who voted to ensure that democracy continues to be the way we make decisions. We acknowledge that there are reasons that others may have chosen not to vote, but we wish that everything we do, especially as this Parliament, will ensure that as many of our people will make a difference in future.

Let us give a round of applause to all the people who got involved, the Electoral Commission of South Africa, IEC,

especially and the work it did, and the mistakes that it may have made that will be corrected. Let us give them a round of applause. [Applause.] Thank you very much.

# ELECTION OF A NEW MEMBER OF THE DELEGATION REPRESENTING PARLIAMENT IN THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY PARLIAMENTARY FORUM

(Draft Resolution)

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: Hon Deputy

Speaker, I move that the House elect Ms N N Mapisa-Nqakula, Speaker of the National Assembly, to replace Ms T R Modise as a member of the delegation representing Parliament in the Southern African Development Community Parliamentary Forum, in terms of article 6(3) of the constitution of the forum.

Motion agreed to.

# CONSIDERATION OF REPORT OF STANDING COMMITTEE ON APPROPRIATIONS ON SECOND SPECIAL APPROPRIATION BILL

Mr N S BUTHELEZI: Honourable Deputy Speaker ... [Interjections.]

The DEPUTY SPEAKER: Hon member, just one second.

*IsiZulu:*

Baba, sicela uhlale phansi kancane senze iphutha.

*English:*

Secretary, please read the first order of the day.

There was no debate.

The CHIEF WHIP OF THE MAJORITY: Hon Deputy Speaker, I move that this report be adopted. Thank you very much.

Motion agreed to.

Report accordingly adopted.

# SECOND SPECIAL APPROPRIATION BILL

(First Reading Debate)

Mr N S BUTHELEZI: Hon Deputy Speaker, hon Ministers and Deputy Ministers, hon Minister of Finance, Enoch Godongwana, Deputy

Minister of Finance, Dr Masondo, hon members, fellow countrymen, it gives me great pleasure to pronounce ...

The DEPUTY SPEAKER: ... and women.

Mr N S BUTHELEZI: Fellow countrymen and women, ... [Interjections.]

The DEPUTY SPEAKER: Thank you.

Mr N S BUTHELEZI: ... it gives me great pleasure to pronounce loud and clear here that the African National Congress supports the Second Special Appropriation Bill. What does the Bill seek to do? The Bill follows the announcement by His Excellency the President, Ramaphosa, of 25 July 2021 that government will intervene again to help those businesses that were hard-hit by the unrest, mainly in Gauteng and KwaZulu- Natal.

He also announced the continuation of the safety-net of the R350 Social Relief of Distress, SRD, grant until the end of March 2022 to the most vulnerable sections of our society who continue to be ravaged by the COVID-19 pandemic. The President said, I quote: “We need to provide support and relief to poor

households in order to alleviate the hardships they are going through and reduce hunger.” He continued to say, I quote: “We need to help businesses to rebuild.”

The Bill in front of us, hon members, is the concretisation of this undertaking. This is a clear demonstration that this government, led by the ANC, will never forsake South Africans who are experiencing hardships.

Before I proceed, hon Deputy Speaker, let me thank former Minister of Finance, hon Tito Mboweni, for the constructive way he engaged with the committee under very difficult conditions. In the same vein, we congratulate our brand new Minister of Finance, hon Enoch Godongwana. We are looking forward to working with you as we try to grow the economy and improve the lives of our people.

The Second Special Appropriation Bill proposes additional urgent funding allocations in the current fiscal year of R32,85 billion. It also includes expenditure authorised by the Minister of Finance in term of section 16 of Public Finance Management Act, PFMA, for the extension of SRD grant and support for businesses. The allocation is as follows: The Department of Social Development gets R26,7 billion, the

Department of Trade Industry and Competition gets

R1,3 billion, National Treasury gets R3,9 billion mainly to recapitalise South African Special Risk Insurance Association, Sasria, the SA National Defence Force, SANDF, gets

R700 million and Police gets R250 million.

Deputy Speaker, allow me to add that the intervention through this Bill was in addition to other support packages that the government had introduced like the Temporary Employer and Employee Relief Scheme, TERS, tax deferrals etc. these interventions were possible mainly because of the windfall from the good performance of commodities. Also, departments were encouraged to prioritise within their budgets to deal with this shock.

The fiscal and social positions of the country remain constrained. The microeconomic indicators attest to this reality, high unemployment rate, high debt to gross domestic product, GDP, ratio and unacceptable levels of inequality and poverty. This unequal economy is not sustainable and it is not good for business and potential investors.

Apartheid was bad, it remains bad and it ravaged the lives of our people in many ways. It should be clear even to the

denialists that when we rebuild this economy we should take everybody on-board. The President talks of the silver lining in the dark cloud.

The Financial and Fiscal Commission, FFC, agreed that this was a necessary expenditure since, I quote: “These largely constituted non-discretional spending”. We agree with the FFC that this should not undermine infrastructure spending.

While the Parliamentary Budget Office also agrees with the necessity of this intervention, they further argue that, I quote: “The risk associated with COVID-19 should be budgeted for going forward so that we do not have these special appropriations.”

Hon members, based on the survey done by DTIC after the July unrest, the following was found: One thousand and ninety-nine businesses were negatively impacted in the two provinces, potential loss orders of about R16,8 billion over a period of

12 months going forward, approximately, 14 016 jobs will be lost, most businesses reported a combination of damages, including temporary business closures, damages to stock, buildings, shop fittings, equipment and supply chain disruptions.

Hon Deputy Speaker, that is why we congratulate government, the Cabinet and the Minister of DTIC, Minister Patel, Industrial Development Corporation, IDC and National Empowerment Fund, NEF, for the lightning speed response to the unfortunate July events. This is based on our belief that the only way we will get out of our problems is that we get our economy back to its growth path.

Deputy Speaker, it gives me pleasure to share with this august House the fact that the DTIC, through its institutions, decided to respond even before Parliament considers this Bill. The Industrial Development Corporation has approved application of 45 businesses to the value of R1,68 billion of which R794 million has been disbursed. Similarly, about

R900 million has been approved and or disbursed by the National Empowerment Fund since July towards the restoration of 143 businesses. This will save about 7 316 jobs which are much needed in our struggling economy.

We thank the Solidarity Fund for working with DTIC and NEF in addressing the aftermath of the July unrest. They contributed R150 million towards rebuilding businesses after the unrest. Some good stories from some of the beneficiaries who thought their world had come to an abrupt end. In Umzinto, Sipho and

Wiseman Jikija, are sugar cane farmers. Sipho says that he is grateful for the timeous IDC funding and hopes to make his father proud by restructuring the running of the farm and making sure that it yields even greater returns in the new year.

Ms Mcoyi who owns Icebolethu Funeral Services with branches in KwaZulu-Natal, Gauteng and Eastern Cape, a 100% woman-owned business and has 1000 employees, also benefitted from the DTIC Economic Recovery Fund that is managed by NEF. She is very grateful, not just for saving her business, but more importantly, the saving of the jobs and livelihoods of her 1000 employees. Hon members, you will remember the company who conducted the sending off of His Majesty, King Zwelithini that was Icebolethu. This shows that in working together there is no mountain too steep to climb. The ANC supports the Second Special Appropriation Bill.

Mr J N DE VILLIERS: Deputy Speaker, the Second Special Appropriations Bill is not what it seems on paper. It appears to want to do good, to assist South Africans suffering from the dual crisis of extended lockdowns and civil unrest, both of which are consequences of ANC policy, but it does not deal with the fundamental problems in the main Appropriation Bill.

It directs additional revenue to the South African Special Risks Insurance Association, Sasria, and that is correct. The DA welcomes the R3,9 billion appropriations to ensure that claims from the ANC-inflicted July civil unrest can be paid out. However, the simple fact remains that, if crime intelligence did its job and stayed on top of the reports that such violence was eminent, and moved to deal with the instigators, we could have avoided those days of fear, of destruction of property and of loss of life.

To date, there has been no report of any arrest, accept maybe one of the so-called instigators and there has been no concerted effort to arrest or prosecute those who caused such harm that threatened to tear apart the very fabric of our nation.

To add insult to injury, the ANC politicians who have round the clock VIP protection is estimated to cost the taxpayers R1,7 billion this financial year. VIP Protection! If the ANC were serious about putting the needs of people and not themselves first, they would have dispensed with the bulk of this VIP protection – the expenditure – and moved it all into crime prevention and the areas that were hardest hit by the unrest or other areas of extreme levels of crime. Instead, the

original appropriation to VIP protection services remains unchanged, even as our economy sufferers the effects of lockdowns and civil unrest.

Secondly, while the DA welcomes the extension of the social of relief of distress grants until April 2022, the harsh reality is that the grant still falls far short of the food poverty line, which presently is estimated to be R624 a month. [Interjections.]

So, years of corruption and failed projects have emptied the fiscus and now the ANC has no fiscal space to take care of South Africans in need and is papering over the cracks of their failed policies.

No grant system in the world is sustainable on the back of a shrinking tax base and South Africa is no exception. The simple reality is that decades of bad ANC economic policy is now taking its toll on the poor and the vulnerable.

The only sustainable path out of poverty is decent jobs. Most poor and vulnerable South Africans would want a job that pays R6 000 per month, not the grant that pays R350 a month, but many South African cannot find work because the ANC remains

committed to failed ideological commitments that should have died with the collapse of the Berlin Wall.

The ANC has achieved just one thing with its economic policies

– the deindustrialisation of the South African economy. The industrial sector, according to some estimates has shrunk to its lowest level in 60 years.

This Special Appropriations Bill does nothing to reform South Africa. It does nothing to save industrial output. It does nothing to trim the fat in the budget that the ANC feeds off. It should have been an opportunity to open the door to future reforms and to show citizens that the government is willing to cut its waste and place the needs of citizens first. Instead, the ANC ... [Inaudible.] ... opportunity, uses budgeting to show South Africa its real priorities – putting themselves and their own selfish needs first and the needs of ordinary citizens, last.

The DA will not support any appropriation that does not cut VIP protection for politicians and bring savings for the poor. We cannot support this Bill or any finance Bill, until the immorality of the ANC’s approach to budgeting comes to an end. Thank you. [Applause.]

The DEPUTY SPEAKER: Hon members, keep the volumes down. When you scream, you really create problems for us. Please, be mindful. I know you have been working hard, but you are back in the House now.

Ms E N NTLANGWINI: Thank you very much, Deputy Speaker. The Special Appropriation Bill before the National Assembly is called a Special Appropriation Bill because government want Parliament’s permission to spend additional funding that was not approved with that Appropriation Bill.

The Bill seeks to appropriate an additional R32,8 billion for social grants to all the affected by COVID-19 and additional funding for the SA Special Risks Insurance Association, Sasria, to pay businesses affected by the unrests we witnessed in KwaZulu-Natal, Gauteng and the deployment of soldiers on our streets. The fact of the matter is that there is nothing exceptional or unusual about the Appropriation Bill before the National Assembly today. We are just here to rubber-stamp decisions that are already made ... [Inaudible.] ... without consultation and sometimes bothering on dictatorship.

The reality is that Parliament has given all its constitutional and legislative power to the executive and we

are expected to treat matters that are not special, special. We are requested here to appropriate money used for deployment of soldiers when we warned you that you could not start with soldiers and police to address unhappiness in society. Where were the leaders of society to speak directly to their people? The people they claim to lead, yet they are cowards who claim to be leaders are why must we spend billions on avoidable expenditure. The money that we could have used to begin extending the COVID-19 social relief grants.

We did not form part of the legitimising the deployment of the army when we invited all the leaders to engage and the stakeholders to bring calm. We are not going to do so and do it now. We want to put it on record that we do not support the additional allocation for the senseless deployment of soldiers. Instead of intervening in Mozambique timeously, we send soldiers to the backyards where there is no violence.

On SA Special Risks Insurance Association, Sasria, every year they present an annual report and have always been informed that they have enough cash on their books to cover risk.

However, they were exposed now. We must relook the SA Special Risks Insurance Association, Sasria, model and how best to prepare for the eventualities, particularly, given the higher

levels of poverty, unemployment and crime. We live with permanent trends of social unrest and it cannot be that every time there's an unrest, Chairperson, there must be a Special Appropriation Bill of billions when there is a state insurance company that must prepare for such unrests.

Lastly, we must extend the COVID-19 social relief grant beyond March 2022. Our people are unemployed especially the youth and are in more depressing situations worse than they were before COVID-19. We want to put on record that the EFF do support this grant. The little they get makes a difference. However, it will need to be paid for an even more extended period and more efficient way. We reject the Special Appropriation Bill. Thank you.

The DEPUTY SPEAKER: Thank you, hon member. Hon M D Hlengwa. Order, hon members. I have to invite additional speakers and you are not speakers right now. Please, we will listen to you only when you are sitting here, when you are standing in front of me here, not from your benches there. You are out of order. Uh, hon M D Hlengwa! Talk to us, are you ready?

*IsiZulu:*

Sotswebhu Omkhulu, ngisanda ukusho manje.

The CHIEF WHIP OF THE MAJORITY PARTY: Unmute, mama!

*IsiZulu:*

Sifuna ukukuzwa ukuthi uthini.

*English:*

The DEPUTY SPEAKER: Please, unmute! ... [Laughter.] ...

*IsiZulu:*

Akukalungi! Ake uzame futhi. Buyahlupha lobu buchepheshe.

*English:*

... not yet, not yet. Uh, please, try again. Uh, I will suggest that we skip you. We will come back to you. Let’s proceed with hon Wessels who also is on virtual. We will come back to you, hon member, M D Hlengwa.

Mr W W WESSELS: Thank you, hon Deputy Speaker. As other members have pointed out, a large bulk of these expenditure that is appropriated in this Special Adjustment Appropriation Bill, was and is avoidable, especially the expenditure that is appropriated because of the damages and losses occurred due to the July unrests. Those unrests, and the losses and the damages that occurred there could have been restricted and

even prevented if government acted, if government utilised criminal intelligence and if government acted precautionary and in terms of that intelligence and acted to prevent the losses there. However, they did not.

It could have also been prevented, avoided and restricted if the ruling party and its factions did not also contribute to these unrests. Thus, R6,15 billion could have been spent on actually getting the economy going, on infrastructure development and on expenditure that could have actually stimulated economic growth. Deputy Speaker, social relief of distress is unsustainable. We cannot get the poor out of poverty by only providing grants. We need economic growth and we need job creation advanced, or else.

The hon Buthelezi is correct that we need to address social economic disparities, but that can only be done by growing the economy not by redistributing the economy nor by grants. To grow the economy, we need infrastructure development, we need infrastructure maintenance, we need service delivery, we need policy certainty and we need reforms which will stimulate investment and lead to job creation. Money is still being wasted on luxuries and money is still being stolen by ANC cadres whilst the poor is getting poorer. We need new ideology

and we need responsible government. Thus, we reject this Special Appropriation Bill.

Mr S N SWART: Hon Deputy Speaker, this Bill provides

R32,85 billion in public funds as a fiscal relief package as a result of the pandemic and unrest in July. It must be seen against last week’s Medium-Term Budget Policy Statement during which the Finance Minister indicated that tax collection has been revised upwards by R120 billion to mainly to the commodity boom. Much of this additional funding will go towards the much needed fiscal consolidation. Funds will also be allocated to pay relief package from this increased revenue.

The ACDP like many others, has asked many questions both about government’s handling of the Covid-19 pandemic with one of the world’s longest and hardest lockdowns which has devastated businesses and employment and caused of the widespread of the socioeconomic distress as well as the July riots which were clearly the politically motivated and the state intelligence services and initial responses proved woefully inadequate.

Section 16 of the Public Funds Management Act allows for the use of funds only in emergencies and this is what we are

dealing with today. But it needs to borne in mind that some of these funds are already been spent despite the fact that Parliament has yet to allocate this Appropriation Bill. Let us look at some of the provisions, the R3,9 billion for South African Special Risk Insurance Association, Sasria, is allocated to compensate businesses. This would be a fraction of what is actually needed for businesses to recover following the July unrest. The second item of the R26,7 billion for the extension of the Social Relief of Distress Grant to the end of March/April next year is indeed welcome and supported but it is a plaster on a deep wound that is not easily healed.

Government is mandated correctly with social responsiveness. The ever-increasing welfare system, although it would be supported and necessary in a short term, not only it entrenches dependency but is unsustainable in the long term. Clearly, we need economic growth. Government needs to provide for environment for entrepreneurs and businesses to grow their businesses and to create jobs.

The third item relates to the deployment of the military personnel and the R700 million expended where the SA National Defence Force, SANDF, where the SANDF supported the police during the July unrest. Now, the SANDF are to be commended for

their role they played in stabilising the country in July. Despite the significant underfunding, these additional resources will go somewhere to alleviate the situation.

In conclusion, the ACDP, supports the sentiments ... [sound lost.]

The DEPUTY SPEAKER: ... [sound lost.]

Mr N L S KWANKWA: ... [sound lost.]

*IsiXhosa*:

Mnu N L S KWANKWA: Sekela Somlomo ohloniphekileyo, asinakube sithethana nonobenani apha. Zingxaki zikaKhongolose zeemfazwe zabo zangaphakathi ngezopolitiko. Ezo mfazwe zithe zabangela ungquzulwano nempixano kumaphondo iGauteng neKwaZulu-Natal.

Okwesibini, yinto esasiyithethe kwakudala, kwasekomitini ukuba asiwuboni kakuhle lo mdlalo wenu kapuca wokuba nithi seniyibekile imali niza kuyifaka kuSasria ...

*English*:

... to bail out businesses affected by the unrest but ...

*IsiXhosa*:

... urhulumente angabeki miqathango kuloo mashishini, suke nje ibe nguvula zibhuqe. La mashishini, uninzi lwazo, ingxaki yawo kukuba awafuni ukuqasha abantu baseMzantsi Afrika.

Balibele kukuqesha abantu abasuka kwamanye amazwe abangekho semthethweni ...

*English*:

... for purposes of exploitation. If you are going to have a mall ...

*IsiXhosa*:

... apho kuza kusebenza khona abantu abasuka kumanye amazwe bangaxhamli bona bantu abafaka imali ngokuthenga izinto kuyo, abantu ...

*English*:

... are not going to associate themselves with those facilities.

*IsiXhosa*:

Niya kusoloko nisithi abantu batshabalalisa izinto zabo eziluncedo. Baseza kuzitshabalalisa abantu iivenkile xa iza kuba zezabantu abamhlophe noosomashishini kuphela. Bekufanele ukuba xa kunikwa imali koosomashishini kubekho imiqathango ...

*English*:

... because there are socioeconomic objectives as government that we need to meet. Businesses need to align themselves with the socioeconomic objectives and the challenges of the country

...

*IsiXhosa*:

... ukuze nikwazi ukubanika imali. Awukwazi ukunikisa ngemali yabarhafi njee. Ukuba bafuna kungabikho imiqathango, mabancede bakhangele ezabo ii-inshorensi. Naloo Sasria kakade wasekwa ngurhulumente wengcinezelo, bezikhusela kwizixholoxholo ezaziqhubeka ngelixa kusilwelwa inkululeko.

Asikamfaki lo Sasria kubantu abantsundu kodwa silindele ukuba babe naye. Baza kumazi njani kodwa yinto yabelungu le? Simane sithatha imali eninzi apha sihlangulana nalo Sasria ongenabo abantu bantsundu. Bebeza kumthatha phi abantu abantsundu singakhange sibaxelele nje ngaye? Sisilele kananjalo nasekumguquleni lo Sasria ukuba alungelelane namashishini abantu bethu. Zezo ngxaki ke esinazo ezibangela ukuba sithi asikwazi ukuwuxhasa lo Mthetho osaYilwayo kuba ...

*English*:

... the ANC-led government has missed a critical opportunity to press a reset button on the South African economy, especially in the affected regions and also try to create a model that it could replicate the rest of the country.

*IsiXhosa*:

Njengokuba ingekenzeki loo nto, asiyazi ukuba niza kuhlala nityebisa abantu abasele betyebile kude kube nini? Abantu bakuthi nibane nibaqhatha ngama-R350 ngentloko ngelo xesha oosomashishini ...

*English*:

... per capital, they get millions of rand in the form of bailouts and have the audacity to say you are redressing the economy.

*IsiXhosa*:

Bebeqhathwa nje abantu bakuthi ukuze bakwazi ukuvotela i-ANC ngalama-R350. Siyabulela.

Ms M D MABILETSA: Thank you hon Deputy Speaker, hon Minister,

Ministers and Deputy Ministers, hon members …

*Sepedi:*

... le badudi kamoka kua gae, ke a le dumediṧa.

*English:*

The ANC supports the 2021 Special Appropriation Bill. Since the dawn of the Covid-19 pandemic, the ANC has implemented strategic interventions to assist millions of South Africans to alleviate the ... [Inaudible] ... brought about the pandemic.

[Inaudible.] ... among these was the massive R500 billion package to accelerate our economic recovery, implement economic reforms to create sustainable jobs, drive inclusion growth, fight corruption and strengthen the capacity of the state to navigate out of the economic and social impact of the pandemic and beyond.

South Africa’s challenges are unique and systemic. Flawed with the history of inclusion and oppression against the majority. We, as the result remain a highly unequal society with high levels of poverty and unemployment.

From time to time, many populists’ demagogies seek to take advantage of the distress faced by our people for their own selfish political gains promising them short cuts and quick

fixes. The ANC government will never allow our people to be used as tools for political expediency and selfish gain.

The Covid-19 pandemic is an undescended event and it has destroyed many lives and families across the globe. It has prompted many first world no liberal countries to introduce fiscus stimulus packages to keep the economies afloat and reduce job losses and poverty.

The Second Special Appropriation Bill aims to address the impact of the recent unrest of the ongoing Covid-19 pandemic. Our society is high fragile due to the worsening quality of life and suffering related to structural unemployment and extraordinary levels of inequality.

Women, black women in particular and youth are the most vulnerable and have gone through the worst impact. The ANC government proactively institutionalized Covid-19 responsive measures that aren’t targeted at protecting our society economy. These responses are instrumental and cautioning South Africans against the adverse impact of the Covid-19 pandemic and saving lives as their means of livelihood.

Appropriation of R26,7 billion for the Department of Social Development of the overall R32,85 billion to cater for the social relief distress grant of R350 until the end of March 2022 must be applauded. It is a progressive move that has provided assistance to about 9,5 billion people who are in distress as a result of the pandemic and the July unrest. With women and the youth as the biggest beneficiaries thereof. We know that 62% of the beneficiaries are youth.

The pandemic came to our shoes during the period when we were grappling with high levels of food insecurity which increased from 4,3% when the lockdown started to 7% thus raising the number of people who were ... [Inaudible.] ... to 7 million in the phase of a global pandemic, which brought much distress to millions of South Africans.

Our country suffered yet another setback in July which worsened the living conditions of people in KZN and parts of Gauteng. These are two important economic hubs that contribute 50% towards our GDV, Gross Domestic Value. The appropriated funds are essential to resort the economic and social situation in these provinces to normality.

The Department of Social Development and its entities play a pivotal role in providing social assistance and cautioning vulnerable groups against the impact of structural unemployment, poverty and other forms of social distress in our country.

The appropriated funds will continue on this statutory through the ongoing Presidential Employment Stimulus which entail the allocation of an additional R30 million for the employment stimulus which R30 million for the national development agencies volunteer programme to assist communities in distress.

The programme has created 2000 job opportunities for the youth, 17% being women. The volunteers have been instrumental in supporting the department’s community programme in areas such as the distribution of food and nutrition packages to vulnerable households through the community nutrition and the development centres which provided relief to 3 million beneficiaries across the country and the dissemination of Covid-19 information in local languages to build community awareness and data collection on poverty status. A further R120 million grant has been allocated for early childhood development services.

We are mindful of the technical glitches experienced by the Department of Social development in the applications and payment processes of the SRD, Social Relief of Distress grant.

The intervention by government through the allocation of R500 million to improve these systems as well as the eligibility assessment system is welcomed as they will ensure the efficient administration of these grants through modernization, preventing corruption and ensuring that all

payments are electronic. This will be instrumental in limiting dignity of standing in the long queues at our post offices.

In conclusion, I would like to emphasize that the ANC has changed the lives of many South Africans since it took political power in 1994 and continues to work hard to transform the lives of our people and it will not stop or waver in its resort to improve the lives of our people.

The pandemic has taught us the importance of forward planning measures to mitigate the risks of new pandemics in the future, the impact of climate change has to be included in the budget planning so that enough resilience is built within society in promoting economic instability.

There are 27,8 million South Africans who receive social assistance from government which mitigates against the impact of the economic challenges and banishing hunger. The need for a comprehensive social security safety net is aimed to ensure inclusion and greater resilience in our society. Thank you.

Mr S N AUGUST: Deputy Speaker, over the past two years the COVID pandemic struck us at just about our weakest point with the economy already depressed by the ratings agency and on its knees. Millions more jobs lost. Millions of parents struggling to feed their families. The only thing showing any signs of growth is the poverty gap. When South Africa economy was growing in the late 90s and 2000s, the government’s squandered opportunity to use the money wisely, to narrow the gap between privilege and poverty and to ensure that no South African should live in the mud without dignity or go to bed without food in their stomachs.

The confirmation from the Minister of Social Development that their department will be issuing a discussion document on the proposed basic income grant, the BIG, is welcome, but decades delayed, steps ensuring support for the vulnerable South Africans. While we welcome this move, as the immediate interim step, Good appeals for the temporary COVID-19 grant to be made

permanent, until such time as the BIG can be formally launched. Good has campaigned constantly for the basic income grant to be implemented in South Africa. It is in this context of crisis that we meet to debate the Medium-Term Budget Policy Statement today.

Deputy Speaker, Patricia de Lille the leader of Good said that the basic income grant is necessary. To alleviate the social and the economic trauma of transparent of rampant unemployment and inhumane hunger. Good believes that a government committed to eliminating a rampant theft and corruption is capable of making the savings needed to implement the basic income grant. Bringing the money back into the budget that has been lost to corruption would be a huge source of income. Until such time, as the BIG can be rolled out, Good reiterates its appeal for the temporary COVID-19 support grant to be made permanent.

A few months ago, Good was one of the just a handful of political parties to support the allocation of an additional R2,8 billion to Social Development. The DA, EFF, IFP, FF Plus, ACDP voted against allocating R2,8 billion for grants, whilst the UDM, ATM, AIC, PAC and Cope were absent from this vote altogether. Let’s prioritise the BIG grant which can mean the

difference between continued poverty and assured of a better life for too many South Africans. Thank you.

Mr A M SHAIK EMAM: Deputy Speaker, and welcome back from your

...[Inaudible.]. That’s what I should call it, but thank you very much for the opportunity. Deputy Speaker, the Second Special Appropriation Bill has been necessitated as a result of the challenges that we have in the country created by ourselves. First of all, the protest and looting that took place. Remember, we have two types of meetings. The protest and looting that took place in July and for that reason, we had to create this Bill so that we could provide relief to the very vulnerable and poor in our society. That emanates from the fact that we have not been able to deal with socioeconomic transformation 28 years into democracy. Now, I am not sure why some members feel we can actually brag by saying we provided social assistance 27,8 million people in South Africa.

Actually, it’s not a success. It’s a failure if 27,8% of our people almost have to rely on social assistance just to survive. We are forgetting that 44 % of the people in this country are unemployed, almost one in two people. Persons in this country are unemployed.

Now, let me talk about this R350 social grant that we are giving to the people. We welcome it. However, the R350 grant if you actually break it down, with the exorbitant price increases that big business in South Africa has put in the last two years - means that R350 is actually reduced to about R130 or R140. Then, if you take an effort that these people have to make to go sleep sometime for three to four days outside the post office, to get this assistance of social grant, ...[Inaudible.] ... Then what are they actually getting

... it’s costing the money to ...[Inaudible.] ... pick it up. But all this is as a result of us failing to provide a conducive environment to deal with the socioeconomic conditions under which our people live in this country.

We have never created an environment where we can create enough jobs in this country. You know the unemployment rate is increasing year in and year out and it can only progressively worse. I think, it is time to look at even our policies that we have in place because they are not adequate. It’s not causing economic growth in South Africa. I can assure you.

Deputy Speaker, it is not sustainable to continuously increase the number of people in the country on social assistance. Then the problem we’ve had is with the social unrest which up to

today we don’t know what is happening. ... [Time expired.]

Thank you very much.

The DEPUTY SPEAKER: Hon M D Hlengwa, please connect and unmute. Where is the Chief Whip who is supposed to take over from her? The Chief whip of the IFP. Are you able to unmute?

Ms M D HLENGWA: Yes.

The DEPUTY SPEAKER: Please go ahead, ma’am. Thank you.

Ms M D HLENGWA: Thank you very much, hon Deputy Speaker, today’s task on the consolidation report on the Standing Committee on Appropriations on recovering from the effects of the pandemic, load shedding, unemployment and vaccine delays. The economic challenges we face as a nation are multilayers and give the systematic nature of unemployment. The IFP is committed to continue fight poverty, inequality and unemployment in the country. We are in the last financial quarter 2021 and it is said to reflect on the high employment rates in our country. It is our hope that today’s deliberation will caution part of this harsh realistic.

The IFP is deeply concerned with the administrative glitch and experience with some Sassa Offices which makes it hard to some beneficiaries to access their grants. We support the needs of efficient administration system that will improve the grants application, appeals and payment processes. Therefore, we are support funding allocation to Sassa for system enhancement, improve to application and payment of processes. While could open new avenues for corruption with Sassa, we condemn such acts and it is our hope that ...[Inaudible.] ... experience before we not okay.

The IFP also acknowledged that the social relief distress, SRD, grant its short period of time has reached millions. However, we are concerned that millions of South Africans are applying for this relief grant, highlighting the extent of which the unemployment continues to ravage our economy. Our worry is also with the value of the grant which remains below the poverty line, making it less effective in fighting the poverty.

*IsiZulu:*

Abantu bakithi bathi baba ne-stress besazi ukuthi bayohola ngoba ayikho nemali abayiholayo. Besingacela ukuthi ngengoIFP mhlawumbe le mali ibe ngconywana kunalokhu ngoba umuntu ufika

esenezikweletu eziningi, esenakho konke engasazi ukuthi uzokwenzenjani.

*English:*

The IFP supports the proposal in the 2021 Second Special Appropriation Bill to provide an appropriation fund allocation for the 2021-22 financial year to vote on national

...[Inaudible.] ... Social Development, Defence, Police and Trade Industry and Competition. We also support the proposal of additional expenditure authorised by the Minister of Finance to extend the social relief of distress grant and support for small business. I thank you.

Mr M G E HENDRICKS: Hon Deputy Speaker, Al Jama’ah is very excited that the principle of zero-based budgeting is going to be taken further by the new Minister of Finance and we support that because there’s too much ... [Inaudible.] ... in most of our budgets.

With regard to the social welfare grants. In his state of the nation address the President said that every South African will get the warm plate of food every day and we imagine that the social grants are a stepping stone in that direction.

Al Jama’ah is not in favour of eliminating the social welfare grants of the millions of people that need it. Unless they are given employment, even if they have to work for a day, they have to be in a position to earn what they’ve lost or more.

Also, Al Jama’ah would like to congratulate the Minister of Finance for his bold step that he will consult with the political party leaders in the second week of December to engage with regard to the fiscal policy of the country. This is the first time in our Sixth Parliament that such a bold step has been taken and we look forward to engaging the Minister of Finance to help establish a ...

\*\*Loss of Member’s connection\*\*

The DEPUTY SPEAKER: Hon Ganief Hendricks, we can’t hear you.

Unfortunately, the reception is pretty bad.

Hon members, there’s only one clock and one member who speaks on time; none of you do. [Laughter.]

Hon Ganief, it appears your reception where you are is pretty bad, you have been cut off now. This is why members want to take over from you.

The MINISTER IN THE PRESIDENCY: We have logged in ...

Mr M G E HENDRICKS: Deputy Speaker ... \*\*Loss of Member’s

connection\*\*

The DEPUTY SPEAKER: Hon Gungubele, my dear Minister, please switch off your microphone, it will help the House.

Hon Ganief ...

*Afrikaans*:

... vanwaar jy is, kan ons niks hoor nie.

*English*:

We are going to ...

Mr M G E HENDRICKS: \*\*\*\*\*\*Loss of Member’s connection\*\*\*

The DEPUTY SPEAKER: It’s not working, sir.

Mr M G E HENDRICKS: \*\*\*\*\*\*Loss of Member’s connection\*\*\*

*IsiZulu*:

USEKELA SOMLOMO: Hhayi khona baba sesiyakudlula manje.

*English*:

Hon Ganief, we are going to skip you now because your reception is not improving at all, we can’t hear you. I’m afraid ... [Interjections.]

AN HON MEMBER: It’s like the outcome of the elections.

*IsiZulu*:

USEKELA SOMLOMO: Okokuqala nje, manje wena ungenaphi?

*English*:

Order, please, hon members.

Hon Ganief, I’m afraid we are now going to skip you because your reception where you are is not improving at all. We apologise that we have to take this step now, we have to, anyway.

Hon Qayiso! [Applause.]

*IsiZulu*:

USEKELA SOMLOMO: Ukuvela enye into futhi ukukhuluma enye into. [Uhleko.]

Mr X S QAYISO: Hon Deputy Speaker, Minsters and Deputy Ministers, members of the public ... [Inaudible.] ... order, riots and civil unrests across KwaZulu-Natal and Gauteng ...

The DEPUTY SPEAKER: Sorry, hon member. My apologies to you.

Hon members, please, all of you. Just switch off, just look at your mic there, make sure it’s off. Because we realise that it may not be your intention to do so. But please just look around your gadget and switch off, so that it doesn’t disrupt speakers here.

Go ahead, hon member.

AN HON MEMBER: We apologise, Speaker.

Mr X S QAYISO: The July events of public disorder, riots and civil unrests across KwaZulu-Natal and Gauteng ... [Inaudible.] ... damage and destruction of property. This happened amidst our country being on a recovery trajectory from the global economic crisis as a result of COVID-19, which has posed a great threat to the lives and health of our people to the recovery and the transformation of our economy.

The July unrest not only led to the destruction of infrastructure and business but it has threatened the livelihood of poor South Africans in KwaZulu-Natal and Gauteng. Many businesses were damaged and looted, resulted in huge calls to the economy.

The Second Special Appropriation Bill ... you must listen now DA ... the Second Special Appropriation Bill aims to address the impact of the recent unrest and the ongoing COVID-19 pandemic. These are the important interventions by our government.

These interventions are indicative of a government that is responsive and determined to do whatever it takes to deal with the ... [Interjections.] ... economic impact of COVID-19 and the impact of the July unrest. So, the ANC did not cause any violence in KwaZulu-Natal.

I think it was important that you know that over the past 300 years apartheid-colonial rule was responsible for violence against blacks and Africans in particular, not the ANC; and

... [Interjections.] ... bility for that. And so many apartheid murderers are still loitering the streets that you

can blame the ANC for the violence in KwaZulu-Natal and they should go to jail.

The appropriation of R309 billion from the National Revenue Refund to the SA Special Risks Insurance Association, Sasria, was then allocated to assist increasing its solvency cover ratio and able Sasria to cover all legitimate claims relating to the destruction of property in KwaZulu-Natal and Gauteng.

It is important to indicate that Sasria as the only state- owned insurance company established to provide cover for the damage caused by the special ... such as politically motivated malicious acts, riots, strikes, terrorism and public disorders, has done exceptionally well since time immemorial and it is not depended on bailouts from the government.

It is well-run and boosted a profit of R333 million during the 2021 financial year. It plays a pivotal role in providing insurance services to private companies, municipalities,

state-owned companies, tertiary institutions and small, medium and micro-enterprises, SMMEs.

So, the fact of the matter is that the private sector is not in the position to fund the gaps in key infrastructural areas.

So, the ANC cannot fold its arms and watch when things go wrong, that is why it is acting. And would contextually not have been able to respond to provide relief or cover for any damage to property as a result of unforeseen events such as the current pandemic and the July unrest.

The role of government in the economy is, therefore, paramount important in any developing economy. And if you refer to the Medium-Term Budget Policy Statement, MTBPS, you would understand the focus areas that are aimed at improving on the economy and how that is going to unfold when the Minister announces further measures in the February budget around the infrastructure, Freedom Front.

The role of government in the economy is, therefore, of paramount importance, that is why R309 billion has been appropriated for the sustainability and recapitalisation of Sasria.

Our National Defence Force is mandated not only to protect our country’s sovereignty and from external threats, but to also deepen our democracy by providing sufficient security to the nation. That is why the ANC welcomes the additional

R700 million and R250 million respectively for both the SA

National Defence Force, SANDF, and SA Communist Party, SACP, so that they are able to their job properly to protect the citizens.

Let me come to you DA. The ANC’s policies are forthright in ensuring that the people’s lives are being advanced. And there’s nothing with the ANC’s policy, in fact they are the best policies that one can ever come across, as a ruling political party. [Interjections.] Your problem is that you do not understand that you are groomed in a very deep, deep- rooted apartheid-colonial economy, that is why you do not understand what is poverty. [Interjections.] That is why you are able to come here and pretend that you are able to do good; you do not understand what poverty is because you have never been subjected to any poverty. [Interjections.] So, the ANC is doing its best. You must go and ask your friends in the Massmart, in the retail sector, what they are doing, they are slaughtering, they are preparing to ambush the ... [Interjections.]

AN HON MEMBER: Go to Taung. Go to the municipality of Taung...

Mr X S QAYISO: ... bloodbath job losses. In the retail sector the Massmart are preparing to do that. [Interjections.] So, you must ask your friends.

*Afrikaans*:

Die ADJUNKSPEAKER: Julle skree nou te veel!

*English*:

Mr X S QAYISO: We want to appreciate the EFF for supporting the R350 grant ... [Time expired.] Thank you very much.

The DEPUTY SPEAKER: Order!

Mr X S QAYISO: The ANC supports this budget. [Applause.]

The DEPUTY MINISTER OF FINANCE: Thank you Deputy Speaker. I think the purpose of this Second Special Appropriation Bill has been well articulated by the hon members to this Parliament which is to request Parliament to consider the measures announced by the President of the Republic to support the economic recovery and provide reliefs to the poor in the ongoing Covid-19 pandemic and in the wake of the recent unrest.

Hon Chair, I think when such events like this unrest have happened, I think it is a moment that as a country we need to reflect and ask hard questions as opposed to focusing on narrow political point scoring and a such question for me is what made this social unrest possible? Not inevitable because if you’ve got dry grass, it’s not inevitable that you’ll have fire.

The second question that we really need to ask as a nation is what makes such unrests probable? It will seem that the probability of this unrest has also got to do with the state capacity. So, it is probable to have such unrests when the state capacity is weakened but also when the civil society is weak. We have also seen in this unrest how the people of South Africa stood up and defended South Africa against violence and unrest.

The third question which is a very narrow question is about the triggers. The fact that there’s dried grass does not mean as I said there will be fire automatically. You have got to have someone who ignites fire for that grass to burn. So, focusing on triggers is very narrow because there could be other triggers that are coming our way as a nation as long as we do not address economic growth and redistribution.

I hear hon Wessels say that we must only talk about economic growth not redistribution. I beg to differ. I think we need to talk simultaneously or tackle both the economic growth and redistribution because you can have economic growth which is racial and gender exclusive excluding black people, poor people, women and youth and it can be destructive to the environment. Economic growth in itself is not enough hence as government we talk about inclusive growth. Otherwise, exclusive growth sets the necessary conditions for this unrest. It makes it possible for these unrests to happen.

Therefore, we have to seriously talk about economic growth and redistribution and this is possible. Just to give you an example hon Wessels, if you redistribute land to both white and black farmers and they use it to produce foods, it means that South Africans will have food. It also means that there will be demand for inputs for agriculture, chemicals and other industrial inputs and in that way, there’s a nice articulation between agriculture and industry. I would really persuade you and fellow South Africans that we cannot talk about economic growth and forget about redistribution unless those who want us to talk about economic growth only are comfortable with the economy that grows for that the few and excludes the majority

of South Africans. If we do so, we do it at our peril because we are setting the condition for this unrest.

Hon Chair, the government has also provided because we do understand that we need sustainable growth in order to deal with many problems such as crime, unemployment as well as the financial or fiscal imbalances in our fiscal framework. We need to grow our economy and it is for this reason that in the 2021/22 budget, our government has allocated R207 billion to support economic growth which ranks from industrialization, agriculture and innovation technology.

In order to have peace, security and stability in our country in order to lessen the probability of this unrest, we have provided the security cluster with R1 billion to maintain peace which is a necessary condition for inclusive growth.

Hon Chair, of course there are other measures which are fiscal neutral which we are undertaking. In other words, these measure don’t need any budget, they just need just need us to reform certain aspects of our economy. That is why we have Operation Vulindlela which is focusing on the supply side of the economy in order to provide electricity by increasing the

threshold for self-generation of electricity. We don’t spend

money in that regard.

The Visa regulation enables us to attract more tourists. In fact, some of these structure reforms immediately generate revenue for the state such as the allocation of the spectrum.

Lastly hon Speaker, we would really like to persuade the House as well as some of the hon members with a different view to what we have presented and really persuade them to approve this Second Special Appropriation Bill whilst we are simultaneously dealing with economic growth and redistribution in our country. Thank you.

# SECOND SPECIAL APPROPRIATION BILL

(First Reading debate)

Debate concluded.

Bill read a first time.

# SECOND SPECIAL APPROPRIATION BILL

(Second reading debate)

There was no debate.

Bill read a second time.

# DECISION OF QUESTION ON SECOND READING – EMPLOYMENT EQUITY AMENDMENT BILL

(Second Reading debate)

There was no debate.

Question put: That the Bill be read a second time.

Division demanded.

The House divided.

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: I want to suggest

that we do away with the division because the caller of the division doesn’t know the Rules. They are supposed to be four in the House but he is alone. Thank you. [Interjections.]

The DEPUTY SPEAKER: Order. Let’s establish whether there are any additional members from the DA. Hon Julius, we want you to confirm whether there are people on the virtual platform? Hon Julius, I am asking you. Listen to me. Stop reading. I want to know whether there are people on the virtual platform with you? If there’s none ... we need to establish that. ...

[Interjection.] ... I can’t hear you.

Mr J W W JULIUS: Deputy Speaker, I am not on that platform. I am trying to confirm.

The DEPUTY SPEAKER: I know that, but the process we are going to undertake requires you to confirm.

Mr J W W JULIUS: Yes. I am saying I am trying to confirm. Now, you say stop reading [Inaudible.]

The DEPUTY SPEAKER: Hon members, the Rules are clear. The doors are closed. Nobody who wasn’t there can on the virtual platform can vote. That one is closed. Don’t worry about it. You can’t do it sitting where you are. No. Order, hon Deputy Chief Whip ...

*Afrikaans*:

Jy kan nie nou so tekere gaan nie. Bly asseblief net stil.

*English*:

Hon member, if you are unable to confirm this, I am afraid we are going to have to call this off. [Interjections.] ... [Applause.] ... No, wait. Can you just get people to establish that? Hon members, it’s both his job and our job to confirm that. It can’t only be one side that confirms. So, before you rush with judgement, hold on to it just a little while.

Hon members, we are okay. We are proceeding. There are enough members on the virtual platform for us to proceed.

The Deputy Speaker announced that, the Speaker had determined that, in accordance with the Rules, a manual voting procedure would be used and that the whips would conduct a headcount of members in the chamber and on the virtual platform for the purpose of ascertaining quorum and voting.

In order to establish a quorum, we would request the table to confirm that we have the requisite number of members physically present in the chamber and on the virtual platform to take this decision. Party Whips will then be given an opportunity to confirm the number of their members present and

indicate if they vote for or against the question. A member who wishes to abstain or vote against the party vote may do so by informing the Chair.

Having confirmed that we have the requisite quorum, we will now proceed.

Question put: That the Bill be read a second time.

[TAKE IN FROM MINUTES]

Question agreed to.

Bill accordingly read a second time.

# CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT - SECTIONAL TITLES AMENDMENT BILL

There was no debate.

The Chief Whip of the Majority Party moved: That the Report be adopted.

Motion agreed to.

Report accordingly adopted.

# SECTIONAL TITLES AMENDMENT BILL

(Second Reading Debate)

The MINISTER OF AGRICULTURE, LAND REFORM AND RURAL

DEVELOPMENT: The time they need to give me is two minutes.

The DEPUTY SPEAKER: No, no, no!

The MINISTER OF AGRICULTURE, LAND REFORM AND RURAL

DEVELOPMENT: Deputy Speaker ...

The DEPUTY SPEAKER: You will get your time.

The MINISTER OF AGRICULTURE, LAND REFORM AND RURAL

DEVELOPMENT: ... Ministers and Deputy Ministers present in the House and on the platform, hon chairperson of the Portfolio Committee on Agriculture, Land Reform and Rural Development, members of the portfolio committee, esteemed members of Parliament, distinguished guests, ladies and gentlemen, it was

argued that the introduction of the Sectional Titles Act in 1971, revolutionised the South African property market. And that was correct. It radically changed the way and manner in which people understood and applied for property ownership, whether residential, business or industrial in South Africa.

However, the introduction of this Act happened at the time when South Africa experienced apartheid where segregation was mandated by law. Black people were barred from living in the so-called white areas but had to live in townships and rural areas. Very little housing was built for Africans under apartheid and, therefore, ownership secured tenure rights and participation in the property market was limited if not nonexistent.

And it is for this reason that we'll continue to work towards the return of land for those who were excluded before, the black people and Africans in particular. The Sectional Titles Act of 1971 was then replaced by the Sectional Titles Act of 1986. And the purpose of this Sectional Titles Act, which we are also amending today, is to make it possible to register ownership to different parts of buildings to different persons by the registrar. What this means is that in a building, you can have various owners like in a block of flats, where you

can own a flat even if others are renting and that flat can be directly registered in your name. This was a deviation from the Roman-Dutch Law principle that the owner of a piece of land is also the owner of the building situated on such land without it being separable.

The Sectional Titles Act makes it possible for different owners to also access credit by the registration of sectional mortgage bonds of the parts in respect to which they are registered owners.

*IsiZulu:*

Labo-ke aba abangomastandi bemihlaba kumbe abangomastandi abaqashisa ngamagumbi noma amafulethi kusho ukuthi-ke, uma umnikazi wefulethi efuna ukulithenga angakwazi ukuthi alibhalise ngegama lakhe hhayi ngegama lebhilidi noma lomnikazi walelo bhilidi. Kusho lokho-ke ukuthi-sectional, ukuthi ungathatha ingxenye ethize yebhilidi ukwazi ukuyobhalisa ngayo ukwazi nokuthola imalimboleko yendlu ngefulethi lakho ngale kokuthi ibhilidi lilonke kube yilona eliyokufunela isikweletu.

*English:*

Lastly, the Sectional Titles Act makes provision, where, possible for the extension of a development scheme by the addition of a further building of buildings. The Sectional Titles Act is, therefore, important for the extension of the development scheme by the addition of a further building of buildings.

The objective of the Bill, as we are amending today, is to provide for improved registration and surveying systems. It's also for effective and efficient land administration and land management. It also simplifies the process of cancellation of mortgage and for the exclusive use of an area in circumstances where land in a development scheme is alienated such that it ceases to be part of a development scheme. It also strengthened the rights of leases in the development scheme and sustainable land development.

Without getting into the detail of the contents of the Bill, the Bill further seeks to amend and clarify a number of definitions that make the interpretation relating to this Act sometimes cumbersome. It further provides for the developer to answer questions put to the developer by the agents of the lessee. This is a critical input towards holding developers accountable and having a transparent process. The Bill also

seeks to clarify concerns that have been raised on exclusive use areas within the Sectional Titles Act. It also provides for the amendment and cancellation of a sectional plan upon an order of the court. I would like to thank the chair of the committee, as well as members of the portfolio committee for having worked with us in ensuring that this Bill is tabled in this House today. And I would like, therefore, to commend this Bill for members to approve. Thank you very much. [Applause.]

Mr Z M D MANDELA: Hon Deputy Speaker, respected colleagues, respected members of the media, we are pleased to participate in the Second Reading debate on the Sectional Titles Amendment Bill, and thank the hon Minister Thoko Didiza, her team and all who have participated in the public hearings. Their records are reflected in the public participation process.

Your inputs provided us with valuable insights and gave us a good understanding and appreciation of issues of concern and possible solutions.

Twenty-seven years into our democracy, we take serious note of the importance of the public participation process in legislative-making. When sectional titles were first conceived in 1971, black people were racially excluded and economically

marginalised, with no participation in the legislative-making process.

The South African Constitution addresses both the issue of land ownership and tenure, as key restorative acts in addressing the evils of our past. The former is deeply embedded in our psych as the original sin of colonial occupation and the latter is a highly emotive and difficult phenomenon to traverse, as it is tied to our very existence and dignity. For a large part of our population, tenure is also tied to our transition from slavery to being a free man, entitled to own or negotiate title.

Post-1994, there was an added challenge of perpetual poverty, especially in rural communities, where, despite legislative changes, prevailing economic conditions prevented the exercise of the right of land ownership. Security of tenure was tenuous and often at the mercy of untransformed, conservative farmers hell-bent on retaining their position of privilege.

The Sectional Titles Amendment Bill before us today seeks to improve systems for the provision of secure tenure to sectional title holders. Under apartheid, racial and class segregation were mandated by law. Blacks could not live in

white areas but had to live in townships or in the impoverished rural Bantustans. Very little housing was available for Africans under apartheid, thus resulting in massive housing backlogs.

As a result, when the ANC came into power, there was only one formal brick house for every 43 Africans, compared to, for every 3,5 whites. The urban housing backlog alone was at least 1,3 million units in 1994, and currently there are over 1,5 million unregistered households considered as informal.

It was estimated that 66% of South Africa’s population was functionally unbiased. The remaining 34% of the total population resided in rural areas, many of whom would spend part of their working lives in urban areas. To meet the growing population, it meant 130 000 houses had to be built every year.

In 1993, only about 50 000 houses were built. Between 7,5 and

10 million people lived in informal housing, such as shanties and squatter camps and backyards of black township houses. This continued right into the 1980s. As part of the struggle against apartheid, township residents organised rent services payment boycott.

In the current dispensation, sectional titles schemes have become popular and constitute one of the fastest growing components of the property market sector, contributing significantly to our country’s economy. It is estimated that approximately 58% of all households had secured tenure whereas an estimated 9% of households lived under traditional, informal or inferior and/or officially unrecognised tenure arrangements in rural areas.

An additional estimated 18% of all households were forced to live in squatter settlements, backyards, shacks or overcrowded conditions in existing formal housing in urban areas, with no formal tenure rights over their accommodation.

According to a recent general household survey, issued by Stats SA, there are currently around 714 000 households living in flats or apartments and roughly a further 233 000 households living in township housing complexes, adding up to approximately 947 000 households living in sectional title schemes.

The concept of shack living has grown in popularity and many embraced the concept as a viable means of living, given the problem of urban land space and secure living.

Today, local municipalities are using vertical ownership of land, in order to meet the crisis of land hunger. However, from our public participation process, it is apparent that the sectional titles model may not be entirely appropriate or accessible for the poor, for obvious reasons, one being the high cost of having to register a ... [Inaudible.] ... title deed. We have therefore ... [Inaudible.] ... the hon Minister and her team to address the above-mentioned matter in a more comprehensive and inclusive manner, in order to make provision for this consideration.

It is for this reason that the Department of Agriculture, Land Reform and Rural Development was granted permission to amend other provisions of the Sectional Titles Act. We therefore, as the ANC, welcome the Second Reading of the Sectional Titles Amendment Bill and support its adoption. I thank you. [Applause.]

Ms T M MBABAMA: Hon House Chair and hon members, the committee requested permission from the National Assembly in terms of Rule 2864 c to enquire into amending certain provisions of Sectional Titles Act 95 of 1986 that were not included in the Amendment Bill. The National Assembly gave permission for that. The Sectional Titles Act which is being amended will now

focus exclusively on the survey, establishment and registration aspects of sectional titles schemes post2016.

All management related issues were removed and placed under the Sectional Tittle Schemes Amendment Act.

The Western Cape’s Department of Human Settlements argued in its submissions that this Bill proposes that a certificate in terms of section 7 of the principal Act be amended to include confirmation of compliance in terms of section 26(2) of the Spatial Planning and Land Use Management Act 16 of 2013, commonly known as Spluma. Note Well [I know we do not abbreviate Acts in Hansard.]

Section 26 of Spatial Planning and Land Use Management Act, provides that land may be used only for the purposes permitted: Firstly, by land used scheme; secondly, by town planning scheme until such scheme is replaced by land used scheme or thirdly, in terms of subsection 3.

The Western Cape Minister of Human Settlements, Tertius Semas, goes on to argue that the municipal land used planning buy laws and zoning schemes buy laws provide for development compliance with zoning scheme requirements therefore the

proposed amendment is requesting that an architect or land surveyor certify that the Sectional Title Scheme used and buildings erected represents a land used scheme in terms of used and development parameters. Municipal planning is a function of the local sphere of government.

The Western Cape Human Settlements Minister, raises valid practical concerns, because it is contemplated that a private body or an individual outside of a municipality must make certified statements in respect of compliance with the land used scheme.

It is unclear what the legal effect of such certificates is intended to be especially if issued in error, if the final detail rests with the municipality.

The other concern is the regular access to all municipal files and data which may be required to issue such certificates.

House Chair, truth be told that the current Bill is not the problem. South Africa has an ANC-led government problem.

While Parliament was busy considering technical registration changes, many developers and owners of these sectional titles were trying to come to terms with the destruction that was

inflicted on their properties and investments in the July 2021 riots that took place in KwaZulu-Natal and Gauteng, the ANC- led government willfully allowed acts of vandalism to take place resulting in the destruction and burning down of some properties such as malls and retail shops that are governed under the Sectional Titles Act.

To be clear the amendment of this Bill is not going to address a failing state and its associated problems especially in respect of the rule of law.

House Chair, furthermore, these amendments were brought before the committee while the ANC and EFF alliance were hell-bent on changing the Constitution to allow for expropriation of land without compensation.

House Chair, it puzzles me as to where the ANC-led government gets its mandate from? For it certainly does not get it from South Africans. Maybe it gets it from its communist friends from Venezuela, China or Cuba.

South Africans want the government to cultivate an environment conducive to job creation, not to destroy the economy and not

to expropriate land without compensation. South Africans need the dignity of work.

The DA-run City of Cape Town is the only municipality that is focused on implementing buy laws of protecting investments and sectional title buildings. Based on our commitment to protect property rights and respect to the rule of law, the DA supports this Bill. I thank you.

Mr N S MATIASE: Thank you so much hon Chair. The right to a home is a fundamental human right which ought to inalienable and secured with proper legislative mechanism. While sectional title schemes are deemed attractive by some because of the perception that they provide more security to residents, the reality is that these schemes are now used by developers to scam people and make communal living impossible.

Not so long ago, we read how the funders of President Ramaphosa, Balwin Properties have been scamming sectional holders at The Blyde, the so-called Lagoon residential area in Gauteng through demanding unreasonable levy amounts from those lending out the property. The Balwin Property scandal is not an isolated incident. Here in the Western Cape, the Propel Group has been conniving with the city officials from the

municipalities such as the City of Cape Town to conjure up patently illegal sectional title such as the so-called Summerville Estate in Hagley. In this area, homeowners were duped into believing that they were buying homes in a security estate only for developers to remove security while trapping residents in an unending debt obligation.

All these call for a stronger legislative regulation of the sectional title schemes. This amendment into the Sectional Title Act is not even scratching the surface. Currently, there are three legislative mechanisms governing sectional title schemes, the Sectional Title Act, the Sectional Title Schemes Act and the Community Schemes Ombud Service Act. All these are disjointed and need to be put together under one legislation to regulate the establishment of the sectional title schemes, in a way that would protect the owners and not favour developer’s insatiable desire for profit.

House Chair, this Parliament should advocate for more of a social forms of property ownership under this legislation to have a more paradigm shift away from the capitalist orientated sectional title system. What this Sectional Titles Act seems to call for is nothing else but to think around the Sectional Titles Act, Act 95 of 1986 which did not have at its target

the majority of the poor mainly black Africans in mind. It did not have envisage them owning property and living in the cities. The sectional titles approach works for the rich. It does not work for low-cost housing. With these amendments, there is no fundamental radical shift to foster condition which enables access to land on an equitable basis.

In terms of the Sectional Titles Act as amended, the South African developer must first ensure that, his proposed housing scheme complies with the planning law requirements pertaining to the land and buildings to be erected on a land. Secondly, he must prove that he has capital and demonstrate how to finance the development and particularly in a case of large scheme. They must further acquire services of a land surveyor and architect to ensure that the proposed scheme complies with the relevant town planning schemes and building laws.

We fully agree that housing schemes proposed by architects and land surveyors must comply with section 26(2) of the Spatial and Planning and Land Use Management Act of 2013. However, we reject an unregulated power abuse by the body corporates who impose levies that a number of beneficiaries cannot afford due to the ever escalating levy cost for maintenance of common property in the schemes.

Like many pieces of legislations of acts passed during the apartheid era, the Sectional Title Amendment Bill requires a critical review not just of the legislation, but of the institution charged with the responsibility to implement it. It is for this reason that there is a need for a fundamental paradigm shift that away from a fragmented, unregulated, unco- ordinated and unsolvable legal ambiguities in the legislation. The Sectional Titles Act of 1973 and of 1986 have been amended several times, without any major breakthrough from the basic structural principles which are steeped in institutional racism and segregation policies of the past.

Unfortunately, all that has happened are mere cosmetic, superficial and unsustainable makeups over sundry requirements

...[Interjections] ... and fundamental transformation. The time to transform the fragmented system has come. We as the EFF reject this Bill Madam Chair. Thank you very much.

Ms M D HLENGWA: Thank Madam Chair. On Consideration of Report of Portfolio Committee on Agriculture, Land Reform and Rural Development on Sectional Titles Amendment Bill, the IFP supports the committee’s report and we agree with the specific amendment of the Bill as proposed by the committee. The IFP has held that the Bill is technical in nature and its

practical implication will be felt to those who deal with the registration of the sectional title on a daily basis.

It is therefore crucial to ensure that the views of expert of these areas are adequately incorporated. The proposed amendment must be practically enforceable and should not create additional of settle to those who deal with the registrations on the sectional title. The IFP is of the opinion that the committee was pragmatic in the approach of the Bill. Following public deliberation of the Bill, it was clear that further amendment to the Bill had to be made. In the deliberation to the Bill, the committee had to also become aware that, other amendment for sectional title maybe necessary. The committee therefore in line with the Rules of the National Assembly sought permission from the National Assembly to amend such provision as well.

The specifics related to section 54(2) and (3) of the Sectional Title Act which require the ... [Inaudible] ... board to include two persons having the ...[Inaudible] ... of the Sectional Title Development Scheme. However, during the deliberation of the Bill, it became clear that this requirement is no longer necessary and the Sectional Title Scheme Management Act of 2011 addresses this.

The IFP therefore supports and agrees with the specific amendment as proposed by the committee. We trust that the Bill will be finalised soon. We wish to reiterate the importance of the finalisation of legislation and ensuring setting the industries regarding the ... [Inaudible] ...requirement. The IFP supports the report of the committee. I thank you.

Ms T BREEDT: Thank you, Madam Chair. The Bill aims to amend the Sectional Titles Act No 95 of 1986, with the objective of rectifying any ... [Inaudible.] ... in the Act by refining certain definitions and providing clarifications of certain sections by the addition of words and subsections. The Bill also introduces a number of additional regulations which largely regulate the management and development of schemes including extensions and common property, returns and trustees less likely to be impacted. Sounds key proposed changes include to make it a requirement for developers to meet with every lessee of a building in instances where part of such building is barely or partially let for residential purposes to answer questions put to the developer by the agents of the lessees. To provide a certificate issued by an architect or land surveyor must comply with section 26(2) of the Spatial Planning and Land Use Management Act where land is only allowed to be used for the permit purposes.

To provide for the amendment of sectional plans in respect of exclusive used areas. To provide for a developer to submit a plan for subdivision or consolidation to the surveyor-general for approval to subdivide, consolidate and to extend the section. To provide the amendment and cancellation of the deed appointment order of court make allowances fulfilling and replacement of documentation in respect of lost or destroyed documents and amending the provisions relating to the extension of a scheme.

The Bill also introduces a number of ... [Inaudible.] requirements around issues such as a subdivision and extension plans. As a committee we also realised that there was a significant confusion between the Sectional Titles Act which lies with the Department of Agriculture, Land Reform and Rural Development and which will lead to a registration and existence of Sectional Titles and the Sectional Titles Scheme Management Act which lies with the Department of Human Settlements. Many issues raised by members of the public related to management of sectional title schemes and there’s no relevant to the Bill ender the consideration. The observation is not new or limited to the confusion of the used two Acts or this portfolio. Proper public participation with inputs applicable to the relevant Bill needs to be a focus of

this Parliament. Misunderstandings and confusion of Act is an occurrence that raises its head time and time again. It is worrisome and will need to have to be addressed by this House. That’s it.

This Bill proposes various amendments to the Act which are important to the pursuit or complete comprehensive legislation. This is necessary for the improvement and betterment of South Africa as whole. Property ownership is an extremely important part of any economy. It is vital to sustain economic development investment and the creational of wealth. In the last 40 years, sectional titles have become more and more prevalent as the form of property ownership in South Africa. With the increase in demand for housing and ownership of such sectional title schemes it is an important part of the future and these amendments are significant in ensuring orderly sectional title development and registration. Private property rights should always be protected and as a fundamental right. I thank you, Madam Chair.

Ms B TSHWETE: Thank you, hon House Chair. Hon House Chair, the African National Congress understands the importance of sectional titles ownership in South Africa. There is an ever increasing demands by citizens to own decent housing.

sectional titles refer to ownership of separate units within an estate development such as a block of flats, a complex or town houses. On one side Sectional Title Schemes are to be found in the urban areas and closer to social and economic amenities, the reflective of the apartheid Spatial Planning Patterns, on the other side sectional titles are said to provide for a low cost housing which makes possible access to housing. Apartheid has created distorted spatial development patterns and this had contributed to the lack of proper and decent housing for the majority of black people.

In dealing with this legacy of an abhorrent system of government the Portfolio on Agriculture, Land Reform and Rural Development, was ceased with the amendments of Sectional Titles Act 95 of 1986 in order to achieve a number of objectives and thus ensuring this apartheid piece of legislation is progressively in line with our democratic and constitutional ideas. The Congress of the People in 1955 declared that there shall be houses, security and comfort for all. In adopting the Freedom Charter, the people of South Africa boldly asserted that all people shall have the right to live where they choose to be decently housed and to bring up their families and comfort.

Hon House Chair, this was in recognition of the fact that what the apartheid regime has created resulted in mass land hunger and the impoverishment of the black majority thus denying them an ability to create an acid-base. The creation of an acid- base provides a basis upon which generational wealth can be created. Over the Constitution of the Republic in section 26(1) stipulates that everyone has the right to have the access to adequate housing. Amongst many of the most important objects of the Sectional Titles Amendment Bill is to provide that the certificate issue by an architect or a land surveyor must comply with section 26(2) of the Spatial Planning and Land Use Management Act 16 of 2013.

House Chair, in an indication that the Amendment of Sectional Titles Act is informed by the democratic principle embedded in the notion of broader public consultation and involvement not only legislative making, but in the development of the country. This kind of democratic participation is to be found in section 4(3) of the Sectional Titles Amendment Bill by providing that a developer must have a meeting with every lessee of a building in instances where part of such building is to be wholly or partly let for residential purposes. South Africa has the large component of the property market. Real wealth is found in the development efficiency Land Use

Management, hence the importance of land use skills. Land is a primary resource a springboard for economy and social industries almost indirect correlation with increased land hunger there has been over the years and increased hunger to own decent housing by citizens.

It has been reported that in 2010, only about 13,5% of new residential buildings completed where sectional titles and this number increased by 44,2% by 2019. It is reported that in 2019 sectional titles accounted for the larger share of the property market sitting around 22%. The land audit report of 2017, indicates that private land ownership patterns by race, gender and nationality and found out that women own a total of about 3 668 hectares of sectional titles, the highest number being in Limpopo and Gauteng provinces where individual women own a total of 1 057 hectares and 1 466 hectares respectively. Section 18 of Amendment Bill makes applicable certain provisions for the deeds registry in relation to the transfer of mortgaged sectional titles units and mortgage common property.

In conclusion, House Chair, the ANC supports the Sectional Titles Amendment Bill as a progressive piece of legislation in line with the country’s developmental needs while ensuring

that distorted apartheid Spatial Planning Patterns are not duplicable. I thank you, House Chair.

Mr S N AUGUST: House Chair, the Sectional Titles Amendment Bill, which is a technical Bill, serves a very important purpose. The amended Bill seeks to rectify the confusion of the first Bill adopted in 1986. The Good Party believes that legislations where possible adopted pre-94 must be carefully looked at and brought into 21st century and in line with our democratic dispensation. Additionally, amongst other things, the amendment Bill seeks to do the following: to provide for a developer to submit a plan for subdivision or consolidation to the Surveyor-General for approval to subdivide, consolidate and to extend a section; and provide for the noting of a title deed in respect of the lapsing of a reservation in terms of section 25.

In general, the Good Party is for sectional title ownership system because it enables density and it is also the most pragmatic way to transfer title deeds to residents of informal settlements which are often our most vulnerable people in this protection. Our Bill of Rights promises our people dignity and a decent standard of living. Security in their dwelling goes a long way to making a democratic promise a lasting reality. As

such, we support the passing of the Sectional Titles Amendment Bill. Thank you.

Mr C H M SIBISI: There are no declarations from the NFP.

The HOUSE CHAIRPERSON (Ms M G Boroto): Okay! Thank you very much.

Mr C H M SIBISI: There will be no declarations from the NFP.

Ms M M E TLHAPE: Hon Chairperson and fellow South Africans, the ANC as a progressive liberation movement has committed itself to using land reform programme to build productive assets for our people whilst addressing the persisting reality of the apartheid spatial separation. By so doing is to ensure adequate access to land in order to improve their livelihoods.

Our contribution in this debate is informed by a premise that the Sectional Titles Amendment Bill deals only with the registration and the existence of the current sectional title deeds. We are informed by content and substance, and not by phenomenon when it comes to legislation. We do remember that our land reform programme is pillared on restitution, redistribution and security of land tenure. Our country has a

mixed land tenure system in respect of ownership of private property rights. To this end and in fulfillment of the provisions found in the 1955 Freedom Charter, this Parliament has developed legislation that ensures that all South Africans have fair access to land use and ownership and there are no arbitrary restrictions to land use and benefit.

Hon Chairperson, [Inaudible.] has spoken to the important realisation provisions found in section 26 of the country’s Constitution and this being read together with section 21 on freedom of movement and residence. The current democratic government is entrusted with the responsibility and the mandate to enact pieces of legislations which will endure the enjoyment of the democratic gains and the realisation of human dignity.

The Sectional Titles Amendment Bill makes 12 amendments and this relates to issues such as common use space and other issues having to do with registration of sectional titles as well as rights of property developers and sectional title deed holders. The amendment Bill contains proposals made by the Sectional Titles Regulation Amendment Board from meetings that took place between 2012 and 2016. In moving forward, a permission was granted to the he Department of Agriculture,

Land Reform and Rural Development to amend other provisions of sectional tittles in terms of Rule 286 subsection 4(c) of the National Assembly and this process was opened up for further public consultations and a call for public comments. The ANC noted concerns raised during the public hearing process on the high cost of registration of sectional titles property by members of the public and the impact that this would bear on local housing development.

It is understood that due to challenges of shortage of access to land for residential property, sectional titles ownership has provided many with access to adequate housing. As the ANC we take note of the concerns raised and we would hold that administration cost should not create a hurdle for those wishing to own property. We however did not reject the proposed amendments like some opposition parties who have resorted to blind reject the proposed amendments. We take note that South Africa has progressive legislative framework in response to the land question. We hold that more needs to be done to raise awareness around pieces of legislation including this very one we are debating this very afternoon. This will ensure that citizens take ownership of their loss of land and ultimately defend them as responsible and patriotic citizens.

Arguments made by the DA that these amendment Bill does not consider the most vulnerable citizens during our debate in the portfolio committee and that it is not propoor, is ill- informed. It does not take into consideration that South Africa has broader land reform legislation that is propoor and specifically crafted to protect the most vulnerable members of our society - something that is quite contrary to what their apartheid legislation sought to do and currently the DA is attempting to re-enact through gentrification found in spatial planning and development patterns in the Western Cape province.

Hon Mbabama, the ANC is mandated by its people to acquire and redistribute land as a means to economic development and creation of jobs. We started with the allocation and redistribution of 700 000 state land. We are on the amendment of the Sectional Titles Bill and we are going now for the expropriation of land without compensation, which is but one of the mechanisms to make sure that we attain land security of tenure and issues of property and land ownership.

As for the EFF, they are blinded by the fact that there are no magic words in legislative making. The development of progressive legislation cannot be done overnight.

Notwithstanding their conspicuous absence in the portfolio committee meetings when we were discussing this Bill. The EFF argues that the state custodianship which is quite reasonable saw no need to meaningfully contribute to the development of a legislation that will ensure that citizens’ rights to land ownership is guaranteed. This is an indication that the so- called freedom fighters have no understanding of land tenure system and their one-size-fits all revolution is inconsistence with aspirations and needs and the hopes of the majority of the citizens. Thank you hon Hlengwa from the IFP for understanding and supporting this Bill. Like we said this is issues of costs as race should receive attention and that they should not become a hurdle in achieving good intentions of this Bill. We appreciate the support from hon August.

Hon Chairperson, it is only the ANC that can progressively take South Africa’s land question to its logical conclusion and this evident in the proposed amendment found in the Sectional Title Amendment Bill. The ANC lives and ANC leads! I thank you.

The MINISTER OF AGRICULTURE, LAND REFORM AND RURAL

DEVELOPMENT: Thank you very much, hon House Chairperson. I would like to thank all the speakers that participated in the

debate, especially speakers from the ANC. I would like to say to hon Mbabama, the results of the elections of November 1, indicates the mandate that the ANC have, and where it comes from. So, it can’t be debatable nor even questionable, where does the ANC gets its mandate? On other matters, we get mandate from our members, to be able to draft policy that becomes the government policy when we are in power and where we are in power.

We acknowledge, indeed, that the electorate has spoken, they have given their votes in a proportional manner to various parties, and in some instances, in a manner where the a Hung Parliaments where some of the members are not here, even the opposition parties are busy with the negotiations for the coalition which seeks to address how actually, from the various council governance will be structured. So, the issue of the mandate, hon Mbabama, if you don’t know where it comes from, I think you need to go back to how as parties receive our votes from the electorate.

I would like to thank hon Breedt for her interpretation, particularly in clarifying where at times a confusion in various legislations is, particularly on those matters that deal with Sectional Titles, some of which lies in the

department that is found on the Department of Agriculture, Land Reform and Rural Development as we are debating today, and the others on the Sectional Titles schemes which actually lies on the Department of Human Settlement.

We commit that we will engage with the Department of Human Settlement to actually strengthen on those areas where Members of Parliament as well as members of the public has indicated needs to be strengthened. Hon Matiase, I take note of the concerns you have raised. However, it would have been helpful if such issues were raised in the portfolio committee. Hon August, I agree with you that, it is necessary that we need to review some of the legislations so that, where there are conflicts, those conflicts are resolved, but where alignment is needed, that too is done.

In all, I would like to say, thank you to hon members for supporting this Bill, which indeed will assist us to progressively change the lives of our people. Thank you.

Debate concluded.

Question put.

Agreed to.

[Take in from minutes.]

Bill read the second time.

# CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS, WATER AND SANITATION ON PROVINCIAL ENGAGEMENTS ON SPECIFIC ISSUES RELATING TO WATER AND SANITATION SECTOR

Mr M R MASHEGO: Thank you, hon House Chairperson. In quoting the then President of the ANC and the country in addressing the World Summit on Sustainable Development in Johannesburg in 2002, he said, and I quote: “Among the many things I learned as the President, was the centrality of water in the social, political and economic affairs of the country.” On that, the

Freedom Charter also govern, among others declare that, all shall have equal rights.

The Constitution of the Republic South Africa declares that, water is the human rights. Therefore, water cuts across the majority of human rights such as, those that relates to public health, dignity, property, food, land property and environment. The Constitution states that, everyone has a

right to have access to sufficient food and water. In this regard, the portfolio committee conducted a series of briefings between 5 June and 16 October 2020 on assessing the effectiveness in which concurrent functions relating to the human settlements and water and sanitation are implemented, aligned and integrated into various provinces.

The focus of these briefings associated with the following areas of discussion provided an overview of provincial strategic plans aligned with national policies for the 2020-21 financial year. In summary, the briefings revealed that, although the department has begun the institutional reform and realignment processes of ensuring sound policy and legislative framework to govern and the guide to water resources management component of its work, the implementation of service provision in many municipalities is compromised due to challenges associated with capacity constraints, ageing infrastructure, limited understanding of assigned concurrent

functions water service delivery by municipalities.

Due to improperly managed wastewater infrastructure by municipalities, there is significant contamination of sources across many South African municipalities. The focus of compliance to discharge water into streams and rivers has

mainly been dependent on the national department issuing directives and notices. In addition to this, lack of increased oversight of grant funding, such as the Municipal Infrastructure Grant, the Regional Bulk Infrastructure Grant

and Water Services Infrastructure Grant by the Department of

Water and Sanitation and National Treasury, results in the utilisation of these grants on activities not aligned with the purpose of these grants.

The ever increasing debt of owed to water boards by the municipalities, is also a course of concern. To this end, the

committee made a number of recommendations, among others being

that, the Department of Water and Sanitation through the Minister, should undertake the following, to address those

concurrent functions: Firstly, to support municipalities to build sufficient economies of scale to be efficient and financially resourced to employ skilled managers, professional staff and, to raise sufficient capital funds for investment in essential water infrastructure, specifically for operations and maintenance; and find solutions for areas with less developed economies, and to promote good governance in the water sector institutions, thereby ensuring separation of policy-making, shareholding and regulatory functions.

The Department of Water and Sanitation should regularly ensure the Blue and Green Drop assessments comply with statutory requirements, which deal with discharging effluent wastewater into streams and rivers. The department and respective water boards should provide a report with associated timeframes on actions plans that provide concrete and tangible results on debt collection, governance issues, and water boards’ amalgamation to establish regional utilities. It is for these reasons that we are asking that this report be adopted by this meeting, because it takes water as a right and as life. Thank you very much.

There was no debate.

The Deputy Chief Whip of the Majority Party moved: That the Report be adopted

*Declarations of vote*:

Mr L J BASSON: House Chairperson, the portfolio committee conducted a series of briefings between June and October 2020 that provided a synopsis of water and sanitation in all provinces. Within the water and sanitation sector, there are three fundamental objectives for managing South Africa’s water which are firmly grounded in the provision of the Bill of

Rights and the Constitution. They are equitable access to water resources, sustainable water use and efficient and effective water use for social and economic benefits.

One of the critical challenges in water and sanitation is the inability of different spheres of government to fully implement the Intergovernmental Relations Framework Act with co-ordination between different spheres of government as well as the ineffective implementation of national pieces of legislation hampers the delivery of water and sanitation in provinces. Although the previous Minister indicated that the verification and validation of existing lawful water use will be speeded up, we still see that this is not a priority within the department.

The purpose of the verification and validation is to verify all existing lawful uses, determine the status of water use and water registrations as well as to determine the legality of new water uses. However, the committee raised concerns on the discrepancies of the validation and verification system in relation to the building of illegal dams. The department must fast-track the verification and validation of existing lawful water use in all management water areas in order to ensure a

speedy water allocation reform to address water needs in this country.

The going concern of a number of water boards is a huge concern. The nonpayment by municipalities has already collapsed the Sedibeng Water. Sedibeng Water cannot pay electricity, salaries or buy chemicals. Although the department and the Minister are intervening in this matter, progress is slow and the DA request the Minister to speed up the process so that we could stabilise delivery of water to residents in North West and the Free State.

Minister, you are the custodian of water in this country and it is your responsibility to act if institutions like Sedibeng Water fails the people of South Africa in the delivery of clean drinking water. We have a water crisis in some areas in this country. It is not because of drought but because of poor infrastructure, corruption and the mismanagement by ANC-run municipalities. I thank you.

Ms M R MOHLALA: House Chairperson, the briefing by the previous Portfolio Committee on Human Settlements, Water and Sanitation between 5 June and 16 October 2020 on the effectiveness of concurrent functions and service delivery

across the water value chain in provinces merely confirmed the findings of the Auditor-General on the state of municipalities in service delivery and financial management within concurrent competencies between local and national government.

The ANC in the portfolio committee has been the champions of pushing the agenda of the District Development Model. However, to date, no significant or valuable reporting or monitoring and evaluation of the once again failed new policy directive is yielding significant results. While the District Development Model may be theoretically okay, it is held back at an implementation level and it is floundering amidst the malfeasance, corruption and complete disregard for the basic principle of placing human dignity at the forefront of any excellent leadership.

The findings of the briefing for each of the respective provinces briefly described here are that in Limpopo the failed Giyani water project could not and can still not provide water to the surrounding communities. Sekhukhune does not have running water for over a decade. There is no monitoring by the national Department of Water and Sanitation on transgressions and illegal constructions of dams. In North West, the consequences are declining groundwater levels. Water

quality is also impacted due to effluent discharges. Sedibeng Water refused to effect a ministerial directive to assist with water and wastewater systems. In Western Cape, in Monwabisi, there are no water networks in the area. In Free State, once again, like in Giyani and Jozini communities - they cannot access water from the Bloemfontein Dam. The Bucket Eradication Programme is still an ongoing issue. There is poor status of wastewater treatment plants which continually contribute ... [Inaudible.] ... [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Peacock! Hon

Peacock! Thank you. Proceed ma’am.

Ms M R MOHLALA: The Bucket Eradication Programme is still an ongoing issue. There is poor status of wastewater treatment plants which continually contribute to polluting water resources. In Mpumalanga, there is water struggles in municipalities such as Dr J S Moroka and other regions of the province. There is no sound future policy directive in areas such as Bushbuckridge which experience severe cases of drought.

*Sepedi:*

MODULASETULO WA NGWAKO (Moh M G Boroto): Mohl Mohlala, nke o eme gannyane, mma.

*English:*

Hon Peacock? ICT, would you please mute the hon Peacock. If this happens again, I am going to ask you to remove her immediately. Proceed, hon Mohlala.

Ms M R MOHLALA: The new Minister - Minister Mchunu, at the recent 2021 workshop of the Portfolio Committee on Water and Sanitation talked about the centrality of water security for the future in South Africa but with empty clichés and throwing concepts without truly ensuring that the national department undertakes its regularity and compliance authority without fear and favour. It is an ongoing tragicomedy that plays itself in the public domain. Making water accessible to all is not rocket science. It merely needs a dedicated government that is able to plan and execute plans without the corruption that has characterised this sector. The water board needs a complete revamp to fashion them as centres of excellence and not as dumping grounds for the corrupt. We support the recommendation of the report. Thank you.

Ms S A BUTHELEZI: House Chairperson, the right to have access to clean water is enshrined in our Constitution and is included in our Bill of Rights not for cosmetic reasons but to ensure that people live dignified lives in sanitary conditions that are not detrimental to their health. As such, we should be alarmed at the inability of the Department of Human Settlements, Water and Sanitation to adequately provide access to clean water across South Africa.

While we acknowledge the challenges that impact on the provision of water such as erratic and unreliable electricity supply, we should also be attuned to the reality that the department must fill up its socks. It is our view as the IFP that urgent steps need to be taken to ensure the provision of clean and accessible water but that also prevent the contamination of water sources. Some of the necessary steps have already been highlighted. Suffice to say that two issues remain, which are the need for stakeholders to work together and the importance of enforcing municipal bylaws on water use and effluent treatment.

Concerning the first issue, it is now common cause that all stakeholders must unite in the monitoring development and enforcement of laws at local government level to ensure that

effluent from industries is of such a standard that it does not imperil the environment into which it is discharged.

Stakeholder co-operation will ensure that the department is able to fully use the processes in the District Development Model to support municipalities and assist them in discharging their water and sanitation service delivery obligations.

While the issue of concurrent environmental governing powers among the national, provincial and local government remains contested, the IFP believes that the Constitution provides an adequate framework to work out those challenges for the benefit of communities. On the second issue, capacity is important and bylaws are in place to govern the discharge of wastewater effluent. However, municipalities must be able to enforce their water use authorisation powers so as to ensure compliance. This will also necessitate effective enforcement of municipal plant guidelines on a fluent nutrient levels before release of the water into the environment. The IFP supports the recommendation.

Mr C H M SIBISI: House Chair, we recently saw reports of Eastern Cape communities that have approached the Umtata High Court to force a response from the provincial and national government over access to water. It is with great concern that

in over 27 years of this democracy, our people are still having challenges accessing water and sanitation.

Some villages in the Eastern Cape have only been given two water tanks for eight villages, which are about 20km apart from one another. These tanks were not even properly mounted and have not been refilled. Needless to say that the municipalities are running away instead of fixing the problems. Surely, water must be basic human rights and the lack therefore continues to affect our people even in the new dispensation.

Chair, take for an example the community of uMhlabuyalingana in the northeastern part of KwaZulu-Natal, where just over

172 000 people live in the area, only about 46% of household get water from a regional or local service provider ... [Inaudible.]

The HOUSE CHAIRPERSON (Ms M G Boroto): You have muted yourself

hon Sibisi, please. We can’t hear you now.

Mr C H M SIBISI: The ... [Inaudible.] ... of this country remains further and further of the periphery while local municipalities continue to face service delivery with absolute

impunity. We saw the same thing happen in the village of Xunu in the Eastern Cape. The people in that community have been lamenting about their taps being dry for eight months. They use the same water as livestock and dogs. The pump station was switched off after the OR Tambo district municipality failed to pay an Eskom account.

The national government cannot simply let these matters be dealt with only by the municipalities and provincial governments. Interventions have to be strict and effective, otherwise our people are reduced to the level of dogs by being forced to share water with dogs and livestock. We have to have

...

*IsiZulu*:

... noma sishaywe amahloni.

*English:*

In fact, it is becoming more and more evident that service delivery is about race in this county. The department reported that in 2016 only 65% of households had access to reliable supply of water, in the poorest rural district, that figure was only 37%. We saw reports about how technicians in Ugu district in Kwazulu-Natal carries guns while fixing water

infrastructure to protect themselves from workers fired as a result of political inspecting in the municipalities.

A society’s rippling effects of poor service delivery is detrimental to a society we want to build. Many challenges that we face in this country are self-inflicted. In Giyani, Limpopo, despite billions of rands spent in response to drought that hit the area in 2010, the community still don’t have supplies to secure water supply.

So, the department can come here and grandstand about plans and engagements and consultations, but these interventions do not translate to reality nor do they improve our people’s lives because of corrupt officials and incapacitated people in critical positions. [Time expired.]

Ms G K TSEKE: House Chair, hon members and fellow South Africans, good afternoon. The ANC rises in support of the report on engagements with provinces and water boards held over a period of five months in 2020, to have a holistic picture on the business plans for the 2020-21 financial year and towards the implementation of the District Development Model.

The introduction of this District Development Model, DDM, is critical in ensuring the planning and financial support be streamlined into one plan and one budget by different government organs in a district to respond to a developmental need of a district, social and economic level.

Hon members, one of the critical challenges of water and sanitation as a concurrent function at a national and provincial level is the inability of different government spheres to implement the intergovernmental relations framework fully.

The principles guiding the District Development Model as described by the Department of Cooperative Governance and Traditional Affairs aims to improve the coherence and the impact of government services delivery. With this focus on 44 district and eight metros around the country as development spaces that can be used as centers of service delivery and economic development including job creation.

South Africa – yes - is a water scarce country - and this creates a responsibility of all water users to utilize water in a sustainable way. Water use management in a water scarce

country requires the people to be orientated to use water as a resource which should be stored and used effectively.

The reports and the briefing received from different provincial departments and water boards reflected some of the key challenges affecting water service authorities. We looked deeper into the challenges into the Giyani Water Project, the Sekhukhune in Limpopo, the municipality in the North West, Bushbuckridge in Mpumalanga and many other locations throughout the country.

Hon members, one of the major weaknesses into the sector is aging infrastructure which results to a high level of water wastages. Another major weakness for water boards is around the revenue collection which has been highlighted by the Chairperson of the current Portfolio Committee on Water and Sanitation to ensure sustainability of waste water treatments, the ones that we have in the country.

Many of the Wastewater Treatment Works Plants are facing challenges of poor operational planning and maintenance. Different water chemicals should always be onsite to ensure that quality of water is discharged and distributed. The implication of functional Water Treatment Plants is the

discharge of contaminated river system which negatively affects the environment and different water users.

Hon members, focus of compliance to discharge into streams and rivers mainly being depended on the national department issuing directives and notices, but there is a need to begin seriously engaging on enforcement of bylaws at the local government level.

What is important about this report is the fact that it contains three recommendations, as other hon members have indicated, which the portfolio committee has been focusing on during the previous and current year including the current processes of the BRR Reports to respond to the challenges affecting the department in the water and the sanitation sector.

It was critical for the portfolio committee to meet different key institutions to ensure that it continues its monitoring and oversight on key projects which should result in the accountability of key recommendations. Amongst different recommendations, the portfolio committee also recommended intervention by the Department of Water and Sanitation to develop an institutional framework or guidelines that clearly

defines the roles, responsibilities and accountability within the entire water and sanitation value chain.

Consequence management is also another area which is experiencing a slow progress and the framework and guideline will enable accountability to be distinguished to employees with particular roles. One of the challenges is the issue of dams that are illegally constructed without receiving official approvals. Farmers that illegally build dams should also be addressed to ensure distributions of water to surrounding communities and other water users.

Hon members, water quality is also a critical area of this report, and progress can be observed in the state of the nation address presented in 2021 by the President of the country when he announced the reintroduction of the Blue Drop Green Drop Report to assess the state of Waste Water Treatment Plants and water infrastructure in our country.

The ANC supports this report as it represents a comprehensive focus by the portfolio committee to respond to the challenges affecting all the nine provinces; and we continue to ensure accountability in the implementation of this recommendations. We are confident that the Water Master Plan as adopted by

government and the major projects that have been undertaken will contribute in expanding access to water in the rural areas, informal settlement and towns affected by lack of water. Thank you, House Chair. The ANC supports the report. [Applause.]

Question put.

Motion agreed to.

Report accordingly adopted.

# CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS, WATER AND SANITATION ON 2020-21 FIRST QUARTER FINANCIAL AND NONFINANCIAL PERFORMANCE OF DEPARTMENT OF HUMAN SETTLEMENTS

Mr M R MASHEGO: Hon members, the Constitution provides that everyone shall have the right of access to adequate housing. Since the dawn of democracy our ANC-led government has been making the effort to ensure that the majority of South Africans who for the longest of time have been denied this right of getting access to housing. It is also noted that the

housing needs of our people are growing at a rapid pace faster than the supply.

The 2020-21 financial year was a challenging year for the department and its entities due to the COVID-19 pandemic which had a huge impact on the housing sector.

This report provides a reflection on the expenditure and nonfinancial performance of the department by the end of the first quarter of the 2020-21 financial year which is the overview of the expenditure in the first quarter as it is stated.

The main appropriation of the department for 2020-21 was an amount of about R31,3 billion. By the end of the quarter, the department spend only R4,3 billion of that amount. This is due to the fact that as we all know there was Covid-19 and buying and moving of goods was a little bit difficult. This was mainly attributed to transfers that were not made to public.

Hon members will know that in the affordable rental Social Housing Programme 5 which reached R11,1 million in the quarter which is also less by 92,5% given the difficulties we have just mentioned.

However, the portfolio committee has made recommendations and observations on the work at hand. The committee was therefore concerned about underspending on personal costs. The projected spending of a R102 million personal costs against

R86,3 million that it spent at the end of the first quarter represented the underspending by R15,8 million. It was very unacceptable to the committee.

We are therefore recommending that the department should ensure that the spending of personal costs by filling all posts that are in the department must be speeded.

The title deed restoration grant was not transferred due to the late submission of the business plan by provinces. Only one province was found to have given the plan and it was the Western Cape. However, even in that you will find that having had the plan, the money was not necessarily spent for the plan at hand, but for something else which was not supposed to be done. So, all the provinces could not meet their targeted plans. Therefore, the department could not spend their money given money is on the basis of grants that shall be applied for by the provinces.

We are therefore asking that the department should assist provincial departments in compiling and submitting their business plans on time. Also that consequence management should be considered in cases where nonperformance by the departmental heads are found to be the case.

The committee observed that human settlement was still build in peripheries away from amenities. The department should develop a strategy to redress, building human settlements in periphery of towns and cities.

Lastly, the committee observed that the construction of houses was hampered by the hard lockdown in response to COVID-19.

There should be a lockdown recovery plan to ensure that delays in constructions are accredited.

It is for this reason that the ANC commends that in places that ... [Malebo kea botho hle, kea leboga.] I thank you. [Time expired.]

*Declarations of Vote:*

Ms E L POWELL: House Chairperson, the very fact that this report is only now coming before this House, more than a year- and-a-half after the quarter concluded, is the finest

indictment yet of this ANC-led portfolio committee’s rank incompetence and bare-faced lack of interest in genuine oversight.

Hon members, I could not think of a better tool with which to articulate the complete disregard for parliamentary process than the glacial pace that this ANC-dominated committee has taken to ATC this report almost a year after the period in question concluded.

When the Rules of this Parliament were developed, they were done so with the intention of providing every hon member in this House with the tools and the protections that they would need to genuinely hold government and the executive to account.

Sadly, this report demonstrates conclusively to this House that cadres in this committee are not interested in progress and in genuine accountability. They are simply interested in patronage and power, at whatever cost. They are not interested in parliamentary ethics; they are interested in protective their own. They have no regard for the rules painstakingly developed over generations to guard against the abuse of power by reeling elites in this very House.

Hon members, imagine a committee where crucial statutory reports, based on recommendation adopted by this House, do not serve before committee because the chairperson is not willing to find time in a diary. Imagine a committee in which the ruling party’s staff members added parliamentary reports after the deliberations in the ANC’s study groups before they serve at meeting. Whereas, same ANC’s staff members are so brazen that they don’t even bother to remove their initials from documents before they circulate it to committee members.

The issue of the ANC’s study group censoring the flow of information to Parliament committees is not a new issue. And, I ask, hon House Chairperson: How many more Zondo Commissions of Inquiry must be held before those charged with the proper and correct functioning of Parliament will act. In coming to the substance of this report, it would be an exercise of an absolute futility for me to speak to the first quarter performance of a department that has already in months ago tabled its annual report.

Whilst the number of household living in informality has grown, from 1,4 million at the ANC’s ascend to power to more than 2,1 million, today, the housing department achieved a measurable 59% of their targets in the past year, but they

spent 98% of their budget. Of the target of 20% of land falling within priority developments areas to be rezoned, only 0,14% was met, with the highest percentage of grants funding invested by a province being in the Western Cape. No surprises there because the DA gets things done!

In Mpumalanga, Northern Cape and Limpopo – our chairperson’s home province- they did not achieve a single percentage point. Of the 300 planned Phase 3 informal settlements upgrades, nothing was achieved. In terms of title deeds, only the Western Cape, North West and KZN spend their full Title Deeds Grants.

In places like the Eastern Cape, municipalities indicated to our committee that 26 years into democracy, they still don’t have systems in place for the registration of title deeds.

This, whilst the DA-run Western Cape has now rolled out a smart electronic system and has delivered over 6 300 titles deeds in the last year alone.

The ex-housing Minister, hon Sisulu’s continuous rotation of acting executives and board members has now turned the department’s entities into fertile ground for grand criminality. Senior ANC cronies - the likes of Bathabile

Dlamini, Menzi Simelane, Stephens Poya, Susan Shabangu, Boyce Mkhize, Chumani Maxwele, and Magasela Mzobe - were all hired by the hon Minister during her time in office to execute the nefarious political agenda of the ANC’s factional wars.

The failed Housing Development Agency - a key vehicle for the ex-Minister’s patronage network - has again this year incurred more than R147 m in irregular, fruitless and wasteful expenditure and is now again under administration.

The time has now come for a culture of consequence management to finally be enforced in this portfolio. We are the watch dogs of our democracy - and, when we in fail; South Africa fails. Instead of scheduling time for another expensive study tour to a construction site, this committee would do well to perhaps spend some time with the Western Cape Department of Human Settlements, learning from them how to really get things done. I thank you. [Applause.]

*IsiXhosa*:

Nksz N TAFENI: Enkosi Sihlalo weNdlu. Ndibulisa uMongameli we- EFF, amaLungu onke eNdlu yoWiso-mthetho yeSizwe

*English:*

Chairperson, today is 27 years after the entertainment of political freedom. The country still has a backlog of just less than 3 million of housing units. This means that millions of people are still without access to proper homes, with flushing toilets and running water.

Despite this reality, the department announced last year that it was dramatically scaling down its provision of housing to the citizens of this country because such promoted dependence. This flawed reasoning fails to appreciate a number of factors at the centre of which is government failure that has led to chronic homelessness in the country.

Black people do not have land on which they can build their houses. Black people are largely unemployed and cannot afford to buy their own houses. The majority of unemployed black people are getting paid barely enough to buy food for themselves and their families. The department is even failing to use the available resources to improve the lives of marginalized and homeless people.

Programme 3 of the annual performance plan, which deals with informal settlements, was meant to have utilised a budget of R250 million in the first quarter, but the department nearly

spend about R8 million of this money. This is so because the department does not give a damn about people living in informal settlements, who are exclusively black.

The same applies for the programme I am aimed at - affordable housing - in which only R11 million of the target R150 million was spent. The department has also done nothing to ensure that the houses the they have actually built are allocated to beneficiaries. These houses, remain empty and are susceptible to being vandalised. For example, if you go to the Greater Taung Municipality - at Ward 18, Ward 14, Ward 20 - you will see vandalised, unoccupied RDP houses. All these unoccupied finished houses and others which are incomplete were built before 2016.

The Department of Human Settlements has not taken further action against the officials who are implicated in fraud and corruption in the awarding of tenders with regard to the temporary residential units in Limpopo. The SIU has shared their findings with regards to this matter and has recommended a remedial action with the Minister and the management, but no action has been taken against the implicated employees. We can only assume that these officials are left alone because they work in tandem with politicians on committing this fraud.

We reject this report, as the EFF. Thank you, Chairperson. [Applause.]

*Sesotho:*

Mr M A TSEKI: Ke dumedisa motsamaisi wa dipuisano.

*English:*

Noting what our opponents have said, I think there are few things that I need to clarify. The member from the DA has got this internal hatred against the ANC. Therefore, everything that she raised will always represent that negativity. This report was tabled for ATC in March 2021, and everything that happens in this Parliament goes to Whippery.

Your Whippery was involved and would have known those changes. The Zondo Commission is instituted by this ANC and we are not shy to say whatever that those recommendations are, the ANC will respond to those challenges. So, you cannot come here and want to grandstand as if the ANC has put all those issues aside.

Hon members, as the ANC, we rise to support this report. The glorious movement is guided by the principles of the Freedom Charter, which proclaims the rights to freedom and shelter.

Access to adequate housing is rightly captured in the Constitution and it is one of the mandates of the Department of Human Settlements and its entities. They play a pivotal role in ensuring delivery to the people of South Africa.

The report presented here in this House illustrate that the department and its entities are indeed at work to provide investment. We are not providing houses – as in just houses - but it is investment to the people of the South. Hon members, the different programmes of the department are to ensure that the different human settlement challenges are resolved for our people.

While we welcome the targets achieved, we must also make you aware that this report reflects on some challenges that were not totally achieved, which is Programme 1 and Programme 2. The department is also mandated to make sure that it ensures on plans and timelines coming from provinces, that these business plans must come on time for the implementation of those programmes.

Hon members, Programme 3, which is informal settlements – I like what Tata Mandela said, naming it inferior settlements. Chief Whip, I think we should consider that naming, because

inferior settlements were created by settlers who came here in 1652. [Interjections.] They made every attempt to make sure that African people are not settled in a considerable way. [Interjections.]

I think that debate on rural development and agriculture is exactly towards what was created in those many centuries of apartheid and colonialism. We are calling on the department to respond and make sure that it addresses these informal settlements that are cropping up in our country.

We must note as well the tradition – I don’t know whether it is tradition, but anyway, you could call it a tradition - because it was how the EFF was formed. For them to illegally occupy any land in the country and form these informal settlements anywhere and anyhow – whether it is wetland or rocky land or wetland. So, that is how they were doing. [Interjections.]

*IsiXhosa:*

Nksz E N NTLANGWINI: Hayi, hayi, khawusiyeke wena! Usiyeke wena!

Mr M A TSEKI: So, they are not in any way different from what the National Party did, which is today a devil’s advocacy that are there.

Ms E N NTLANGWINI: You are drunk wena!

Mr M A TSEKI: The targets in the province ... I am not sure whether that is parliamentarily or not ... [Interjections.] The HOUSE CHAIRPERSON (Ms M G Boroto): Please take your seat for a while. Please, take your seat for a while! Hon Ntlangwini, what you have just said will be considered. You know that it is unparliamentarily to say what you have just said. If you repeated it again, you will be removed, but there will be a ruling on what you have said. Thank you. Proceed!

Mr H G APRIL: Sorry, House Chair! While you are on correcting members, we have a member that is sitting without a mask the whole day there. Can you please tell him to put his mask on?

The HOUSE CHAIRPERSON (Ms M G Boroto): Okay. To everybody, this is a reminder. In the House, I think I can be the only one who can remain without a mask, and the member on the podium. Thank you very much. Proceed!

Mr M A TSEKI: The ANC commends the department and its entities on the work thus far, and implores the department to take into cognizance the recommendations of the Portfolio Committee on Human Settlements. Together, we will work towards providing shelter to the people of the country as contained in the Constitution of this country and the National Development Plan.

It is against this background that the ANC accepts this report. However, we must also reflect that standing here resembles the will of the people. We are not standing here because we want to be here necessarily, but the will of the people have mandated that we must come here. When we stand here, we must speak facts; not wara wara here! [Laughter.]

We must speak facts on what is happening in the department. We take pride and strength on the mandate that is bestowed upon ourselves, and we dare not fail the people of South Africa. We will make sure that we deliver to the logic conclusion of what we have been mandated to do. Thank you very much, Chairperson. [Applause.]

*Sepedi:*

MODULASETULO WA NGWAKO (Moh M G Boroto): Re a leboga sebata.

*English:*

Hon members, in accordance with Rule 85, what the hon Ntlangwini just said when the hon member Tseki was speaking is not allowed. May I just ask now that, hon Ntlangwini, can you please withdraw the words that you said. Is hon Ntlangwini still on the platform? [Interjections.]

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: She ran away!

Ms E N NTLANGWINI: I withdraw, Chair. I am not a coward to run away: I withdraw!

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you, hon Ntlangwini. Please, let us respect one another in the House. Okay! Thank you. May I now recognise the hon Chief Whip of the Majority Party.

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: Thank you, hon

chairperson. I move that the report be adopted.

Question put.

Objections noted.

The report was agreed to.

# CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON PUBLIC WORKS AND INFRASTRUCTURE - 2020/21 FIRST AND SECOND QUARTER PERFORMANCE OF DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE, AND PROPERTY MANAGEMENT TRADING ENTITY

Ms N NTOBONGWANA: Hon House Chairperson, hon members of the portfolio committee, hon members in the House and in the virtual platform and South Africans, “molweni, noke” [good day, all of you]. The Portfolio Committee on Public Works and Infrastructure is tabling to the House for debating and adoption the report of the first and second quarter of the Department of Public Works and Infrastructure and its entities for the financial years of 2020 and 2021. These quarterly reports are important instruments with which we look at the weaknesses that the department needs to address before the budget review and recommendations report, BRRR. All the issue that were raised were warning signals that would improve services to client departments and the people of South Africa.

On 25 November 2020, as the Portfolio Committee on Public Works and Infrastructure we considered the first the second quarter performance of the department and its entities. The

report that I am tabling is focused mainly on the achievements programmatic output in respect of the performance indicators and targets that were stated in the annual performance plan for 2020-21 financial year.

In all the programmes low expenditure on compensation of employees and goods and services is a feature of performance report on the department which is contrary to the objectives of the National Development Plan and the economic reconstruction and recovery plan that stresses that we should ensure a capable state. This matter as the portfolio committee we agreed that it needs to be urgently addressed.

Stable leadership in the Property Management and Trading Entity, PMTE, required urgent attention as key deputy-director positions remain vacant at the time. Without a consistent stable leadership in the department and the PMTE that weak needs engagements with the Treasury and the national departments where it should lead the task of ensuring client departments that adhere to their contractual obligations to pay management fees and debt on time to the PMTE. The Property Management and Trading Entity requires professional qualified and experienced property investment registry management services. Personnel must be recruited and appointed on a

stable consistent basis in the real estate information registry, real estate investment services, real estate investment trust and real estate management services.

The overdraft and debt of the PMTE is growing at an alarming rate. The trend of underecovery of management fees for construction, maintenance and rental is causing this debt to continue to grow. That is why as the portfolio committee we felt that filling in the vacant positions of this crucial entity will see that there is a change in this.

House Chair, as much as our friends say this report is old we have seen improvements and some of these things have been addressed. The completion of the enterprise resource planning system, Archibus, will sage an all modules of the Archibus software system to be fully rolled out so that

ongoing incidences of underspending and irregular expenditure are addressed. Annual reports of the senior management team to Minister, Treasury and the portfolio committee including evidence of predetermined performance targets, weakness and challenges are properly understood and addressed towards solutions.

As we know that the Department of Works and Infrastructure is the owner of the majority of all government assets, the value of the government assets in the immovable asset register can be unlocked and the PMTE can operate efficiently and progress on the road to being a profit-making agency.

The immovable asset register, IAR, has improved and updated in correlation with the records of the Deeds Office, geographical information system reports and national client departments and provincial municipal immovable asset register. The updated IAR is a perquisite of collecting monthly management fees, balance with payments of payment of rates and services in compliance with the Public Finance Management Act, PMFA, and the Treasury regulations.

In Programme 3, the Expanded Public Works Programme, EPWP, reported a significant underspending due to the withholding of conditional grants due to the noncompliance with the Division of Revenue Act ... [Time expired.]

*Declarations of vote*:

Ms S J GRAHAM: Thank you, House Chair, the report under consideration reflects the performance of Department Public Works and Infrastructure during the First and Second Quarters

of the 2020-21 financial year. It is worth noting that the large portion of the six months under discussion was spent on hard lock down, as the country phased the initial shock of COVID-19 and the arm going state of disaster resulting in the world’s longest lockdown. This lockdown had a significant impact on the ability of the department to meet some of its targets, especially infrastructure projects in the *Expanded Public Works Programme,* EPWP programme. Compensation of the employees and the goods and services with the two line items consistently underspent across various programmes.

The justification for the latter was because many normal activities such as travel, catering and subsistence were suspended due to COVID-19, there can be little justification for failing to feel vacant positions in the department, that is failing to meet its mandate across the board. Coupled with the vacant positions, there are far too many critical posts in which people are acting. While those key people have done admirable job, they are hampered by the temporary nature of their roles. Planning for long term projects can never be properly undertaken by a person assigned to function for three consecutive months. A person acting in a strategic post will be nothing more than a stopgap, plugging holes and bailing out water with a basket while ship sinks.

Minister De Lille has completely failed to address the situation. Particularly as the director general remain suspended with no indication of when he will be returning to office, if at all. It is time to address leadership ... [Inaudible.] ... in the department and with it, the filling of the critical vacancies that would allow Public Works to fulfill its mandate.

So what is the of the Department Public Works and Infrastructure? The extremely outdated website of the department, lists the following four elements, the handyman of the state, the leader of the EPWP, the regulator of the industries and the associated profession falling under its jurisdiction and the asset manager falling on behalf the state. Unfortunately, the department has basically failed to meet any one of these four mandates over the period under review. It has failed even to even reach 50% score on any of the programmes, except programme four, property and construction industry policy and research, which overspent for the period, due to an unbudgeted transfer to the problematic and financially distress Independent Development Trust.

One of the worst performing of the four programmes, EPWP attended 37,3% expenditure for the two quarters. This is one

programme which has a direct bearing on communities and households. The Expanded Public Works Programme was launched by the department in 2004. According to the website the programme is a key governed initiative which contributes to government’s policy priorities in terms of decent work and sustainable livelihoods, education, health, rural development, food security and land reform and the fight against crime and corruption.

EPWP operates within four sectors, the infrastructure sector, the non-state sector, the environment and culture sector and the social sector. It stands to reason that when there is understanding of the EPWP, this translates into a decreasing work opportunities and this in turn literally means that fewer families have food in their tables.

Part of the problem with EPWP rests on the shoulders of the Minister as policy leader for the department. The failure of the programme to find an effective means through application of the policy of holding EPWP partners accountable, means that the enforcement and implementation of the EPWP is sporadic and ineffective. It does however have direct bearing on participants. No grants, means no work. Minister De Lille must find a way of ensuring that there’s is compliance with

programme without it having detrimental effect on the beneficiaries.

In total the EPWP programme underspent of the two quarters by R399,4 million. Of which R171 million budgeted for was not spent by the non-state sector work opportunities implementers. Provincial departments remain consistent defaulters on implementation of EPWP, mostly Health and Education. And as result of their failure, R22,1 million was withheld,

R22 million that should have been feeding families and providing dignity through work.

This ANC-led government cannot continue to speak about uplifting our poor and indigent people when we are failing to spend allocated budgets on poverty alleviation programmes which provide work opportunities. This government must do better. I thank you.

Ms Y N YAKO: Thank you, House Chair, the Department of Public Works and Infrastructure is the custodian of most state property in this country, from land to buildings. Despite this, the department has been unable to imagine its role in relation to the developmental aspirations of the nation.

The Property Management Trading Entity has been particularly useless in this regard and has been tacitly promoting corruption due to its failure to properly account for the full extent of the department’s property ownership footprint. Many government building and farms have been surrendered to corrupt officials and apartheid era operatives because the Property Management Trading Entity, PMTE, cannot conduct audits of the properties that the state owns. They cannot even account for the number of state properties leased out to private entities and individuals, losing millions of Rands in the process.

The buildings that the department owns are not properly maintained, and this includes our own parliamentary villages. With this reality, it is mindboggling that the department consistently underspends on its budget, hampering any hope of implementing any of its plans. The department underspend by R48 million for instance, because of its inability to fill...interjection

Mr H G APRIL: House Chairperson ...

The HOUSE CHAIRPERSON (Ms M G Boroto): Mme Yako, you can sit, you can sit. Is that a point of order?

Mr H G APRIL: House Chairperson, I am very worried about my health and the fact that parliamentarians continue to not take us serious here. Like the pastor and that lady with the pink

... [Inaudible.] ... I have forgotten her, DA member...

The HOUSE CHAIRPERSON (Ms M G Boroto): Okay, it’s about the

mask?

Mr H G APRIL: ... yah, the continue...

The HOUSE CHAIRPERSON (Ms M G Boroto): Okay, okay no hon members please let’s respect the protocols, please ...no don’t respond to that. Let’s just try, I know that we feel ... we are not immune, please. I think the Deputy Speaker spoke to this when we started the session, so let’s not. I’m sorry mam Yako, please proceed.

Ms Y N YAKO: ... enkosi, Sihlalo weNdlu [thank you, House Chairperson. The department underspend by R48 million for instance, because of its inability to fill vacant positions. These are fully funded positions, meant to perform critical functions of the department, but the management has been unable to ensure that people are employed to perform these tasks. The failure to fill these positions is also the cause

of the many problems reported at the Property Management Trading Entity, which has a number of deputy director general positions vacant. There is no reason why the debt and overdraft facility of the PMTE is growing at such an alarming rate. This entity should be profit making because of the vast portfolio of properties it manages, but it is now swimming in debt. The committee has not been firm enough in playing oversight on this department and therefore the EFF rejects this report. Thank you.

Ms S A BUTHELEZI: Thank you, House Chairperson, the Department of Public Works and Infrastructure like its counterparts has failed to utilize its budget. And has only spent R1,85 billion out of its R8 billion allocation. The Budget Vote that was past for this department has amounted to nothing as its four main programmes failed to achieve 25% of their targets. The failure of this department to utilize its budget means that the department has failed to fulfill its mandate, meaning that it has failed to meet its constitutional obligations and has therefore failed the people of South Africa.

Reading the report, one begins to see that this department failed largely in its mandate, because it failed to appoint right people in the right positions. As we speak today, many

more million rands were underspent because the department failed to fill this vacant positions. These failures must be addressed. They cannot be justified in a country that has such a high unemployment rate and with such a backlogs in Public Works.

The question that arises in light of this budgetary failures is: What is our role in all these? Our role has been one of oversight and accountability. It will be interesting to see how this committee processes the report by this department and how it response.

It is our responsibility to engage the department to enhance the fulfillment of its mandate, but that should be the end our role. The failure of this department represents the broader failures of the current government. We should act collectively to hold government accountable in all areas, not just this department.

This department like its counterparts has continue to demonstrate a lack of accountability in many different ways, much to the detriment of the people of South Africa. One such example are millions wasted on botched Beitbridge border fence. That scandal represents the broader failures of this

government and should be viewed in isolation, instead it should be understood in the context of the general lack of accountability found within the present government.

While there’s been much talk about ending corruption and enhancing efficiency in government. Those inspirations have come to nothing and have been shown to be no more than lip service by those intent on hiding incompetent and corruption. It is up to us as Members of this Parliament and representatives of the people to step up our efforts in the oversight committees we serve on to bring more accountability to this department and to the government in general. The IFP does not support this report. Thank you House Chair.

Mr W M THRING: Hon Chairperson, the ACDP welcomes this report as the Portfolio Committee on Public Works and Infrastructure, plays its oversight role as mandated constitutionally. It is crucial that portfolio committees in this Parliament hold Cabinet Ministers and departmental officials accountable. We dare not abdicate this responsibility. It is must be said that the Department of Public Works and Infrastructure, DPWI, is the largest property owner in South Africa. Having the largest property portfolio as compared to any private property entity or business in the country. In the private sector, property

companies with moderate property portfolios are able to generate profitable returns on investment amounting to millions of rands. Sadly, the same cannot be said for this department.

The Portfolio Committee of Public Works and Infrastructure has observed that in the two quarters under observation, not only is the under spending in the various programmes but there is also slow expenditure in all programmes relating to compensation of employees and goods and services which goes against the objectives of the National Development Plan, NDP, and the Economic Reconstruction and Recovery Plan.

In the Property Management Trading Entity, PMTE, the entity responsible for the planning, acquiring, managing, and disposing of immovable assets in the department’s custody, the committee has noted that there is a dearth of stable of leadership which weakens its engagements with Treasury and other national departments resulting in client departments failing to meet their contractual obligations to pay management fees and debts on time. In addition, the failure to complete the Archibus/SAGE software systems, results in the failure to unlock the value of government assets in the

Immovable Asset Register, thus preventing the PMTE from operating efficiently as a profit making agency.

Hon House Chair, time does not allow me to continue pointing out the many concerns the committee has observed in this report. In accepting this report however, the ACDP, asserts that what is needed in this department and others, are able trustworthy and god-fearing men and women would hate dishonest gains, and who have the expertise to bring these entities and departments back from the brink so that our South African citizens may receive the service delivery they so desperately deserve. I thank you.

Mr C H M SIBISI: House Chair, the Department of Public Works and Infrastructure, DPWI, has allocated R1 billion to fund departmental cleaning and gardening over the Medium Term Expenditure Framework. Another R4,5 billion has been set aside for repairs and maintenance, R3,9 billion to fund day to day maintenance. The expenditure covered the financial year and March 2020 in which just over 300 landlords were overpaid to the tune of R66 million. Most of which the department had recouped.

... [Inaudible] ... anything about this and whether any consequence management intervention have been instituted. Many department officials are susceptible to errors but strict application of consequence management must go hand in hand with that.

Government has forked out R5 billion on renting private properties for government departments and institutions but the fight is now on top to recoup millions in overpayments to landlords. House Chair, R5 billion is a lot of money, and we need the Minister to account on why there were overpayments made to landlords, as well as a detailed intervention plan on how this can be cut out from the department.

We are almost that the department will not recoup all those monies. Some of the biggest amounts spent on rental payments were made for building occupied by SA Police, SAPS, - the SAPS being one of most corrupt institutions in South Africa by the way. One company SKG/Africa Properties received over R93 million in annual rent for leasing its buildings to police management. Massive annual rent repayments were also made on behalf of departments occupying private buildings.

The Minister came before Parliament not so long ago and told Parliament that her department has been struggling to recoup monies that were owed to it by other departments. As a result, this department has incurred an overdraft amounting to R4,2 billion. What has the Minister done about this? We need a report that the Deputy President was intervening on this matter but we all know that he has been in absentia from his duties since inception. Thank you, hon House Chair.

Ms L N MJOBO: House Chairperson, members of the portfolio committee, hon members, Ministers and Deputy Ministers present, the Chief Whip of the Majority Party, Pammy Majodina, good afternoon, the Portfolio Committee on Public Works and Infrastructure is tabling to the House for debate and adoption the Report on the 2020-21 First and Second Quarter Performance of the Department of Public Works and Infrastructure and Property Management Trading Entity dated 2 December 2020. The departmental spending on its programmes was some 3% less in the first quarter than in the previous financial year which was in large part due to the covid-19 pandemic.

In the first and second quarter, the department was characterised by the underspending in all five of its key programmes. At the end of the second quarter reflected some

5,9%, less than the budgeted target. Part of the problem of the underspending is due to the fact that the department, having many critical vacancies in terms of staff, - In order of the department to optimally perform and meet its mandate and developmental objective, it is important that the department fill its vacancies with suitable qualified personnel.

Second quarter spending did not improve in relation to the first quarter of the year and in relation to the second quarter of last year. However, it did improve in the third and fourth quarter which is a significant sign of a turn around.

In the first quarter, all four programmes were characterised by underspending. The spending in two programmes reflected just over 17% namely, programme three and five. Whilst the other two programmes spent under 14% namely, programme one and two ... [Inaudible] ... the reflection that capacity and capability ... [Inaudible] ... improve for qualitative implementation and departmental programmes. The second quarter financial performance did not demonstrate ... [Interjections.]

...

The HOUSE CHAIRPERSON (Ms M G BOROTO): Order! Hon members, on the virtual platform.

Ms L N MJOBO: ... in comparison to the first quarter or even in comparison to the same period in the previous financial year. In fact, the spending did not reach the 50% mark and stood at the 41,5%, which was some 2% lower than in the same period of the previous financial year. Three programmes reported spending under 40%. The critical root cause for underspending is largely due to staff vacancies in critical areas of the department and its entities. The underspending also translates itself into under performance in the key programmes and in all entities. This must be ratified as a matter of urgency to ensure that the department is capable of performing in relation to its performance areas and deliver on the targets of its programme.

Some R22,1 million was withheld for transfer to provinces and departments due to noncompliance with the Division of Revenue Act, DoRA, delays implementation of grant funded project in the Expanded Public Works Programme, EPWP and poor spending performance. Non submission of quarterly evaluation reports by some public bodies also impacted on financial transfers from the department to the entities. The departments need to fast- track a legislation which can create necessary legislation and regulatory basis for efficient co-ordination and implementation of its programmes. The relation should also

encompass the functioning and accountability of its entity to ensure that these entities deliver on their core mandates.

The report makes many important observations which have to be implemented by the department. The department and its entities need to fill key vacancies to ensure that it has the capacity and capability to implement its programmes in a skilful manner, ensuring capacity and capability in a critical component of developing a developmental state which is able to correct the historical injustices of the apartheid past. This is one of the key reasons that the department is unable to perform in terms of its programmes and meet its key performance targets.

The current overdraft and debt level of Property Management and Trading Entity, PMTE, needs to be checked sooner rather than later and this is not economically suitable with a constrained fiscus. Neither is this a reflection of operating the entity on an economical efficient basis. The PMTE requires the correct skills and capacity to effect its mandate as it has the potential to be a profitable entity. The PMTE is an important source of infrastructure development and enhancing economic value. This will facilitate job creation and create a profitable entity.

Under the current economic conditions and the high rate of unemployment it is imperative that the department ensure that the EPWP functions efficiently and it is enhanced. The recreation of Infrastructure South Africa as part of economic reconstruction and recovery plan is critical and its funding under programme 4. It is important as this economic programme

... [Interjections.] ...

*IsiNdebele:*

USIHLALO WENDLU:(Kkz M G Boroto): Mma uNjobo, qala ngesinceleni sakho bonyana kunjani.

*English:*

Ms L N MJOBO: ... the department and its entities need to ensure that observations in the report are implemented. The ANC supports the report. Thank you.

*IsiSwati:*

LISEKELA SOSISWEBHU WELICEMBU LELIBUSAKO: Sihlalo Wendlu,

besicela kwekutsi lombiko welikomidi wamukelwe nguleNdlu. Ngyabonga.

*English:*

Report Agreed to.



The House adjourned at 18:00