**UNREVISED HANSARD**

 **NATIONAL ASSEMBLY**

**WEDNESDAY, 17 NOVEMBER 2021**

***PROCEEDINGS OF THE NATIONAL ASSEMBLY***

The House met at 15:00.

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

The DEPUTY SPEAKER: Order, hon members! Hon member, please hold on, the information and communications technology, ICT, team there, you shouldn’t be making this mistake. We know this happens, but you shouldn’t be doing that. Thank you very much. Let’s proceed. There are four supplementary questions, this is to remind you, on each question. Parties are given an indication of which questions their members wish to pose supplementary questions to. Adequate notice was given to parties for this purpose. This was done to facilitate participation of members who are connecting to the sitting through the virtual platform. The members who will pose supplementary questions will be recognised.

In allocating opportunities, the principle of fairness, amongst others, has been applied to state the blinding glimpses of the obvious. If a member who is supposed to ask a supplementary question through the virtual platform is unable to do so due to technological difficulties, the Party Whip in the House or elsewhere will be allowed to ask the question on behalf of their member. When all supplementary questions have been answered by the executive, we will proceed to the next question on the paper. The first question has been asked by hon E M Buthelezi to the Minister of Public Enterprises. I have been informed that the Minister will be answering questions through the virtual platform. Hon Minister!

**QUESTIONS - CLUSTER 5: ECONOMICS**

Question 210:

The MINISTER OF PUBLIC ENTERPRISES: Good afternoon, Deputy Speaker and good afternoon to the hon members. The hon Buthelezi’s question needs to be placed in the context as he correctly points out of climate change more generally, and in particular the Conference of the Parties, Cop26, meeting that took place in Glasgow over the past two weeks. Climate change as we know is a danger to humanity and nobody on this earth is going to be exempt from the impact of climate change be it

rising levels of water, melting of ice, rising in particular of temperatures across the globe and similar changes. At Cop26, Deputy Speaker, South Africa through a decision by Cabinet presented its national determine contribution which is one of the matters that Cop26 had to entertain to establish by what temperature global warming can be reduced and whether the target of 1,5 degrees increase in temperature compared to the pre-industrial stage would be matter or not. However, South Africa’s national determine contribution was targeted at that range of 1,5 degrees to 2 degrees.

Secondly, the issue at Cop26 which was quite sharply debated into which hon Buthelezi’s question, in fact, is who will finance these transitions. Therefore, in South Africa’s case 41% of our emission ... [Inaudible.] ... come from electricity production and therefore on the one hand we’ve got to prepare for the transitioning of Eskom and other such equipment or facilities that we have at the national level to a more ... [Inaudible.] ... friendly and decarbonise state. However, equally importantly there are other sectors of the economy that will be impacted as well. The South Africa put forward three projects, if you like, for consideration by those who will be interested in financing the transition which in the main has to be the developed countries through or with

multilateral financial and other institutions. Those three projects were: The Eskom just energy transition project; secondly, the green hydrogen project; and thirdly, transitioning South Africa’s automobile industry to production of electric vehicles.

Therefore, the just energy transition, hon Deputy Speaker, is a project that Eskom has developed at the Komati Power Station and wanted to get appropriate backing financially speaking it would have an important impact in terms of repurposing the power station firstly; secondly, retraining workers who are currently employed at the power station, but also preparing new workers for the new energy situation that we will be moving into; and thirdly, mitigating the impact on communities that are in some relationship with the power station or would coalmine themselves. This finance is not for the debt of Eskom. This finance is for the transition project itself that was announced between a several developed countries and our own President, President Ramaphosa, at the beginning of Cop26.

Let me clarify that this is an offer from the developed countries, it is not a deal as this question and other questions have proposed. Negotiations will now take place at the technical level to appreciate whether these offers will be

compatible with South Africa’s financial requirements and

capability and once ... [Interjections.]

The DEPUTY SPEAKER: Thank you. I’m sorry your time has

expired. Yes, sorry.

The MINISTER OF PUBLIC ENTERPRISES: I will just finish this sentence, Deputy Speaker. Once the negotiations are completed we will keep the National Assembly informed. Thank you.

Ms Z MAJOZI: Thank you, Deputy Speaker. I’ll be taking the question, it’s hon Majozi. Minister, what are the views of the Minister on the proposals by the chief executive officer, CEO, of Eskom for government to take over R200 billion of the

R400 billion debt face by Eskom, given that National Treasury in the Medium-Term Budget Policy Statement did not make any provision for Eskom? Thank you, Deputy Speaker.

The MINISTER OF PUBLIC ENTERPRISES: Thank you, Deputy Speaker. The Eskom debt issue, of course, as you know has been very much with us. However, let emphasise that this financing offer has nothing to do with the Eskom debt. Secondly, the Eskom debt was accumulated because a decision was made by previous governments to finance the development of Medupi and Kusile

through the tariff application to National Energy Regulator of South Africa, Nersa, and not by any equity injection. Thirdly, there are various proposals that we will consider together with the National Treasury and other stakeholders on how the Eskom debt should be dealt with and clearly amongst the role- players that have to take part in those process will be government itself, will be the Public Investment Corporation, PIC, which holds ... [Inaudible.] ... issued by Eskom and there could well be other players including the restructured Eskom as you know we are separating generation transmission and distribution as well. So, what we will have soon is, if you’ll like a proof from our balance sheet of a new Eskom will be a different distribution of debt with the acceptance and buying of the landers that have lend money to Eskom. Thank you, Deputy Speaker.

Mr B A RADEBE: Hon Deputy Speaker, I’ll take the question on behalf of hon Tshabalala. I’ll fill the question. [Laughter.]

The DEPUTY SPEAKER: Hon member, don’t engage please, you are

taking your time.

Mr B A RADEBE: Thank you, Deputy Speaker. Hon Minister, in the light of the fact that the unbundling of Eskom into three

entities has been considered as a turnaround strategy and a business model to address Eskom solvency and liquidity risk:

(a) what are some of the efficiencies that will be unlocked by the unbundling exercise, and (b) what measures and progress has been made to ensure that the donors of the R130 billion investment in renewing energy followed through on their commitments? Thank you, Deputy Speaker.

The MINISTER OF PUBLIC ENTERPRISES: Deputy Speaker, on the second point about the R130 billion as I indicated in my initial response that money is not directly linked to any turnaround strategy, it is directly for the purpose of the three projects that government has in mind. That is, i.e., the just energy transition at Eskom; secondly, green hydrogen production in South Africa; and, thirdly, production of electric vehicles eventually in South Africa as well. In relation to the efficiencies that will be unblocked as a result of the unbundling ... [Inaudible.] ... separation of generation transmission and distribution. Firstly, it will allow for greater participation by the private sector and others in terms of the generation of energy. Secondly, it will establish an independent transmission company and ... [Inaudible.] ... offers which will be able to compare prices and decide which offer in terms of the sale of electricity it

is willing to enter into and; thirdly, it will attract investment and the transmission grid, and perhaps even the distribution grid as well which is the responsibility of most municipalities in the country over ... [Inaudible.]

In that sense eventually, over carry long process of time you will have a different structure for the electricity industry in South Africa. Thank you.

Mr S N SWART: Thank you, Deputy Speaker. Hon Minister, there are many questions surrounding the proposed R130 billion in concessional grand funding of the next ... [Inaudible] ... years to support the country strong decision away from coal and develop ... [Inaudible.] ... such as Eskom energy transition, electric vehicles and green hydrogen as pointed out by yourself, hon Minister. The ACDP is pleased that you made it very clear that there’s no deal yet, but negotiations

... [Inaudible.] ... What steps, hon Minister will be put in place during negotiations to ensure that such a transition is financed in such way that it does not unduly ... [Inaudible]

... not only Eskom, you made it very clear that it doesn’t

...[Inaudible] ... relate to Eskom, but more importantly the fiscus in general? Thank you.

The MINISTER OF PUBLIC ENTERPRISES: This, of course, is a government project. It is not Eskom project and is a group of Ministers who have been led by Minister Creecy in this particular regards. Secondly, we have the establishment of a technical team that involve ... [Inaudible.] ... South African representatives and experts on one hand and internationally experts as well that will engage on the negotiations. Thirdly, we need to be very clear right at the outset as to what amount of that R130 billion is grant money. In other words, money that doesn’t have to be paid back. Secondly, how concessional is concessional. Lastly, we share the objective of hon Swart that this should not place an ordinary burden on the fiscus and that is why looking at this at a broader level is becoming so important.

However, let us emphasise that R130 billion is nearly a start. In other words, the $8,5 billion doesn’t cover all of the climate transition issues and ... [Inaudible.] ... issues that we are confronted with or many developing countries in the world are confronted with this as well. There’s a lot more money that needs to be raised by the developed countries, some before 2030, some after 2030 during which time some of us might be around and some of us might not be around. Thank you, Deputy Speaker.

Mr G K Y CACHALIA: Thank you, Deputy Speaker. Given the potential availability of the R130 billion referred to, what assurance if any can the right, hon Gordhan, give the House that these monies will be title monitored to prevent leakage to corrupt cadres as it happened in the past, and that there will be no inflation of associated costs to grease the palms of black economic empowerment, BEE, middle men contractors and tenderers viewed, of course, against the background of President Ramaphosa having been in charge of a wareroom and a six-point plan since 1914, to little on the reflect?

The MINISTER OF PUBLIC ENTERPRISES: Thank you, Deputy Speaker, and thanks to the hon member for his question. President Ramaphosa’s role over a period of time has always been to ensure that we have a sustainable Eskom at the end of this process. Nobody understood the kind and damage that was taking place during the period that Mr Cachalia mentioned and even now I don’t think we understand fully ... [Inaudible.] ... capture has a negative impact on Eskom, on Eskom’s culture, on Eskom’s proactivity and the honesty of people who are working at our power stations and other facilities as well. Therefore, everything will be done to achieve an objective that all honest people in this country will affiliate themselves to that if we do successfully negotiate this amount of money and

more ultimately as well, that these amount of money will be tightly monitored that no cadre of any political party must be the beneficiary out of this process.

Thirdly, we require, hon Deputy Speaker, for all political parties to call for the very different kind of business culture in South Africa so that this form of parasitism that we have seen for many years where the easy way of making money is through, let’s call a stage man tenders and other processes which frequently happens in state entities is something that does not happen into the future. Therefore, all of us have an interest in ensuring that the country put its best foot forward and that we want to discourage any dishonest behaviour on the part of anybody. However, changing the business culture which is the other side of any corruption point is going to be a key national mission that all of us need to embrace. Thank you very much, Deputy Speaker.

Question 245:

The MINISTER OF TRANSPORT: Thank you, Deputy Speaker and the hon members. The Passenger Rail Agency of South Africa**,** Prasa, has put in place a detailed recovery plan aimed at rehabilitating and replacing stolen and vandalised infrastructure. The affected infrastructure includes

replacement of stolen overhead transaction equipment, OHTE,

substation’s signal ... [Inaudible.] ... and stations.

Progress in rehabilitating infrastructure and recovering services are at various stages across corridors. A phase approach has been adopted with high density corridors prioritised with quick turnaround times and allocation of capital funds. Of high priority are the two presidential projects being the Mabopane corridor in Tshwane and the central line in Cape Town. Work on the Mabopane corridor is nearing completion and is on target to resume phase one of services by the end of November 2021, while the central line in Cape Town is experiencing delays due to challenges with the removal of informal settlements on the track and along the rail reserve in the vicinity of Langa and Philippi.

Other corridors are at various stages in the procurement process to appoint consultants and contractors to commence with rehabilitation of rail infrastructure. The Passenger Rail Agency of South Africa, Prasa, has relooked at its security deployment strategies including the armed response patrol patterns over and above the internal security operations. The Passenger Rail Agency of South Africa, Prasa, will be deploying a further five thousand guards sourced through

various private security service providers during the month of November 2021, which will bolster the coverage of its infrastructure with both armed and unarmed guards based on the relevant security risk assessment reports.

The report advises on deployment informed by the corridor recovery approach adopted by the organisation. In reinforcing goods on the ground, the Passenger Rail Agency of South Africa, Prasa, will be making use of security and surveillance technologies as part of its phase 2 deployment from December 2021. The additional measure to improve security is the construction of concrete walls along the identified rail corridors, substations, relay rooms and control rooms.

The wall will be impenetrable and vandal proof. The material to be used will provide extra strength with a height of up to four meters, reinforced with an electric fence and closed circuit television and motion detectors installed. The Passenger Rail Agency of South Africa, Prasa, will continue with its risk based approach in deploying further security where necessary. I thank you, Chair.

Ms F E KHUMALO: Thank you, Deputy Speaker. Thank you, Minister for the detailed reply. The additional security that the

Passenger Rail Agency of South Africa, Prasa, is implementing will assist the commuters of South Africa and also see the implementation of security services on the moving of trains to safeguard the commuters from thugs. Thank you, Deputy Speaker.

The MINISTER OF TRANSPORT: Deputy Speaker and the hon member, thank you. The Passenger Rail Agency of South Africa, Prasa, has adopted a total deployment strategy. There will be deployment on platforms in between stations and stations and inside the trains to safeguard commuters. Priority would be given to high volume corridors as well as based on the corridor recovery plan.

Furthermore, in terms of the security deployment strategy threats and risk assessment is ongoing to determine deployment of armed and unarmed guards across all our areas of operation. Threat assessment includes identifying drugs and explosives inside the platforms in between stations and inside at the trains. We all know that the vandalism that took place as a result of the shutdown, but not necessarily that it took place only during the shutdown, it only escalated during the shutdown. Beyond that, with the riots that took place you could see that the reaction was very good in terms of security

deployment at the Passenger Rail Agency of South Africa, Prasa.

I’ve heard people say that what are you protecting when there is nothing. At the Park Station, there is a lot to protect there and many other corridors in the country and when it was bombarded and attacked there was fire to fire, tooth for tooth, and eventually the entire precinct of the Park station is still intact. That is the manifestation of that security deployment we’re seeing currently. Thank you, Chair.

Mr C H H HUNSINGER: Thank you, Deputy Chair or Deputy Speaker rather. Minister, it is a known fact that billions of rands in losses to our railway infrastructure occurred due to the vandalism, theft and damages. While most of this occurred during lockdown, it was directly caused due to process infrastructure not being protected and not being guarded. Now, security contracts intended to protect this infrastructure ended and lapsed from August 2019, long before COVID-19 and lockdown. Why did you not renew these contracts in time? Why did you open this window of exploitation and who is now accountable for this obvious blunder and huge loss to the country and millions of users? Thank you, Deputy Speaker.

The MINISTER OF TRANSPORT: Thank you, hon Hunsinger and Deputy Speaker. I have explained and I’m explaining once more that when I came in as a Minister, the previous board which I disbanded took a decision. A decision which was correct because it was a decision informed by the outcome of the Auditor-General that the Passenger Rail Agency of South Africa, Prasa, had a lot of irregular security contracts.

What the board did not do when it implemented the Auditor- General’s report on irregularity of the security contracts was to implement alongside a contingency plan which they did not. They did the right thing on the other hand but on the other hand equally there are a dereliction of duty in terms of oversight and implementing. Whilst implementing a correct decision they were supposed to implement the decision to protect the corridors and the open lines of the Passenger Rail Agency of South Africa, Prasa.

So, that is what among others exacerbated the vandalism and over and above that was COVID-19 shutdown. However, the vandalism at the Passenger Rail Agency of South Africa, Prasa, did not start during COVID-19, you are right hon member, it was long before then. That is why you’ve got occupations in areas like the central line because it is lack of securities;

security lapsed, lack of security and lack of management. So, where there is no leadership you could see, I will be the first to admit that you could see at the Passenger Rail Agency of South Africa, Prasa.

That is why at the present moment, the security approach that is being implemented there is protecting the little that we’ve got, building on that and ensuring that will revitalise at the other corridors that have lapsed and then we intensify security like I’ve outlined before then. That is really the reason, but we are on the recovery as we speak. Thank you, hon Deputy Speaker.

Ms N J NOLUTSHUNGU: Thank you, Chair. Minister, the Passenger Rail Agency of South Africa, no longer serves passengers across the country. Here in Cape Town, what used to be a very reliable form of trains has collapsed. Yes, I heard you earlier on saying that there has been delay in fixing the lines. You have repeatedly deceived the people of Cape Town by making assurances that you will fix the rail network problem and restore the functioning of the trains. We want to ask you

...

The DEPUTY SPEAKER: ... uh, hon member. Sorry, hon Nolutshungu!

Ms N J NOLUTSHUNGU: Yes.

The DEPUTY SPEAKER: Just one second.

Mr B A RADEBE: Yes, I’m rising on Rule 84. The member just said the Minister has deceived ... Yeah, has deceived the people. So, ... (Inaudible.) ... Rule 84.

The DEPUTY SPEAKER: Yes. Yes, hon member, please, mind your language.

Ms N J NOLUTSHUNGU: Thank you. For the sake of progress, I will withdraw. We want to ask you again, Minister, here in this Room that by when will the trains function to their full capacity again in the City of Cape Town? Thank you.

The DEPUTY SPEAKER: Hon members, I wish to remind you, please, to sit apart not too close. This is the requirement for social distancing. I know you miss each other but please just allow the protocols to be adhered to. Yeah, okay. Minister ...

The MINISTER OF TRANSPORT: Thank you, hon Chair. At the present moment what is happening is that the Passenger Rail Agency of South Africa, Prasa, is working on removing the people who have encroached on the line and that is what has delayed. Resources have been committed on the revitalisation program of the central line. I agree with hon Nolutshungu that this is a great inconvenience to the working class of our country. Once that process of removing those people and getting land for resettlement – we’ve been back and forth on this question - we found land and then at some point that decision is been reversed.

We are working with the City of Cape Town and the provincial government and the Housing Development Agency HDA, of Human Settlements to find land for those people. Once we resettle them, I can tell you even before Christmas work in terms of construction is ready. Resources are there and all of that. It will take us longer now because of the legalities and litigation involved in this. At some point land was found and the land belonged to other people and they then threatened to take us to court that they can’t surrender that land to Passenger Rail Agency of South Africa, Prasa, and so it delayed the whole process.

So, it is a really frustrating process and we want it to go through as soon as possible. I’m hopeful, Chair, I can't commit to the exact deadlines but we are working around the clock to get the people removed around there and to ensure that we get work going in the central line. It’s a huge setback for the working class and the workers, particularly in Central Cape Town. That corridor on its own transports more than 20,000 people on a daily basis and you can imagine now those people have shifted to buses and taxis which means they’re working for transport whereas we alleviate their situation by intervening through trains. Thank you, hon Deputy Speaker.

The DEPUTY SPEAKER: Please, mind your microphones. Members who are on the virtual platform, check your gadgets and switch off the microphones. Yes, hon member.

Ms O M C MAOTWE: Thank you very much, Deputy Speaker. It’s in relation to what the Minister was saying about land. So, he says he’s frustrated by the process. I was asking if he’s going to support the motion of the EFF of land expropriation without compensation so that we can alleviate that frustration

... [Inaudible.] ...

The DEPUTY SPEAKER: Hon Cindy Chikunga, please, switch off your microphone. Hon members, if you have stress, it’s negotiations out there. Go test your muscles there not in the House. Hon members, hokay! Hokay, please. Good exercises out there and you don’t need to be giving advice each other on the platform here. Do it outside, please. Hon members we go to the next supplementary question the last on this question and is asked by hon K P Sithole.

Mr K P SITHOLE: Thank you, hon Deputy speaker ... [Inaudible.]

... summit that took place on 12 October ... [Inaudible.] ... This department has a plan to address the call for digitalisation within the next five years in order to ensure that transport is a catalyst of economic growth. If that is true, what are the relevant information? If not so, why not? Thank you very much.

The MINISTER OF TRANSPORT: I didn’t hear hon Sithole properly but it looks like, Chair, this was not a follow up question on the matter we’re dealing with of the passenger rail. It looks like it’s a new question altogether. I didn’t hear him at all. I mean I was struggling but it looks like he’s asking a new question.

The DEPUTY SPEAKER: Hon members, there are difficulties where hon Jobe is. That’s why we couldn’t hear him properly. It’s not just him.

Mr K P SIHOLE: I’m really sorry, hon Speaker.

Mr N SINGH: Hon Speaker! could I repeat the question so that the Minister can understand its relevance.

Mr K P SITHOLE: Yes, please, yes.

Mr N SINGH: Am I clear?

The MINISTER OF TRANSPORT: Yes, you are very clear to me. I can hear you, hon Singh.

Mr N SINGH: Thank you, hon Deputy Speaker. Whether in the light of the recent Huawei-connect 2021 transportation summit that took place on 12 October at Huawei Sandton offices of which the theme was *Dive into digital* specifically aimed at the digital transformation of the republic’s rail, ports, aviation and road sectors, and given the existing challenges in the listed sectors, whether his department has a plan to address the call for digitalisation within the next five years

in order to ensure that transport is the catalyst for economic growth through smart infrastructure?

The MINISTER OF TRANSPORT: Hon Deputy Speaker, that is question 212. The question asked by hon Jobe is question 212. It’s on the list. Yes, hon Deputy Speaker.

The DEPUTY SPEAKER: Yes. Alright, the best is to move ahead.

Hon Singh, I’m afraid your intervention will ... [Inaudible.]

... later. Let’s go ahead to the next question, hon members. That’s by hon Cachalia, that’s question 226 to the Minister of Public Enterprises, hon Minister.

Question 226:

The MINISTER OF PUBLIC ENTERPRISES: Deputy Speaker, the Minister of Public Enterprises and the Eskom board of directors sign, as you know, an annual shareholder contract that deals with Eskom’s generation performance amongst other things. The Eskom management has developed a number of plans including a generation recovery plan to improve plant performance and minimise load shedding. But clearly, this plan requires an urgent enhancement because of our more recent experiences.

But let me emphasise that, for Eskom to work properly, it is not just Eskom that has responsibilities, the entire ecosystem that supports Eskom at a policy level, at an administrative level and the regulatory level, including the business people who relate to Eskom, as I pointed out earlier on, need to give Eskom their co-operation. So, in relation to the availability of energy, there are plans to improve power stations. There is the old Nine-Point Plan that requires enhancement. There is a driving down of partial load losses, there is the acceleration resolution of the new build defects as defects at Medupi and Kusile. And the suppliers of coal must ensure that they give us the right coal quality.

Similarly, at the level of leadership and culture, these are emerging as crucial issues across Eskom as well. And the expectations are being made clear to the senior management about what is expected of them. There's an increasingly technical focus and focus on excellence. Power station visits and monitoring is happening a lot more regularly.

There is active risk management which I'll come back to in a moment, enhancing knowledge of senior managers within Eskom, so that whilst they might have technical skills, they also gain experience at that level, but above all to restore pride

in employees as they once used to have that we are working for a well-functioning national entity. In terms of skills and resourcing, specialist, and more experienced skills are being brought in. We are driving capability building for honest employees and managers and those that are dishonest, we must say clearly to them, please go and find a job somewhere else, Eskom doesn't need you. And we don't need the undermining that was referred to in the portfolio committee meeting earlier on. And there are similar other efforts to improve skills and resources.

But we have to be frank with the country and say that these are some of the risks that certain people who tweet regularly and want to demonstrate that they are “in touch” with the failures at Eskom of one unit or the other, clearly on the path of rehabilitating themselves, so that they don't go to jail but they become important disruptors.

Secondly, internal collaborators, as I said, and the chair of the portfolio committee referred to them as “Mischief Makers”, the law enforcement agencies need to come to the party and they must increase the risk of detection of malfeasance within Eskom so that there’s a reorientation of behaviour according to the right values.

And lastly, we must call on the leadership of the two principal trade unions, that they should work with us and not against us. They must also become protectors of an important national entity, which supplies energy for this country, which is quite essential, as one of the hon members pointed out in the portfolio committee a few hours ago, for attracting investment and growing the economy. Thank you.

Mr G K Y CACHALIA: Deputy Speaker, with regard to the concrete steps which should have been identified already in all honesty emerging from the availability of the R130 billion from the UN Climate Change Conference negotiations. Can the right hon Gordhan provide the house with a timeframe during which we can be apprised of the period going forward during which load shedding can be expected lamentably to continue as it is?

The MINISTER OF PUBLIC ENTERPRISES: Deputy Speaker, as Mr Cachalia would know by now that, we are dealing with units at power stations that don't necessarily give us the certainty that he's looking for, and what appears to be well-functioning at a particular point in time can malfunction either because of disruptions or other factors that suddenly appear and undermine the confidence with which we can say load shedding will not continue.

So, putting that in a different way, load shedding is going to be significantly less likely if we have 4 000 to 6 000 megawatts that Eskom has available to it so that these accidents, intentional or otherwise, can then be absorbed as part of the malfunctioning of certain units. The 130 billion, as I said earlier on, although not relevant here, is not for the current operations, but as power stations are repurposed for either gas or renewables, you will find that some of these malfunctions will fall away as well.

But we want to tell the country that we want the same certainty as the government of the country wants and every citizen wants and hopefully we can announce a further set of measures soon which will provide some of that certainty. Thank you, Deputy Speaker.

The DEPUTY SPEAKER: The second supplementary question is by the hon Khaya Magaqa.

*IsiZulu*:

Mnu K E MAGAXA: Ha-ah! Ha-ah! Magaxa!

*English*: Thank you.

The DEPUTY SPEAKER: Eish! Ja!

*IsiZulu:*

Luzolunga lolu lwimi lwami ngelinye ilanga.

Mnu K E MAGAXA: Didiza, baba.

*English:*

Deputy Speaker, aside from the recent arrests of the two Eskom employees and a major supplier that was charged with theft of R100 million worth of fuel a month, are the positive steps taken. What major accountability measures does the department intend to undertake to discourage unethical behaviour and hold the management accountable at Eskom? Thank you.

The DEPUTY SPEAKER: Thank you, hon Khaya ...

*IsiZulu*:

... uzofika ngakithi.

The MINISTER OF PUBLIC ENTERPRISES: Hon Deputy Speaker and hon Magaxa, as you know, the additional measures would be, as I pointed out in the risks that I outlined, that the risk of detection of malfeasance is a huge deterrent in any normal

organisation. And if we can improve that, on the one hand, and consequence management, on the other hand, we’ll begin to see proper behaviour.

But as I said earlier, those employees that think they want to get ahead in life and move from one type of expensive car to the next one with unearned money must go and find a job somewhere else. Secondly, the Eskom management must not hesitate to fire people. And we'll have to invite, once again the trade union leadership that is representing the majority of people at Eskom to work with us in this particular regard, so that they must be equally committed to ensuring that any form of mischief has to be removed from within Eskom itself.

And as you pointed out, there are some positive steps in terms of arrests. There’s also a follow up to that because there were eight other employees that were suspended but that is just not good enough. That is not acting as a sufficient deterrent for mischief-makers outside of Eskom and within Eskom to stop conducting themselves in that kind of way.

Additional measures, as you point out, and as I pointed out, need to be taken in this particular regard and the country must become intolerant as must Parliament of anybody who wants to undermine a national asset like Eskom. Thank you.

Mr S N SWART: Deputy Speaker, may I, with your permission, leave my camera off because I'm struggling with connection issues. Hon Minister, the ACDP shares the deep concerns many South Africans have about Eskom and the risk it poses to the economy and Minister you served with a number of us on the Eskom inquiry, you will know there are a number of vested political, economic and even criminal interests in Eskom which are resistant to the government’s and management's reform programme.

And you correctly referred to recent wins, such as the arrest of certain employees at Medupi and the issue of the

R100 million worth of oil per month that has been stolen. This is disgraceful. Now, hon Minister, would you agree that surveillance at power stations can be improved? Firstly, and secondly, as I've often said, should we not call law enforcement agencies such as the National Prosecuting Authority, NPA, to account as well with progress with the prosecution of such matters knowing that prosecution is the best detection and the best deterrence to criminal activities at Eskom. Thank you, Deputy Speaker.

The MINISTER OF PUBLIC ENTERPRISES: Thank you Deputy Speaker and thank you, Mr Swart, we did indeed share very important

experiences in the inquiry into Eskom and finally the report that was presented to the National Assembly. Let me agree with you that surveillance can be improved. But I'm not sure how many of us have been to a power station. Those are huge physical entities and are difficult to monitor all the time.

But efforts are being made by the current management to place CCTV cameras and other pieces of equipment in the right kind of place to get to detect malfeasance.

Secondly, I also agree with you that the NPA needs to up its game and that many more people need to find themselves in the dock and eventually in orange uniforms because that is going to be the best deterrent. And then thirdly, that there are many criminal interests both inside and outside of Eskom that have benefited in a financial sense, over a long period, some running into billions of rand and those must be called to book, including by Parliament itself. And there's no reason why business people can't be called to Parliament and asked to explain, how did they benefit through their relationship, proper or otherwise, with Eskom itself. And I think that will set a new precedent in South Africa, Deputy Speaker, as I conclude. Thank you.

Ms O M C MAOTWE: Deputy Speaker, the Minister earlier on said people are tweeting. Well, those that are tweeting, that we know of, are the former CEOs, which are Brian Molefe and Matshela Koko, and they dealt away with load shedding, it is a fact. During the time of Matshela Koko and Brian Molefe, there was no load shedding.

Now, the question that we're having is, the current CEO who was appointed and six months later said he invites the private sector to produce, who is now sitting still at Eskom, still inviting the private sector, who believes that Eskom is a “dead horse”. What is the Minister of Public Enterprises doing about the CEO who doesn't believe in his own company? What is he going to do about that incompetent CEO? Thank you.

The MINISTER OF PUBLIC ENTERPRISES: Ms Maotwe, Deputy Speaker, for your information and information of the National Assembly and the public that's listening was part of the portfolio committee meeting earlier on where the current CEO apologised for the reference to the “dead horse”. And that's the end of the matter as far as I'm concerned. Secondly, if Ms Maotwe wants to identify herself with individuals who were either directly or indirectly connected with corruption and malfeasance and state capture, well, then that's an

interesting political declaration for the country to take account of. Pity that it comes too late for the local government elections so that we know what we are dealing with and what the citizens are dealing with.

And thirdly, the efforts at the moment are not about the private sector, they are about employees within Eskom who must do their job, do their job honestly, and not undermine, through their initiative, or at the behest of people outside of Eskom, the institution itself and therefore the country.

And we must decide which side of the line we stand on. Either we want to defend the corrupt, or we want to say the corrupt must end up in jail. It's a very simple question. Thank you, Mr Deputy Speaker.

Ms O M C MAOTWE: Deputy Speaker, my question was not answered.

The DEPUTY SPEAKER: No! [Interjections.]

Ms O M C MAOTWE: Can the Minister answer my question? What is he going to do with the incompetent CEO who is leading a “dead horse”? He must tell us. [Interjections.] It is a fact that there was no load shedding during Brian Molefe’s time. [Interjections.]

The DEPUTY SPEAKER: Hon member! Hon member! Hon member, don’t be argumentative. Go and read the Hansard if you didn’t hear the Minister answering you. You will get your answer there.

Question 240:

The DEPUTY SPEAKER: Hon member, take your seat, do not be argumentative, go and read Hansard if you did not hear the Minister answering you. You will get your answer there.

Question 240 has been asked by hon Mpushe to the Minister of Tourism. I have been informed that ... ooh of course what is the ... go ahead Minister.

The MINISTER OF TOURISM: What might you have been informed of Deputy Speaker?

The DEPUTY SPEAKER: I decided not go there, Minister. Why do you drag me there? [Laughter.]

The MINISTER OF TOURISM: Hon Deputy Speaker, yes indeed the question asked by hon Mpushe is that what are some of the notable achievements that have emanated from the implementation of the Tourism Sector Recovery Plan since the plan was implemented and (b) the intended long-term achievements that can be yielded from the plan after the COVID

-19 pandemic? We have not worked out when will the Covid-19 end but I will answer (a) and (b).

The notable achievement that have emanated from this have been based on our Tourism Sector Recovery Plan. When there is a lockdown we discovered that global supply chains, travel and tourism is the worst affected sector and as an immediate response we had to put in place recovery plan in the hope that this would be rolled out as soon as we are able to move out of the higher stages of the pandemic.

When the Covid-19 pandemic struck, in order to support the sector, the government put aside an amount of R200 million to cushion the industry. The Tourism Sector Recovery Plan was adopted by Cabinet and it has been presented here in Parliament. Since the adoption of the recovery plan which was based on three pillars that would help the sector recovery plan as quickly as possible, we have been able to achieve the following:

The plan to protect the industry and ensure to rejuvenate the sector and the following achievements are worth noting: feedback from the industry indicated that trade and consumer confidence is higher when the government has an instrument in

place as compared to voluntary industry based mechanism. We as government, are there to ensure that the industry is protected by putting in place norms and standards for safe operation of the tourism sector in relation to Covid-19. These norms and standards were approved by the Cabinet and we can attest to the fact that they have paid off.

There is an infrastructure maintenance programme which we have put in place. Currently the department is involved in the development and maintenance of state-owned and community based tourism assets in about 100 sites across the country. There is infrastructure maintenance roll out taking place in 19 national parks and about 40 provincial sites across the country, apart from the expansion of this programme. Under Pillar Two, we made provision for reigniting demand. We have made progress and notable success with the following: you will know the amount of efforts put in persuading the British government to remove us from the list. We have finally been removed. Our greatest gratitude to all those role players who made it possible to be removed but in particular I would like to single out the Deputy High Commissioner of the British Embassy in Pretoria. We are now off the red list and we are hoping that other countries including the United States of

America, Brazil, Germany and other countries would follow suite.

Further, SA Tourism sourced and submitted 39 bids for international business events to be hosted here in our country between 2022 and 2025. The combined estimate value is about R528 million and a potential to attract a huge number of international guests in our country. We launched a travel week consumer campaign themed Great South African Sale on August 2021 and we promoted it via digital platforms, street pole advertisements, billboard advertisements, television, digital media, radio, etc. This resulted in 670 direct leads which were recorded across all provinces.

Domestic tourism has shown resilience even in the face of the Covid-19 and we are beginning to ease our restrictions in government and our industry is beginning to pick up. [Time expired.]

Mr H G APRIL: I will be taking the question.

The DEPUTY SPEAKER: In future and generally, for purposes of recording just do say that, I am Lechesa Tsenoli I will be taking his or her question. For record purposes.

Mr H G APRIL: Thank you very much Deputy Speaker, I am Heinrich April and I will be taking the question on behalf of hon Mpushe.

The DEPUTY SPEAKER: Thank you very much.

Ms P T MPUSHE: Deputy Speaker, Deputy Speaker!

The DEPUTY SPEAKER: Yes. Yes, we are listening. Why are speaking?

Ms P T MPUSHE: I am hon Mpushe.

The DEPUTY SPEAKER: Yes, we are listening. Why are speaking? [Interjections.]

Ms P T MPUSHE: I am hon Mpushe, Deputy Speaker.

The DEPUTY SPEAKER: No, no you are out of order. Hon Mpushe, please go ahead. I mean ... wait, wait a minute, the wires have crossed.

Ms O M C MAOTWE: Can I address you?

The DEPUTY SPEAKER: Hon member, take your seat. You cannot all be standing in the House. Hon Rhadebe ...

*IsiXhosa*:

... heyi, hlala phantsi wena maan. Kutheni ungeva nje?

*English*:

Hon member, you really miss performance, right?

Ms O M C MAOTWE: This is the confusion in the ANC, Deputy Speaker.

The DEPUTY SPEAKER: That microphone looks attractive to you today. Please hon members, this is why the wires are crossing right now. What are you rising on, hon member?

The CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, as a Whip of the ANC I want to put a proposal to the Order Paper or the paper you have. The person who is supposed to do a follow up question is hon Mpushe as cited. So apologies for that confusion, she is online now.

The DEPUTY SPEAKER: Alright, now the hon member has stood up to say she is going take the question. Please go ahead, hon member.

Ms P T MPUSHE: Thank you very much, Deputy Speaker. [Connection problems.]

The DEPUTY SPEAKER: Hon member, do not replace the people who are here, please. Alright, go ahead hon member.

Mr N L S KWANKWA: It seems the wires are crossing again.

Ms P T MPUSHE: Thank you very much Deputy Speaker.

Hon MEMBER: Which one? [Interjection.]

The DEPUTY SPEAKER: The member knows, you just keep quiet, go ahead hon member.

Ms P T MPUSHE: Thank you very much, Deputy Speaker. Hon Chief Whip of the Majority Party, hon Majodina, hon members of this august House, I greet you all this afternoon in the name of the ANC and its allies. [Interjections.] Hon Minister, would you further elaborate in your efforts to do better to ensure that we have a more reliable and sustainable tourism sector in

South Africa post Covid-19 pandemic? Which areas has your office identified that need improvement and what programmes are being implemented in order to sell South Africa brand and restore traveller’s confidence even from those countries who still have South Africa on their red list? Thank you very much, Deputy Speaker.

The MINISTER OF TOURISM: Thank you very much ...

The DEPUTY SPEAKER: Hon Minister, sorry. That hon member there, if she is not repeatedly continuously interjecting there, she now wants a conversation. Please do not do that. Allow the Minister to speak, please.

The MINISTER OF TOURISM: Thank you very much, Deputy Speaker for your protection. In our efforts to build back better and ensure that we are sustainable and resilient, the tourism sector in South Africa has put up quite a number of projects and also worked out how we are going to go ahead with that. Some of these have taught us a number of lessons and we will use them in future.

What we have done now is to make sure that, as I have indicated in my answer, is that we put together a more roomed

expedite the implementation of the sector recovery plan. This is bearing fruit already. We put in place standardised approaches through global co-operation with development and implementation of travel facilitation solution during the global crisis. We have ensured that our norms and standards for safe operation for the sector are bench marked against the global industry protocols. The whole of government input we have found and this also came in handy and is a great enabler to make sure that it is sustainable hence we make recovery plan that has been adopted in Cabinet and has been brought here to the portfolio committee.

It is important to note that no building back better without inclusivity will ever make us more resilient but we have learnt from this and we will go forward and make sure that whatever we do does take into account that there are issues in life that will set us back as we have been set back by this Covid-19 pandemic. Thank you.

Mr A M SHAIK EMAM: Hon Deputy Speaker, hon Minister clearly there are all indications that you made notable achievements. Now, given that the Department of Health has indicated, you know that they have become super god, that the fourth wave is anticipated in December which is the festive season where

there is hype in travelling and tourism, how is this going to impact on your success thus far in having to deal with the issue of tourism affected by the Covid-19? Thank you.

The MINISTER OF TOURISM: We have a recovery plan, as I have said, hon member. This recovery plans takes us forward having learnt the disadvantages that we have had. It is in place, it was brought here and you were in the meeting. You know what we are talking about. So, you would know what we are talking about. We are also making sure that we can promote the need for everybody to be vaccinated wherever we are. We make sure that we have vaccination sites for people to vaccinate. If all of our visitors are vaccinated, we would be protected against any unfortunate event that might occur. So, we have taken into account all the particular matters that need to be taken into account. We are protecting the industry through the plan and we just ask the House and their families to please make sure that they are vaccinated. Thank you.

Mr M S F DE FREITAS: Hon Deputy Speaker, the Minister talks about how the recovery plan wants to protect the industry but yet the World Travel and Tourism Council, WTTC indicated that at least 430 000 tourism travel sector jobs were lost during

lockdown and that contributed a decline of R181 billion to the economy.

Statistics SA reported that the overall number of arrivals and departures decreased by 71% during lockdown. Now, despite the intentions of this Tourism Sector Recovery Plan, what is going to remove the greatest ... [Inaudible.] Tourism hospitality and entertainment sectors namely by the ongoing lockdowns and curfews which continue to be in place and be the biggest impediments to the sector? Thank you.

The MINISTER OF TOURISM: When I indicated that we have government support in our recovery plan, I did take into account the question you are asking. The determination of what we are doing and at what level we are at is not a single individual or a single departmental responsibility. It is an all government responsibility. So, we will abide by what Cabinet decides. Thank you.

Mr T W I MAFANYA: Hon Deputy Speaker, I am hon Mafanya and I will take over from Mr Mateka. Hon Minister, the tourism sector is on its knees because of Covid-19 and even before Covid-19 it was a troublesome sector because of the resistance of transformation. Have you included transformation targets as

part of the deal to save the ailing industry? If so, what are these targets and if not why not? Thank you, Deputy Speaker.

The MINISTER OF TOURISM: Yes of course, transformation is part of any departments that we have. It is essentially important and it has existed before the uptake of Covid-19. We are on our back foot like everybody else in tourism possibly more affected are most people and those people who are affected are people who are in need of support from government and probably more vulnerable than most people.

We have put in place a Tourism Recovery Plan that does take into account the transformation. We have already had one meeting to ensure that we understand that we are on the same wave length and are able to recover the set up plan forward. We would need to recalibrate the percentages which we are dealing with in transformation. As you know, as you have indicated by implication, it is the most vulnerable, the lowest that are affected by this.

Therefore, we would go back to our drawing board and make sure that we can recalibrate and make sure that all those people who need support are given support for the percentage that would be calculated in line with the outcome of what our

investigation would be. But we are very conscious of the fact that we need transformation in the sector. There is a panel that is working on this and advising the Minister on how to go about the matter. Thank you very much.

Question 243:

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Good

afternoon, hon Deputy Speaker. I am going to ask to switch off my camera because we are load shedding at the moment. Thank you very much. I want to thank hon Mathebula for the question.

In May 2020, Cabinet approved the Infrastructure Investment Plan. So, the Infrastructure Investment Plan identified mechanism to expedite infrastructure implementations in terms of Infrastructure Development Act 23 of 2014. So, Infrastructure SA, ISA, was established by the Department of Public Service and Administration in 2020 as a single entry point for all infrastructure processes.

The Infrastructure Investment Plan is also aligned to the Economic Reconstruction and Recovery Plan and its focusing on delivery of catalytic, economic and social infrastructure projects and programmes. In this regard, ISA is delivering this mandate amongst others, facilitating and co-ordinating

strategic infrastructure projects which are of economic significance and social importance through the strategic integrated project management office.

ISA is also ensuring that significant private capital is leverage for long term investment in public sector infrastructure, projects and programmes through the infrastructure fund. It’s also enabling the development of a pipeline or bankable projects and project assurance processes in terms of research methodology.

ISA is also facilitating the removal of red tape and resolving blockages as they arise that hinder the rollout of infrastructure projects. Lastly, ISA is also ensuring effective infrastructure plan and implementation through efficient design and execution programmes. ISA is part of the Department of Public Works and Infrastructure and will therefore be funded by the department’s budget. I thank you, hon Deputy Speaker.

Ms L N MJOBO: Thank you, Deputy Speaker. My name is Lindiwe Mjobo, ...

*IsiZulu*:

Ngizomela ilungu elihloniphekile uMjobo.

AN HON MEMBER: She is the Whip of the committee, hon Deputy Speaker.

The DEPUTY SPEAKER: I know. You think I don’t know that?

[Laughter.] Go ahead, hon member

Ms L N MJOBO: Thank you, Deputy Speaker. Thank you, Minister for your good response. Besides providing the secretariat service to the presidential infrastructure co-ordination committee, how else is Infrastructure SA going to contribute to the Economic Reconstruction and Recovery Plan in terms of utilising the property portfolio and engage in other infrastructure development? Thank you, Deputy Speaker.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Thank you,

hon Deputy Speaker and hon member for the question. The contribution of ISA in dealing with property development in the country is the mandate that ISA has received from Cabinet, and that is to sweat irremovable assets of land and our buildings and very soon we will be putting to the market some of the buildings for the repurposing. We will also be

releasing some parcels of land to the market and that is the mandate to sweat the assets, especially the property assets.

They are also repurposing some of our buildings for students’ accommodation and I will be able to provide the hon member with a full plan of property development for what has happened in the current financial year and what will happen later in the financial year. Thank you, hon member.

Ms S J GRAHAM: Deputy Speaker, Minister de Lille, according to Department of Public Service and Administration website, National Treasury has committed a R100 billion over a 10 year period to act as seed funding for ISA with a view to this commitment being a catalyst to generate R1 trillion of infrastructure investment. It goes on to state that in 2021, an initial three-year commitment of R18 billion is being made by Treasury, of which R4 billion is committed to the current financial year.

Minister, what has been the catalysing effect of this commitment in terms of additional funding or infrastructure investment? Thank you.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon Deputy

Speaker, I am first correct hon Graham that the infrastructure fund is housed by the Department of Public Service and Administration. The R100 million that government has made available for the next 10 years is there for us to fund catalytic projects.

So far, the infrastructure fund has established an infrastructure investment committee comprising of both the public sector and the private sector and it is chaired by the Minister. We meet once a quarter and so far we have approved funding for the Vaal River system in the Lesotho Highlands, the Mokolo and Crocodile River, Olifantsrivier, Umzimkhulu and a number of other projects that we have already approved and student accommodation are from the fund.

The last one that we have approved is on the land of port of entries for the Department of Home Affairs. So, ISA then assist the project management office. Where we are short of funding for these government projects, ISA goes out and find private sector funding so that we can have a blended fund to complete the projects and they have been very successful.

In June 2020, ISA also hosted a funding symposium where we were able to raise R304 billion towards infrastructure. We had another investment conference on the 6 and 7 of October 2021. Again, we have received over R300 billions of investment. So, ISA is playing a catalytic role and a facilitating role to make sure that we mobilize extra resources and that what we fund from the infrastructure fund is just catalytic. Thank you, hon Deputy Speaker.

Ms R N KOMANE: Thank you very much, hon Deputy Speaker, my name is hon Komane, I will be taking the question. Minister, in the speech you made at the NCOP on the 7 September, you indicated that infrastructure in South Africa is a single entry point to all infrastructure projects in the country. You also indicated that at the core of infrastructure, South Africa’s work is close collaboration with the private sector. Even the ... [Inaudible.] ... of the project.

How will you ensure that there is no conflict of interest in this regard? That the private sector companies you are partnering with do not feed you with ideas that they know they will benefit from? Thank you very much.

AN HON MEMBER: What is the question?

The DEPUTY SPEAKER: The Minister has been listening. Don’t worry, hon member. Take your seat. The Minister is the one who should worry. Hon Minister, please go ahead.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon Deputy

Speaker, certainly we have said it from the beginning that to build infrastructure in our country - to deal with the backlog of infrastructure in our country - that infrastructure investment contributes as a flying wheel to our economy to stimulate investment. Therefore, we have gone out to the private sector and we have been very successful in raising that funding.

Every contract or any agreement with private sector is not a secret. The project that they select comes from what government has prioritised that needs to be built, especially in the water sector. When we come back to the portfolio committee again, I can bring the hon member a breakdown of the investment in water infrastructure, in energy infrastructure, and road infrastructure that we were able to raise funding.

Of course we will structure an agreement with the private sector so that the benefits of the infrastructure lead to job creation in our country. Government will create the conditions

conducive for the private sector to help us to create jobs in our country. That is the approach, hon Deputy Speaker, that we follow and so far it has been successful.

We hope that the next financial year that now that we have shown as government that we have an investment plan and we now have also augmented the first investment plan, that we can show to the world and to the private sector that we do have projects that needs funding for infrastructure. Thank you, hon Deputy Speaker.

Mr W M THRING: Hon Minister, the Department of Public Works and Infrastructure has a number of reporting entities, Agrément SA., Construction Industry Development Board, Council for the Built Environment, Engineering Council of South Africa and the Independent Development Trust, IDT. Almost all of these entities have some role to play in the infrastructure development. The main one of these entities being the IDT. Now that a new entity or structure has been formed, Infrastructure SA, what role, if any, will the entities, including the IDT, have in infrastructure development and what is the department’s future plans for the IDT in terms of infrastructure development? Thank you, Deputy Speaker.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Thank you to

hon Thring. Yes, indeed, all the entities are playing a role in the implementation of the Infrastructure Investment Plan. Agrément SA, the Council for the Built Environment, all of them are playing a role. They have clearly defined what contribution they can make and the implementation of the infrastructure investment plan.

The Independent Development Trust, IDT, has a separate mandate and as members of the portfolio committee will recall, because what we have reported quite often is that the Independent Development Trust is bankrupt. There is no money and that Cabinet has agreed that we need to look at reconfiguration of IDT. We successfully appointed a new board for the IDT in August 2021.

They are now working together with National Treasury, with Gtech and the Development Bank of Southern Africa to look at options of how we can reconfigure IDT to continue to deliver them on the mandate of social infrastructure. That report will be put before Cabinet before the end of the year or early next year. Thereafter, we will bring the draft proposal of what we propose should happen to IDT and how we can reconfigure IDT

also to the portfolio committee. I thank you, hon Deputy Speaker.

Question 235:

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon Speaker,

and thank you to hon Graham for the question ...

The DEPUTY SPEAKER: I know ... [Inaudible.] ... Deputy [Laughter.]

Go ahead, Minister. I just meant I know you mean Deputy

Speaker; that’s all I meant. [Laughter.]

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon Deputy

Speaker, and thank you to hon Graham for the question.

The department identified approximately 1 300 properties that are illegally occupied. And yes, the department is unable to optimally utilize such properties due to the unlawful occupation.

The impact of such unlawful occupation is that the department continues to pay rates and taxes on these properties and is unable to generate any revenue from these properties.

However, the department’s branch of the real estate management services continues to conduct site inspections and the ratification of the properties that are reported as illegally occupied.

And in addition, they have appointed an independent service provider that will resume the contract in January of 2022 to assess every one of the properties and then assist the department to bring eviction orders where necessary.

So, the contract is supposed to start in January of 2022 but it is very worrying that the amount of government properties that are illegally invaded is actually increasing on a day to day basis. Thank you, hon Deputy Speaker.

Ms S J GRAHAM: Minister, under the Government Immovable Asset Management Act you are the custodian of the Department of Public Works and Infrastructure property and you are directly responsible for ensuring the safeguarding of government’s assets including immovable property.

Klooflocks Kraal in the Theewaterskloof Municipality belongs to your department. Despite the Department of Public Works and Infrastructure getting an interdict against unlawful

occupation of the property, the number of structures has ballooned from 250 to over 1 500 at last count. A land invasion orchestrated by leaders of the Good Party in that area.

This property was earmarked for forestry development that would have provided jobs for members of the local community. Instead, it has become a burgeoning informal settlement with no access to municipal services; further entrenching poverty in the area.

Minister, how much has it cost the Department of Public Works and Infrastructure to try and safeguard the land at Klooflocks Kraal against the unlawful occupation led by members of your political party?

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon Deputy

Speaker, I would certainly challenge the hon member to bring evidence and not speak under the protection of parliamentary immunity and make unfounded statements without evidence; that’s point number one.

Hon Deputy Speaker, we have already spent about R1,2 million to protect the property.

It was the Department of Public Works and Infrastructure that went to court to seek an interdict to stop any further invasions.

We have two fulltime security companies that are continuously monitoring the property there.

The hon member is just passing on gossiping that she got from other people.

I can assure you that with the Department of Forestry, Fisheries and the Environment, Minister Barbara Creecy, we have met several times because that land is supposed to be used for foresting and the Department of Forestry, Fisheries and the Environment has also now partnered with the Department of Public Works and Infrastructure so that they can pull out resources together and to put a security plan in place until the Department of Forestry, Fisheries and the Environment can decide when they are going to start the plantation operations.

I will advise the hon member to go and look at the masterplan on forestry released by Minister Barbara Creecy last year November and she will see all the plans that we have to deal with not only that piece of land but many other pieces of land

that are allocated to the Department of Forestry, Fisheries and the Environment for the purposes of forestry. Thank you.

Ms L N MJOBO: Minister, what action has the department taken to remedy the situation that such illegal occupation does not happen in future? And what is the department intending to do with these properties after illegal occupants are removed?

Thank you.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon Deputy

Speaker, it’s a very important question asked by hon Mjobo; as to once we have been able to secure an eviction what do we do with the land afterwards? Because if we get the eviction and we are successful, the chances that the land will be reinvaded are still there.

What we do in circumstances likes this is that we look at what the land has been zoned for. We will then approach either the local municipalities or the local metropolitans or the provincial government to say that there is this piece of land in your province that is zoned for ‘x’, are you interested in taking over that land?

So, that is what we do with every piece of land to make sure that if we are successful with an eviction order we will be able to keep the land empty so that it can be used for government purposes.

In terms of the action, like I’ve said, we have an independent service provider that will be responsible for three functions. First of all, the service provider will have to look at how to regularize the leases to ensure revenue has been generated.

They also need to conduct forensic investigations for properties that have been illegally transferred as well as confirmation of debt owed to the department as a result of the illegal occupations and evictions where such processes are due.

So, we hope, hon member, that with the help from this independent service provider for the rest of the financial year and next we’ll be able to tackle most of these illegal invasions. Thank you, hon Deputy Speaker.

Mr T M LANGA: Minister, we hear you and note your response. However, we are not getting specifics in your response. In other words, it will help if you were to categorize the status

of these so-called unlawful occupiers of the public works properties.

We would like to know the extent to which these properties have been hijacked and occupied by commercial entities and the extent to which they are occupied by poor and homeless people.

Would you kindly give assurance here that your department will not be evicting poor people and homeless people who are occupying these state properties? Thank you very much, Chair.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon House

Chair, I will give a quick breakdown. In Bloemfontein we have 40, Cape Town 134, Durban 540, Johannesburg 109, Kimberley 68,

Mmabatho 170, Mthatha 23, Nelspruit 110, Polokwane 32, Port

Elizabeth 101 and Pretoria 56.

At this stage I can only provide the numbers but who is occupying the land, whether it’s a commercial entity or invaded for human settlement purposes, that information, we are busy collating now to see who is on the land and whether that land is fit, for instance, for human settlement purposes.

I can assure the hon member that when the communities had been on that piece of land for a long time we can speak to the municipality to take over the land and then provide services to the communities or they can formalise the informal structures that are there.

Before you get to eviction we have to engage with other spheres of government to look, for instance, at alternative accommodation. And I want to give the assurance to hon members that that’s exactly what we will do. We will not just evict people for the sake of eviction. Thank you, hon Chair.

Ms Z MAJOZI: Hon Minister, what is your department doing to carry out regular audits of the properties which it controls? And if so, at what intervals per annum?

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon House

Chair, yes, we do, do inspections as the department although I would like to see it to be done more regularly.

We have the immovable asset register that we now finally have been able to receive an unqualified audit report from the Auditor-General.

But I will have to go and get the exact amount of inspections that the department do, when do they do it and how did they decide to do it.

Because when it comes to ... especially with the maintenance of any asset, you need to have a specific schedule for maintenance and you need to deal with reactive maintenance. That schedule, I can certainly provide to the hon Majozi, I don’t have it with me but I will provide it to you. Thank you very much.

Question 213:

The MINISTER OF PUBLIC ENTERPRISES: Hon House Chairperson, thank you very much and good afternoon. Firstly, let me clarify that all of the issues raised by Miss Maotwe are connected to the issue of climate change as I elaborated in respect of an earlier question.

Secondly, that over a long period of time, Cabinet and the President’s Climate Commission and other bodies within government have been looking at the question of the nationally determined contribution to reducing carbon emissions in South Africa.

Thirdly, as I said earlier on that electricity is a major contributor to carbon emissions to the tune of about 41% of the overall emissions that we actually have. And that the transition that we speak of within the climate change process, but in particular in respect of the electricity sector could be a transition from coal to nuclear for example, or coal to hydro or coal to solar. There are many variations to that theme including battery storage which is likely to play an important part.

All of these discussions at Cop26 including the position that we have taken in relation to financing the transition by developed countries has been discussed by the Cabinet and has the approval by Cabinet as well. This was over a long period of time when discussions with various funders took place both by Eskom itself and later by a group of Ministers led by Minister Creecy and Cabinet then approved the outcome.

Chairperson, as I said earlier on, this is not a deal yet. It is an offer. Negotiations still need to be pursued in this particular regard.

What are we asking funding for at this point in time is suggest energy transition project at Komati Power Station it

is research and other work that still needs to be done in relation to green hydrogen and the production of electric vehicles in South Africa. So, clearly what we are thus saying is that this money is not to be used for Eskom’s operations or indeed for Eskom debt as well.

Obviously there are concerns that once the money to Eskom is provided, if the terms are appropriate and acceptable to South Africa, appropriate measures need to be taken to ensure safeguarding of this money, proper spending, proper auditing and that the money is used for the purposes that have in fact being identified. Thank you Chairperson.

Ms O M C MAOTWE: Hon House Chair and hon Minister, your counterpart in the Ministry of Minerals and Energy, has correctly rubbished those plans to dramatically move from coal. Now, what is the government’s position when it comes to that? Was he only speaking on his behalf or was he speaking on behalf of government? Also what will then be the impact of that on Eskom if we were to move away from coal? Lastly, Minister, there is no free lunch, so they are offering South Africa? What is in it for them? What relationship are we building with them? What are we entering into because there is no free lunch? Thank you.

The MINISTER OF PUBLIC ENTERPRISES: Hon Chairperson, I agree there is no free lunch, nor we as government in the business of providing free lunch to anyone. This would be strictly commercial exercise which must fit in with our fiscal plans and capabilities at the end of the day.

What will be the impact on Eskom? Well, with or without this funding we will have to find the way as South Africans, to decarbonise our economy. To give concrete impact and meaning to the commitments that we have made to be part of the decarbonisation process and be part of the process of climate change that needs to take place in order not to protect the South Africans, but to protect humanity as a whole.

So the impact on Eskom will be firstly, that it must prepare a plan which it has at a private level at Komati Power Station, as I indicated.

Secondly, it will have to find other resources that will produce electricity. I have mentioned some of them earlier on.

Thirdly, it will have to do some creative funding structuring in order to be able to use all the capital that might be available in South Africa.

As far as comments coming from other Ministers are concerned, well I think the hon member must ask those Ministers what they mean. However, we are not talking about a dramatic switch where every mining activity ends tomorrow and the use of coal ends tomorrow. The use of coal will continue in line with Integrated Resource Plan, IRP, 19. Certainly for those in as, “younger power stations.” There be a declining curve in that particular regard. So, clarity in that question is absolutely important as outlined in IRP19.

Secondly, we have to ensure that as part of the just energy transition process; workers, coal mining owners and communities are looked after and are no worse off as the result of the changes that are happening in the world. If we do not make the changes, we are going to be the takers of the policy processes and other parts of the world including extra tape tariffs on our exports to those parts of the world that have already decided their policy stance on some of these matters. Thank you.

*Sepedi*:

Moh C M PHIRI: Mohl Modulasetulo ke a tamiṧa, ke tamiṧe le Tona, Ntate Pravin Gordhan, ke boe ke botṧiṧe potṧiṧo ya ka ke re: Tona ...

*English*:

.. considering that the state-owned entities, SOEs, in South Africa often cite underfunding as the key reason of poor performance couples with the fact that most domestic investors are uncertain about not investing in the SOEs.

What would be the benefit of the investment in the transition from coal to renewable energy in so far as Eskom’s challenges to stabilise power supply and sustaining operational performance are concerned. Ke a leboga, Modulasetulo. [Thank you, House Chairperson.]

The MINISTER OF PUBLIC ENTERPRISES: Hon Phiri and hon House Chairperson, the ...

The HOUSE CHAIRPERSON (Mr M L D Ntombela): ... go ahead, hon Minister.

The MINISTER OF PUBLIC ENTERPRISES: Can I continue?

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Yes, go ahead hon Minister!

The MINISTER OF PUBLIC ENTERPRISES: Thank you, House

Chairperson. Along the way the voice of the hon Phiri seemed to have faded. Let me answer what I thought I understood.

The impact on domestic investors will in fact, we have positive impact because there is a quite a pipeline running into billions of rand for invest on renewable energy, battery storage and accompanying infrastructure that is waiting for the right regulatory framework.

Secondly, that framework was provided a few days ago, by National Energy Regulator of SA, Nersa, and it has been received I believe very positively by different sectors of the economy. In fact, we will then get more investment into the economy as of consequences of committing ourselves to the transition. However, also giving certainty as to the path that we intent to follow including ensuring as I said that this transition is a just one.

There would be according to industry and analyst more jobs created. There would be more retraining of existing workers and new young workers who are going to enter the energy field as well. And there would be additional industrialisation as we

move in this direction particularly in places like Mpumalanga where many of our power stations are located.

So, this would be of course being complemented by work in relation to green hydrogen, the electric vehicles and the other sectors of the economy that also have to undertake a decarbinisation exercise. Thank you, House Chairperson.

Mr G K Y CACHALIA: Hon House Chairperson, is the right hon Minister able to provide clarity on the potential recipients of the partnerships of firms that would avail themselves of the US, UK, EU and UN opportunities? And can we confirm importantly that the President’s brother in law is a significant potential recipient of this large ass? Thank you.

The MINISTER OF PUBLIC ENTERPRISES: Hon House Chairperson, as I have indicated now two or three times during the cause of the afternoon that this is not a done deal. This as offer from certain developed countries to foot the bill to some extent not entirety for the just energy process to begin to take off both at Eskom and in respect of been hydrogen and electric vehicles.

Secondly, this amount of money still needs to be negotiated in terms of the various terms. I outlined earlier whether its grant money or concessional money. If we know what concessional mean does it mean there is a payment, does it mean lower interest rates and what does it mean in terms of foreign currency risk? So, those are the matters that a technical team best suited for those calculations and negotiations would be actually undertaken.

As far as brothers in law and the family members are concerned, there is nothing at the moment on the table for anybody to be connected with or to have some any role of participation.

The issue of which firms would be involved is something that would be determined as we go forward in a very transparent and open way which is a commitment that we can certainly give as government. Thank you, very much.

Ms Z MAJOZI: Hon House Chairperson and hon Minister, what is the overall policy for usage multiple sources of renewable energy and how will Eskom manage some if not all of these different sources, whether Eskom is adequately geared or is

undergoing transformation to sufficiently deal with generation and its sustainability? Thank you.

The MINISTER OF PUBLIC ENTERPRISES: Hon House Chairperson and hon Majozi, the overall policy of government at this point in time is framed in the Integrated Resource Plan which embraces the kind of energy direction that we intend to go in. The facing of that will happen in respect of resources of energy and the kind of commitments that are required of governments of others as well.

Secondly, is Eskom adequately prepared? Well as we stand today, Eskom produces energy from coal. It receives hydro energy from Paharabasa, it is linked to the Southern African power pool, it also has power coming from Koeberg which is nuclear. During pick hours if there is load shedding it uses diesel and diesel turbines based in the Southern and Western Cape as well. There are new opportunities available as the IRP19 indicates for gas and for nuclear in particular with other sources of energy as well. So there is also already a diversity of skills within Eskom to manage these processes. Thank you, very much.

Question 247:

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Thank you so much

House Chair. Firstly, I would like to talk to the mandate of the Department of Small Business Development which is to lead and co-ordinate an integrated approach towards promotion and development of entrepreneurship, small businesses and co- operatives. Now, if you look at this broad mandate it therefore tells you that, we are left with no choice as the National Development Plan indicates that we have to make sure that we leverage on the entrepreneurs, in order to transform and grow the economy with the emphasis on the vulnerable groups, being your people with disabilities, women and youth.

In response to COVID-19, the department deliberately established a fund that is known as Township and Rural Entrepreneurship Programme, which has a myriad of relief packages that are meant to support small enterprises in these disadvantaged areas.

Chair, of course the second component on cannabis, as the department before we introduce any intervention, the first thing to do is to make sure that there is a sector responsive strategy. In this context the department developed it and we are now working with the Eastern Cape Province in partnership with the Eastern Cape Rural Development Agency, wherein we

signed a memorandum of understanding, MOU that is going to come into effect in the financial year of 2022 and 2023, where we are now putting the priorities in relation to supporting small businesses especially in the rural areas that are involved in the business of cannabis. Thank you Chair.

Ms M L LUBENGO: Thank you Chair. Minister, you reply, your reply, you reply, in your reply you mention the work in progress to support

An HON MEMBER: Reply, reply ... [Laughter.]

Ms M L LUBENGO: In your reply you mention the work in progress to support business people in the sectors that I have mentioned in my question. I mean sectors like cannabis, renewal energy and organic funding. Considering the persistent challenge of funding for entrepreneurs, particularly black people, women and the youth, what further measures is your department planning to implement in order to source more funding particularly from the finance sector? How is the department encouraging investors in the sector to support emerging companies? I thank you.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Thank you so much

Chair. Hon member, the first thing that we are doing as the department is to recognise that we are operating in an ecosystem. Therefore, as the department we are not going to be able to provide funding to all. This is why we are having an engagement with all the critical stakeholders both in the public and the private sector including the banks.

We will be signing up many memorandums of understanding wherein we are saying, we have to work together, bring in all the Foreign Direct Investment, FDI as we work also with Minister Patel to make sure that the support that is needed by our small enterprises is support that is coordinated, but most importantly an effective support.

We have not been tracing or making follow up on some of the entities that we have funded which is why we said, it is high time to provide that post monitoring support to the small businesses in order to make sure that we can track and trace the impact that we are making in the economy. As I said, the NDP compels us to transform and grow the economy through the support that should be provided to entrepreneurs.

We are partnering again with the World Bank. We are partnering with the ... [Inaudible] ... in saying, lets us welcome everybody that has sources of funding to an extent that, as I am talking to you we are going to be hosting a partnership dialogue with big banks and big businesses to talk about opportunities including leveraging on the existing enterprise supply development, that is with the other big companies and in certain state-owned entities. In this context, we will be establishing a fund of funds that seeks to bring all these funds together to say, let us make sure that we work together to collaborate for effective execution in support of entrepreneurs. Thank you Chair.

Ms B MATHULELWA: Thank you Chair. Greetings to our greatest national advisor, our commander in chief and all the Whippery of the EFF battalions... [Interjections.] Minister Ndabeni, the people of Pondoland not broadly Eastern Cape, Pondoland around Port St Johns, Lusikisiki and Flagstaff have a long history of involvement in the dagga economy on which they have depended, to put food on the table and send their children to schools. With gradual easing of the restrictions of cannabis

... [Interjections.]

*IsiXhosa*:

ILUNGU ELIHLONIPHEKILEYO: Ingathi uyayisebenzisa kwa wena.

Ms B MATHULELWA: ... what measures have you put in place – order, to ensure that big multinational companies do not displace small dagga producers in Pondoland other than going to the biggest businessmen for negotiation? We are speaking about small businesses here there is no need for that.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Thank you

Chairperson.

*IsiXhosa*:

Ilungu elihloniphekileyo liphazama nje into encinane ethi, ukuze bakhule oosomashishini abancinane abdinga oosomashishini abakhulu.

*English*:

That is why I earlier made reference to an ecosystem that we are operating in because we are not a standalone organisation. The small businesses complement the work that has been done by the big businesses. Therefore, we have to coexist. It becomes very important for opportunities that should be presented to them. Now, coming to Pondoland on the issue of ...

*IsiXhosa*:

... intsangu.

*English*:

You are correct that ...

*IsiXhosa*:

... intsangu isukela ekulinyweni ngabantu basemaMpondweni, ...

*English*:

... but as government we have adopted an approach the District Development Model which forces us to join hands with other state institutions at provincial level and local level.

Therefore, hon member when I say to you, we have a partnership with the development agency of the Eastern Cape is because we have to make sure that there is integrated planning and therefore, the support that we provide from national is not support ...

*IsiXhosa*:

... efika iwe nje ngokungathi yimvula eyehla emthini.

*English*:

It is important once more to say, we are engaging including the Department of Health in ensuring that the process of ensuring that people are given licences, those people from Pondoland are not excluded. This is the support that we are looking at, that is not only looking or targeting financial support but also the nonfinancial support which is something that we are committed to do.

*IsiXhosa*:

Lungu elihloniphekileyo, nakuwe singalibulela ithuba lokuba nawe uncedise ekuqinisekiseni ukuba abantu basemaMpondweni ...

*English*:

... indeed where you can as the lawmaker, you ease the environment because there are so many red tapes which require this House’s intervention. Therefore, we welcome your contribution. When that time comes, we are reviewing legislation. Thank you House Chair. [Applause]

The HOUSE CHAIPERSON (Mr M L D NTOMBELA): Thank you hon

Minister. The third supplementary question will be asked by the hon Hendricks. Hon Hendricks! Where is hon Hendricks?

Siyadlula (we proceed). I am going to the last supplementary

question. The last supplementary question will be asked by the hon Luthuli. Hon Luthuli.

Inkosi B N LUTHULI: Hon Minister, in light of the burden that are faced by the small businesses from the effects of the pandemic and worsened by the recent riots especially in KwaZulu-Natal and Gauteng, are you in turn to boost the entrepreneur resilience of the small businesses in order to prepare them for the similar events in future? If not, why not? If so, what are the relevant details? I thank you.

*IsiZulu:*

UNGQONGQOSHE WEZOKUTHUTHUKISWA KWAMABHIZINISI AMANCANE:

Ngiyabonga kuNkosi uLuthuli ...

*English:*

Firstly, as the department we are implementing a number of schemes that are meant to empower the small businesses and the cooperatives that we have. That is the first thing, whether there are riots or not because, the July incident was just a wakeup call to say, if we are not investing much on the development side of the businesses, then we stand to lose a lot because the small businesses will fail. In this instance we are engaging with insurance companies and urging small

businesses to make sure that they do pay for insurances, so that when these incidents happen they can be able to get the support that they can get.

We are also looking at extending the Informal Development Programme Support as a permanent programme to support informal businesses going forward. As much as we encourage all to join insurance, but there are our mothers who are just hawkers and others in informal businesses. We are saying there; as the department we are going to make sure that we provide permanent support whilst we encourage their growth because we do not want them to remain hawkers. It is important for them to really tamper with the economy in becoming fruit and veg and others. In this context ...

*IsiZulu*:

... uxolo mhlonishwa uLuthuli ...

*IsiXhosa*:

... siye sanemingenelela kwisehlo saKwaZulu-Natal naseGauteng sakhupha imali ephaya kumyinge wama R250 ezigidi esaqhubayo njengokuba ndithetha nawe nje. Ndizakunikezela ke ngeenkcukacha kuba ndibonile ukuba ukhona umbuzo ofuna

ndicacise ncakasana ukuba sikhuphe malini kwaye kweliphi iphondo. Ndiyabulela Sihlalo.

Question 254:

The MINISTER OF TRADE, INDUSTRY AND COMPETITION: I want to

highlight nine measures in place to drive localisation, build and upgrade domestic production to supply both the South African and foreign markets, support wider economic development and promote employment growth.

First are social pacts at national and sector level. Business, labour, government and communities have agreed to localise R200 billion worth of goods over the next five years. At sector level we now have six master plans in place, covering 700 000 workers with industry commitments in each area. For example, the Auto Master Plan commitment by Toyota to invest locally has resulted in the new Corolla Cross vehicle being made here in South Africa. This started last month. We estimate that about R4 billion worth of local value add will be injected every year into the economy and more than a thousand jobs have been created in the company and its suppliers.

Second are competitiveness and enterprise support packages. They are in a number of sectors like filmmaking, clothing and textiles, auto and global business services like call centres. The Department of Trade, Industry and Competition’s, DTIC’s, incentive for global business centres have resulted in 47 000 jobs being created locally since 2018.

Third is preferential procurement by the state and public enterprises, where departments and entities buy goods from local manufacturers. For example, the arms, uniforms and boots are required to be made locally.

Fourth are trade measures, either increasing measures on imported goods like poultry or decreasing tariffs to zero on import materials like textile fabrics. The poultry interventions ensure that one million additional chickens are produced a week in South Africa, coupled with the commitment to increase investments and efficiency, re-engaging in exports, encouraging greater participation by black farmers and moderating price increases.

*IsiZulu*:

Nk M S KHAWULA: Waze wanamanga uNgqongqoshe.

*English*:

The MINISTER OF TRADE, INDUSTRY AND COMPETITION: Fifth is tax

benefits for businesses to expand their capital spending, like the section 12I incentive that was in place until March this year or benefits in special economic zones. One of the benefits for example ... [Inaudible.] ... provided ... [Inaudible.] ... international investor ...

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Minister, just a second.

Ms J TSHABALALA: Order, House Chair. Apologies Minister. House Chair, can I address you? It is based on what hon Khawula just uttered on the virtual platform, that ...

*IsiZulu*:

... uNgqongqoshe unamanga.

*English*:

She says the Minister is lying. She must withdraw that.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): I couldn’t hear her but we will follow up on that and deal with it. Okay. Hon Khawula? MaKhawula ...

*IsiZulu*:

... ngicela ukubuza ukuthi ukushilo yini lokho na?

Nk M S KHAWULA: Ngikushilo kodwa ngiyaxolisa.

USIHLALO WENDLU (Mnu M L D Ntombela): Ngiyabonga, mama kodwa kungenzeki futhi lokho ...

*English*:

... next time, please. Sorry about that, hon Minister. You can continue.

The MINISTER OF TRADE, INDUSTRY AND COMPETITION: Hon Khawula,

if there is progress you should celebrate it and not deny it.

One of the benefits we had is that an edible oil refinery will be built in Richards Bay by an international investor with 20% more local value add to its palm oil imports, creating local jobs and saving foreign exchange.

The sixth area is industrial funding by the Industrial Development Corporation, IDC, and the National Empowerment Fund, NEF, that has supported many thousands of jobs for young South Africans.

The seventh area is a commitment made by companies in mergers through the Competition Act. An example is Coca Cola localising its supply chain and setting up a fund to support procuring technical experts that can help to improve competitiveness in companies.

The eighth area is investment promotion which results in commitments at the investment conferences. One of those commitments resulted in South Africa having the ability now to produce the Johnson and Johnson vaccine here in South Africa, the first and thus far the only production capability on the African continent.

Finally, expansion of markets through trade agreements like the African Continental Free Trade Area, AfCFTA, agreement which provides greater scale for local industries and firms to leverage. The Intra-African Trade Fair hosted in Durban provides a platform for South Africa and other African countries to showcase locally made products. Many African countries have been putting local industrialisation policies in place to deepen Africa’s industrial footprint.

Those are nine examples of what we are doing practically to drive localisation. Thank you.

Mr S H MBUYANE: Thank you very much, Chairperson. Minister, the July unrest had a negative impact on local industries and the localisation programme. It also caused damage to small and medium-sized businesses. What measures have the department put in place to support local industries and businesses?

The MINISTER OF TRADE, INDUSTRY AND COMPETITION: Thank you

very much, hon member. Firstly, the department has put in place a support programme delivered through the IDC and the NEF. I am pleased to inform the House that R2,5 billion of approvals have now been made. This covers more than

380 different business sites and those businesses employ more than 18 000 workers here in South Africa. So, this is an example of helping businesses to rebuild. Some of that is in the form of grants. Others are in the form of support bridging funding until the insurance payments are made and in other instances they are industrial loans.

Some examples that have been in the media, where we have seen factories burning and being looted ... those places are now being rebuilt and there are some really good stories showing the spirit of entrepreneurs ... [Inaudible.] ... their businesses back on track. Those are the examples of backing the localisation effort, making sure that we have industrial

capability in South Africa so that we can provide goods and services, create jobs here, expand our tax base and promote development.

Mr A M SHAIK EMAM: Thank you, Chairperson. Hon Minister, I like your idea of localisation and the emphasis you are placing on local manufacturing. However, the problem that we have is that in order for us to be competitive, the cost of doing business ... of production has got to be low. Now, with your high labour costs in the country, the unreliable electricity or energy supply ... [Inaudible.] ... is going to impact on the cost of these products. All that is going to happen is that people will have to buy them, because we are encouraging them to buy local, at a higher price. They will have less money to spend at home on food and other essentials, which means the level of poverty will increase. It’s not really going to create an environment where you are going to create jobs and boost economic growth, unless we deal with the issue of the cost of production, which is labour costs, stringent labour conditions, the energy supply. We need to deal with this holistically.

What is your plan to address this with the different role- players so that we can keep production costs low, we can be competitive and export as well?

The MINISTER OF TRADE, INDUSTRY AND COMPETITION: Thank you

very much, hon member, for supporting the localisation effort and idea. That is really important. You point correctly to the need to contain costs because that is a key driver of making it possible to get a greater slice of the market.

So, what we are doing there is to address that through a competitiveness support programme. If you take the clothing industry as an example, hon Emam Shaik, we are not simply seeking to address the matter by administrative ... [Inaudible.] We are doing the following things. We are helping businesses to upgrade their technology and machinery, to skill their workforce, and in a number of instances we have addressed some of the input cost challenges. One example that I can cite is the decision to reduce the duty on certain imported textiles to enable local clothing manufacturing costs to be brought down.

Of course one of the fundamental issues that we have to address is both the cost and the availability of energy, and

Minister Gordhan spoke to this earlier in the parliamentary questions and answers session.

Finally, I want to point to the labour dimension. Hon Emam Shaik, I know you will agree with us that South African workers need decent work. That means that we have got to upgrade skills, enable productivity levels to rise and at the same time ensure that decent wages are paid. It’s to try to square those many things that constitute the overall thrust of industrial policy, and sector by sector we do it. In the case of the auto industry as an example, many of the plants have become world-class manufacturing hubs through an investment in the training of workers.

So, some of these issues require that detailed thing. That’s called the master plan. We have six of these master plans in place and they set out in some detail the steps that business, trade unions and government must take to build a partnership for jobs and for development.

Mr M J CUTHBERT: Thank you, House Chair. Hon Minister, yesterday the Centre for Development and Enterprise, CDE, released a comprehensive report entitled, The Siren Song of Localisation, assessing the viability of your localisation

policy. It concluded that perhaps the most important thing to say about the localisation policy is that South Africa’s poor performance over the last 13 years has nothing to do with any supposed overpropensity to import and everything to do with a range of self-inflicted policy and governance injuries.

This is not the first time that your policy has been slated by analysts and the opposition. Both have questioned the impact of your decision on our participation in the AfCFTA**,** as well as our international trade law obligations under the World Trade Organisation.

Does your decision to completely ignore these facts imply that you do not follow an evidence-based policy making approach?

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Thank you, hon Cuthbert, but be careful with your finger. Hon Minister?

The MINISTER OF TRADE, INDUSTRY AND COMPETITION: Thank you. I

would encourage hon Cuthbert to point that finger at local products and say those are the local products that we should be buying.

Hon Cuthbert, just a few specific points. The first one is that the CDE has of course taken a particular ideological approach to economic policy in South Africa and that is well known. They are entitled to put those views across. As government we disagree with them. We know millions and millions of South Africans disagree.

Hon Cuthbert, with regard to the AfCFTA, you would be delighted to know, and I have conveyed this to you in a portfolio committee, that I recently met with the chief executive officer, CEO, of one of South Africa’s very large retail chains and we talked about the localisation programme. He said to me, you know Minister, I should tell you that I meet presidents and trade Ministers whenever I travel through the African continent — we have stores in many different countries — and all of them are raising exactly the same issue; how to deepen the localisation of manufactured and agricultural products in different African countries.

Hon Cuthbert, instead of seeing this as being contrary to the AfCFTA, I would encourage you to make the leap to understand that this massive continental free trade area is ... to enable African manufacturers producing goods made in Africa and

enabling us to shift away from the reliance on goods made in Asia, Europe and the Americas.

Africa’s curse has been that Africa consumes what it does not produce and it produces what it does not consume. Hon Cuthbert, Africa has 17% of the world’s population but only 3% of the world’s GDP and less than 1% of the world’s steel and car making ... We must change this. The local industrialisation programme of this government and of many other African governments is the way to go.

Yesterday and the day before I was in Durban, listening to heads of state from Nigeria and from a number of other countries, like Rwanda and South Africa. Our own President spoke, and all of them emphasised the importance of industrialisation. [Applause.]

Ms Y N YAKO: Thank you, Minister. We all know that we are sitting with the mess that is Eskom right now and the subsequent load shedding that we have been receiving. You mentioned the clothing and auto industries but you didn’t quite capture me.

What has been the impact of the loss of energy supply in the manufacturing industry and also, what is likely going to be the impact going forward with regard to the continuous energy supply situation, because it looks like it’s going to continue? Please be quite specific for me.

The MINISTER OF TRADE, INDUSTRY AND COMPETITION: Hon Yako, I

can be very specific. Energy shortages, the disruption to energy supply and the high cost of energy is damaging to our manufacturing sector. That is the belief of the Department of Trade, Industry and Competition, it’s the belief of Minister Gordhan and it’s the belief of Minister Mantashe. We all ... the whole of Cabinet agrees on that.

The question now is how to navigate from many years of state capture at Eskom which has weakened the institution and that has resulted in a hollowing out of technical capability and ensured that its cost structure and the maintenance of its plants have fallen well behind what this economy requires.

Part of the answer is in bringing renewable energy onstream as quickly as is possible and that can be done within a relatively short period if we open up the opportunities for entrepreneurs to come in.

In addition to that, we must grapple with the challenge of base load because while solar and wind energy is very important, you also need that constant energy source. That is a further area.

Looking long term, and this won’t give an answer immediately, we are seeking to invest in the technologies underpinning the green hydrogen economy because South Africa has got ample sun and wind that would be able to provide renewable energy for the manufacturing of green hydrogen. We are also a key mining economy, producing platinum group metals that are used as a catalyser in green hydrogen energy generation.

For all those reasons, our energy plan that Ministers Mantashe and Gordhan will put forward — the one the plan; the other one the work of Eskom — must address this. So for me there is no question about it. Energy is critical to the success of our industrialisation programme, and you rightly point to that as an area that we need to put a lot of effort into, as we are doing. Thank you very much.

Question 252:

The MINISTER OF PUBLIC ENTERPRISES: Thank you, Chairperson, and my apologies as far as stone here in Tshwane, and I hope I

don’t get disconnected. Hon Dlamini, thank you for your question. The expansion at the Port of Durban will be delivered to the Transnet National Port Authority, and the expansion of the port will see the Port of Durban becoming a flagship project for Sub-Saharan Africa.

The National Durban was one of the busiest and biggest port in the Southern Hemisphere for quite a while, but has lost that status more recently. Transnet continues to service its current debt as it reaches its maturity, in line with the agreements in place with mandates, and Transnet’s funding strategy involves raising of funding from the debt capital markets, to ensure delivery on its mandate. The significant investment required for projects and co-operates even the port’s master plan, required a partnership model to leverage more funding from the private sector and therefore, funding from the expansion of the port will not have a negative impact on the fiscus, and will contribute to the economic growth. So, let me reinforce six points.

Firstly, is that the investments in ports and logistic more generally, is absolutely crucial to the growth of the South African economy and to the views of doing business in South Africa. Secondly, we must recognise the entire value system on

the entire logistic system from customer to rail to terminals to ports to ships, and the importing and exporting community, so that we are looking out on the interests of everyone concerned, and there is efficiency in the operation of this system. Thirdly, as I have indicated already, there will be no fiscal dependence as a result of the expense.

Fourthly, partnerships, as I have also indicated, are key to this process, whether it’s partnerships in relation to funding, co-investing, granting concessions for shareholding, and we will see what the right model is as we go forward in the implementation of the plan. Fifthly, as a test, Transnet issued two requests for information in recent funds to test the market sentiments and market interest. They have had an extremely good response from the then South Africa and internationally as well.

So, I place if you like, from the logistic system is reasonably well grounded, but it needs to be strengthened, and lastly, all of this, once it gets to the implementation stage, will create new opportunities for black business and professionals as well. Thank you, Chairperson.

Mr N E DLAMINI: Thanks, Chair. Hon Minister, the plans for the expansion for the Port of Durban, are they still the same as those in Vision 2030, or they have been altered a bit, noting that there have been environmental issues around the use of the old airport? Thanks, Chair.

The MINISTER OF PUBLIC ENTERPRISES: I don’t have the details in front of me, but is there in fact 2030 was developed by the state capturers and it was no longer appliance and deity, as you know that Transnet was also a victim of state capture and the same individuals or similar individuals who were involved in Eskom as well, and secondly, the ports master plan which has been worked on collaboratively with local government, provincial government, other national departments and Transnet itself, is the framework within which Transnet will be operated. Thank you, Chairperson.

Mrs M O CLARKE: Thank you, Chairperson. Can the Minister take the House into his confidence and share with us timeframes against the R100 billion, and which the Port of Durban will be expected to be elevated from the enabling position of 248 and

351 in respect of container handling to reach the 2015 figure, where over 18 million tons of cargo was handled annually? I thank you.

The MINISTER OF PUBLIC ENTERPRISES: Certainly, hon

Chairperson, there is no harm in taking the hon member into confidence, but she has been using different units at different stages in the question, but let me say the following: Firstly, there is an overall plan for accountable round of investment in the Durban Port. Secondly, some of that investment is in relation to port development, and some of that is in relation to other facilities that have been developed as well.

For some are set for five years, and some are set for ten years, as this process begins to get underway, and the Transnet National Port Authority, as far as the port into structure is concerned, will take responsibility for the port infrastructure development, whilst at the same time, there’s improvement in the productivity of terminals on the one hand, and also in relation to Transnet rail facilities and the same infrastructure that services at the Port of Durban as well.

Within this set of framework, as hon Dlamini was asking, Chairperson, the role of “old airport” will take on a slightly different shape from what we know and are familiar with. Thank you very much.

Ms R N KOMANE: Thank you very much, Chair. Minister, having announced in August this year, that the expansion of Durban Port will require ... [Inaudible.] ... partners in order to reach the R100 billion required for the super terminal. To date, have you sourced those private partners? If so, what is the nature of agreement between those partners and Transnet, and, would this eventually lead to the privatisation of the Durban Port? Thank you very much.

The MINISTER OF PUBLIC ENTERPRISES: No, hon Chairperson and hon member, it will not lead to the privatisation of the Durban Port, and in my initial answer I said that the partnership with the Private Sector Bill from the then South Africa and globally, will take different forms. It could be the provision of funding, it could be co-investing in a particular project, it could be the concessioning of a particular, for example, a railway line, and it could be in co-shareholding between Transnet and the new entity, be South African or overseas as well.

Secondly, nothing has moved in this particular regard, all the propriety has currently been done and careful project management will be undertaken, in order to make sure that there is transparency in the process and that particularly,

South African businesses will have very good opportunity to partner or co-operate with Transnet. Thank you very much.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): The next supplementary question will be from Prince Mangosuthu Buthelezi. Baba Shenge.

Mr N SINGH: Hon Chairperson, it’s Singh here.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Go ahead, hon member.

Mr N SINGH: I believe that he has connectivity problem. The question that he would like to ask the Minister is the following: In Transnet annual financial statement for 2021, there was a great increase in impairments of nonfinancial assets for the year under review. This was apparently due to the suspension of the 1 064 to the Original Equipment Manufacturers, OEM, contracts which has resulted in vandalised locomotives not being able to be repaired.

Minister, what reasons are provided to you as to why the suspension of these OEM contracts hindered repairs to locomotives, and also, you should tell us about the

locomotives that has been lying in overseas about seven years now, what is going to happen to them? Thank you, Minister.

The MINISTER OF PUBLIC ENTERPRISES: Chairperson, thank you very much, and to the hon Singh who has got a new title now, Shenge. So, we have to make some changes. The answer is a very well-known one in South Africa, hon Singh, and that is, you had a series of collaborations between certain Gupta related people and people within Transnet that hooked up the 1 064 deal, so to speak. Secondly, ensure that there are illegitimate fees or commissions were paid based in Hong Kong.

Thirdly, there is a contestation in terms of the delivery of the locomotives, while some firms have actually delivered their quota, for example, one of them has delivered 220 odd locomotives, others have valid levels of delivery on the locomotives. Fourthly, because there is now a dispute about the so-called commission, and how Transnet in their terms on a few billion rands, there was an inability or refusal by some of the OEMs to ensure that spares were provided for the locomotives that have already made their way into the country.

Fifthly, that problem has now been overcome to some certain

extent, and sixthly, the reason that we still don’t have a

‘completed project’ in this particular regard, is that there is needed manifestation around what was essentially a put up process from within Transnet itself. But it is also that between our government and the government of France that have been involved we can find an amicable solution which enables us for the system to be concluded, so that we can move ahead from where we used to be. Thank you, Chairperson. to assist us in still needed have

Question 237:

The MINISTER OF TRANSPORT: Thank you, hon House Chair and hon Mabhena. The online booking system that was initially introduced in Gauteng Province, currently managed by the Road Traffic Management Corporation, RTMC on behalf of Gauteng Province has provided a good basis on the RTMC to introduce a bouquet of online service across the country. From this experience, provinces such as Gauteng have decided to expand its the Driving Licence Testing Centre, DLTC, footprint in addition to declaring two DLTC operated by the RTMC.

The Gauteng Member of Executive Council, MEC, Mr Jacob Mamabolo, has also delegated Gautrain to render DLTC functions. In terms of the provisions of section 18 of the RTMC Act, out of the 10 functional areas driving licenses is

of its competencies. However, the power vests with the MECs in the provinces to open DLTC or delegate municipalities or other agencies to render this services. Thank you very much.

Mr T B MABHENA: Thank very much, Minister, you were saying that MECs and the municipalities are the ones that have discretion in the terms of expansion, but given the fact that when we have backlog, the National Department of Transport through RTMC is one that had the intervention in place. The reason why I am asking this, is because in Orange Farm, you still don’t have any DLTC services. In Soweto you have a situation where the Maponya one, there’s too many ques, the one that is Kliptown is not working and you also have situation – when I live there ...you must stop interrupting when people are talking... [Interjection.] ...

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon member, please continue.

Mr T B MABHENA: ... so in Alexandra... [Interjection.]

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Order, order hon members, order please.

Mr T B MABHENA: ... thank very much, you must stop being tjatjarag wena [you are forward.]

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon member, please stop that. Hon Minister.

The MINISTER OF TRANSPORT: I didn’t hear the question of hon Mabhena, because he was being interrupted. If he can repeat it briefly through your permission House Chair.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Okay, hon Mabhena go ahead.

Mr T B MABHENA: No, thank you very much, I am saying, you are saying that the discretion is on the MECs and the municipalities to expand, the DLTC services. I am saying, because of the backlog that we experience in Gauteng Province and the frustration that motorists in the main were experiencing – the National Department of Transport had an intervention and through that intervention, using obviously the National Transit Database, NTD, which is RTMC you manage to open the three satellite service, Waterfall Park, Echo Park Centurion and Kudu Sport – but I am saying, in Soweto we have a challenge, one, there’s no DLTC service which are

functional, the one in Maponya Mall is problematic, the one in Kliptown is not working. In Orange Farm as a whole there’s no DLTC services whatsoever. You can also do the same thing in Alexandra. I am saying, why can’t you through this programme with RTMC do exactly the same thing – open the DLTC service in Orange Farm for the people there. And most of the people have

... [Inaudible.] ... by the way. And also the same thing in Soweto and also assist the people in Orange Farm. Thank you very much. You see you are again interrupting me, stop this

... [Inaudible.]

The MINISTER OF TRANSPORT: Thank you very much, hon Mabhena, the model we are implementing now, which is quiet efficient – among others to address the backlog, in terms of driver’s license and as you will know that we also extended to March 2022. It is a model we want to replicate in all the provinces

– not only in Gauteng Province, it is efficient, it is real service delivery. And, if you have been to these places, you will see what I am talking about. We are working with MEC Mamabolo to expand DLTCs across Gauteng Province, as well as other provinces. So, those areas – Soweto, Orange Farm you are mentioning, will also be incorporated. You are right that we do face challenges in those particular areas and the model we are implementing now is quiet efficient, prudent and you know

modern. To get a driver’s license or to renew shouldn’t be a headache. We will be able to meet the deadline in term of the backlog by March 2022. Thank you very much, House Chair.

*IsiZulu*:

ILUNGU ELIHLONIPHEKILE ELINGAZIWE: Sebenza Mbalula! Sebenza Mbalula!

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon member, please

don’t do that again. Hon Tshabalala.

Ms J TSHABALALA: Thank you so much House Chair, I will take the question on behalf of Bilankulu. Minister, in the previous few months, there were huge backlogs in booking for license renewals. Can the Minister provide us with an update on the status of these backlogs and step taken to eradicate the backlogs – as much as the Minister would have elaborated working with other MECs, what are other provinces - perhaps to have plans to ensure that they do the same as much as Gauteng is doing that to eradicate that backlog? I thank you.

The MINISTER OF TRANSPORT: House Chair, I would not be in a position to give a breakdown province by province, in terms of addressing the backlog, but I can tell you that we will be

able to meet the deadline by March. But, nobody will be having challenges of driver’s license renewal. And then part of the bouquet of what we have adopted and we introduced to the public and also to the portfolio committee, was to say that we are going online. In the next coming weeks, watch the space, we will be launching that online and renewed, revamped online approach as part of the bouquet. And we are going into spaces, where you can get an opportunity to renew a license like in Gautrain. All the important spaces in the communities and I can assure you hon member that we should be able,

statically - either by next year and so on or close to the date, give you the breakdown. But it’s going fast. Where we’ve got challenges and the bottlenecks, we are unlocking. So that beyond March, getting a driver’s license in the Republic of South Africa should not be a nightmare. And to renew a driver’s license should not be a nightmare that is riddled with corruption or you have to bribe way all up in terms of the work that we are doing. We are rolling out the mobile DLTC across the country to reach out our people. So, you will see me in the next coming weeks with my team rolling out these mobile DLTCs in the country for people to renew their driver’s license but also to get new driver’s license. So, watch that, that’s what is coming out. Thank you.

Mrs N J NOLUTSHUNGU: Thank you House Chair, Minister, we have a problem of almost 74 youth unemployment in the country. At the moment the online renewal fee in Gauteng Province is R250 which is more expensive than the rate charged in the Western Cape Province. Why are you not working towards standardizing driver’s license renewal fees across the country, in order to lower the cost, particularly for the unemployed? Given the fact that possession of driver’s license is critical to get a job for more of our youth. Thank you.

The MINISTER OF TRANSPORT: House Chair, I think we work on a concurrence with my counterpart in the provinces to address some of these challenges and also policy gabs in our driver’s license regime in the country. So, there’s whole lot of things we are working on. Standardization is one of the things we are considering. Because, in this particular instance it is only the Central Shareholder Committee that can make those recommendations and we should be able to implement. So, it’s something that we need to address – and also avoid the discrepancies. So, I fully agree with you – is one of the things we need to consider going forward. Thank you.

Mr K P SITHOLE: Thank you, hon House Chairperson, hon Minister, whether this system of centralized bookings will be

accessible in the rural areas, which are often without internet access, and where people will require a driver’s license to make a living, if so, what measures are being taken by the department in order to address these shortcomings, if not, what alternative arrangement will be made to also bring easy access to the communities. Thank you very much.

*IsiZulu:*

UNGQONGQOSHE WEZOKUTHUTHA: Ilungu elihloniphekile ubaba uJobe

...

*English:*

.... the centralized bookings...

*IsiZulu:*

... izofuna izifundazwe ukuthi zingenelele ngoba ...

*English:*

The MINISTER OF TRANSPORT: ... is no the prerogative of the Minister...

*IsiZulu:*

... ifuna nezifundazwe ...

The MINISTER OF TRANSPORT: ... so through that shareholder committee of RTMC...

*IsiZulu:*

... yileyo nto okufanele siyifakele izibuko, siyibheke. Siyilungise. Okwamanje angeke ngisho luthu ngakho ngoba angikayibheki kwami. Ngakho ke njengoba usuyiphakamisile la yinto okufuneka ukuthi siyifakele izibuko siyifake kwi ajenda yabaninimasheya ...

... in term of the RTMC to seek concurrence from the provinces. Thank you.

Question 214:

The MINISTER OF PUBLIC ENTERPRISES: Chairperson, there are two parts to the question. In respect of the first, for the period of 31 March 2021, end of financial year, Transnet experienced challenges due to the nationwide Covid-19 lockdown and its resultant effects on both human beings and the economy, resulting in significant worry and reduction. Transnet’s revenue decreased by 10,5% to R67,3 billion, whereas in the previous year, it was R75 billion. This was due to a 13,7% decline in rail freight volumes, because of the various lockdowns, a 26,4% decline in pipeline volumes, the fuel

volumes; a 11,5% port container throughput, mainly as a result of the nationwide lockdown, both here and elsewhere in the world. Transnet’s performance was against the backdrop of South Africa’s real GDP contraction of 7% in 2020, followed on GDP growth of only 0,2%, which was recorded in 2019.

This was the worst South African GDP performance since the Great Depression years of the 1930s and similar effects were of cause experienced by economies elsewhere in the world.

In addition, the net operating expenses increased by 16% to R47,8 billion. It was previously R41 billion, mainly due to fixed costs that did not decrease in line with the reduced activity. Some of these are personnel costs, maintenance costs, security costs, unbudgeted third-party claims relating to a significant legal matter and environmental damage, arising from fuel theft - incidents which also resulted in increased security costs to the tune of about R5,5 billion.

Unbudgeted Covid-19-related expenses amounted to R232 million and of cause the high outstanding debt.

The second part of the question talks about a decline in management standards. As far as the top management is concerned, it is an excellent group of people and there is no

decline, as far as I can see, in the management standards. However, corrupt and dishonest elements still exist within the Transnet framework and still have to be dealt with, although much progress has been recorded in this regard.

The qualifying audit opinion is the fourth one in a row, since 2018 and is as a result, as I explained earlier on, of incomplete reporting of irregular expenditure, particularly during the state capture period. What we have appealed to both the Auditor-General and the Accountant-General in Treasury is to ring-fence the irregular expenditure during the state capture period and deal with the irregular expenditure in the year under review or audit. We still don’t have enough progress and the slow pace of condonation in Treasury also does not help the process, where proof is available.

In the last financial year, a loss control officer has been appointed and this will ensure that interventions are made on audits that have been reported and condoned. The management team has focused on dealing with all the historical matters that I have referred to earlier and driving Transnet’s growth and profitability.

Transnet remains committed to continuing to enhance consequence management efforts and investigating ... [Inaudible.] ... -related transgressions.

It might be of note both for hon members in the Chamber and elsewhere and the public that external auditors that have made hundreds of millions of rands of fees from Transnet audits never reported any corruption for significant order that we are now discovering, as a result of the state capture process. The question is, why? Why is the regulatory body not doing anything about that? So, serious questions need to be asked about the previous management, CEOs, CFOs, capital project heads. Money was diverted to some maintenance budgets and allocations to capital projects, so that deals like the 1064 deal that hon Singh referred can actually go through. Thank you.

Ms Y N YAKO: Chairperson, I will take this question on her behalf. I really like the Minister to listen to this question with her voice in mind, because I really think she would like me to convey it properly. The reality is that Transnet was a profit-making entity as recently as 2018 and the trouble started when you claimed to be cleaning the entity of those you accuse of being agents of state capture. The same is

happening now as Eskom and we are now dealing with the mess of load shedding. What are the reasons that almost all the SOEs that you are presiding over are collapsing? How long are you going to blame the previous administration for your failure to manage SOEs? Thank you.

The MINISTER OF PUBLIC ENTERPRISES: Hon Chair, let me clarify. I am not “blaming” previous employees or managers, I am actually accusing them of mismanaging and allowing or being part of corrupt activities at these entities. What we are responsible for since 2018 is to put the major SOEs on the right kind of footing, as my colleague, Minister Mbalula, is trying to do with Prasa and other colleagues are trying to do with other entities as well.

So, if it was profit-making, as it might have been up to 2018, those statements, as I have said earlier on, need to be interrogated, to check whether in fact proper financial disclosure actually took place. I already indicated that all external auditors didn’t do their job during that period. Have they done their job properly, we would have been in a much better position today than we are.

As far as Eskom concerned and load shedding are concerned, the hon members needs to get the facts right. Load shedding has been around for more than 10 years, long before we took responsibility for Eskom. Thank you.

Ms J TSHABALALA: Hon House Chair, I will take the question. Minister, thank you so much for the response, I think the question was in relation to the theft that was experienced within Eskom. Maybe for me and for South Africa what is important is to ask the question: Do we have any other alternatives that Transnet is maybe looking into to deal with the issue of cable theft, so that we can circumvent or deal with the root causes of such losses that we are experiencing? Can we perhaps alternatively move from metal to copper – something of that nature? And if there is that type of an implementation currently, can we share with the country without putting ourselves into trouble with the criminals, because then they will know what the alternatives are that we are looking at. Thank you.

The MINISTER OF PUBLIC ENTERPRISES: Chairperson and hon member, yes, there are alternatives being looked at and cable theft, as Minister Patel will also tell you, is a major problem in this country. We, for some reason are not able to

get the law enforcement authorities to identify how these syndicates actually operate, where the copper goes once the copper cables are stolen, how they are actually melted and made into blocks and how they get out of this country.

However, the question is we have to find alternatives and yes, there are alternatives. There are three different types. One is to use diesel locomotives and that is not going to fit in with our decarbonisation project. Transnet might have to resolve to that. There might be other forms of protecting cable and that is being explored at the moment as well.

Thirdly, there is an experiment currently with one of the sectors of the economy where modern technology, taking ... [Inaudible.] ... into account, is being utilized to both detect any maleficence by outsiders and syndicates in relation to copper cable theft and sometimes even stealing of railway lines. The jury is still out, but during the next month, we will know how effective that modern technology is. And if it works - and this is being done at the expense of the private sector itself, in order that they can secure their exports - we might be able to utilise that elsewhere within the Transnet network. Thank you.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon members, the time allocated for question has expired. Outstanding replies received will be printed in Hansard.

The House adjourned at 18:02.