**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 NOVEMBER 2021**

***PROCEEDINGS OF THE NATIONAL COUNCIL OF PROVINCES***

The Council met at 14:01.

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

The Deputy Chairperson announced that the sitting constituted a sitting of the National Council of Provinces.

**ANNOUNCEMENTS**

THE DEPUTY CHAIRPERSON OF THE NCOP: Hon members, all delegates that are physically in the chamber must connect to the virtual platform as well as insert their cards to register on the chamber system.

Switch off the sound on all gadgets and ensure that the microphones on the gadgets are muted and remain muted at all times.

Use the floor microphones and wear the mask at all times.

Seats are marked for a purpose so occupy that seat; and at all times try to maintain social distancing from one another.

If you speak, those that are on the virtual platform, please switch on your videos.

Any delegate who wishes to speak must use the raise hand function, we will make sure that we get notified when your hand has been raised.

And there is allowance for participation in the discussion through the chatroom, but not just for some remarks and things but for meaningful participation.

We have been informed that there will be no notices of motion or motions without notice in terms of Council Rule 47.

Before we proceed to the questions let me take this opportunity to welcome the Deputy President of the Republic of South Africa and let me also welcome all hon delegates, special as well as permanent delegates, to the sitting.

I would like to make the following remarks before we continue: The time for reply by the Deputy President to a question is five minutes.

Only four supplementary questions are allowed per question; and a member who has asked the initial question would be the first to be afforded an opportunity to ask the supplementary question.

Supplementary questions, two minutes. The time to reply to a supplementary question is four minutes; and the question must emanate from the initial question.

I just want to mention that there will be some few amendments to the list of people that will be responsible for questions and follow up questions; that will be announced in due course.

So, if the Deputy President is ready and connected; we will now call on the hon Deputy President to respond to Question 19 as asked by hon S J Mohai.

Hon Deputy President, over to you.

The Deputy President has indicated that he will join virtually.

**QUESTIONS TO THE DEPUTY PRESIDENT**

Question 19:

The DEPUTY PRESIDENT OF THE REPUBLIC: Hon Deputy Chair, let me start by expressing our sincere gratitude to the millions of our people that voted in the recently held local government elections. We note with humility their continued faith in the democratic project of building the country and their unwavering hope to the promise of a better life that we all aspire to realise.

With their vote, a social contract to work with their freely elected representatives in order to improve the quality of life of all citizens and to free the potential of each person as envisaged in the preamble of our Constitution, has been renewed.

We say this for it is important to underscore the importance of working together with no politicizing of service delivery, and to do so with speed in order to improve the quality of life of all our people.

Secondly, we reaffirm that all municipalities remain a priority in meeting people’s basic needs. Access to basic services such as water, sanitation, electricity and refuse removal is what makes our living spaces liveable.

Municipalities are there to ensure that people’s quality of life and living conditions are of the desired standard that safeguards and guarantees human dignity.

Our rapid response measures aim to address in good time any emergent challenges at municipal level to prevent the collapse of services to our people. We do so for we are mindful of prevalent institutional challenges faced by a number of municipalities.

Some of the areas that require improvement are on leadership capacity, managerial capacity, technical and project execution, especially in infrastructure projects as well as financial management skills to ensure sustainability of all our municipalities.

Obviously, some of these challenges and weaknesses are well documented by the Auditor-General as part of our financial and performance audit outcomes.

For instance, in the report of Municipal Audit outcomes presented in July 2021, the Auditor-General confirms that the audit results under the outgoing administration are showing little signs of improvement from previous administration.

The Department of Co-operative of Governance has identified, through the 2021 State of Local Government Report, 64 municipalities as dysfunctional and needing urgent support. These high-risk municipalities as characterised by among others, in fighting, poor and weak decision-making, poor performance, lack of consequence management, poor collection of revenue and poor response to service delivery complaints. Unfortunately, such failures have a ripple effect on finances of municipalities and inevitably the quality and speed of service delivery.

Therefore, we should look into these performance challenges and provide targeted programmes with a view of improving the performance of municipalities.

The Department of Co-operative Governance and National Treasury are working in collaboration with other sector departments, SA Local Government Association, SALGA, provincial governments and municipalities in developing an

implementation plan to address the issues identified in the Report. These plans will be implemented as soon as respective councils are sworn into office in the coming days.

One of the critical areas needing prioritisation is the network infrastructure investment and maintenance, especially fixing the crumbling water and sanitation infrastructure.

Dilapidated water infrastructure as well as poorly managed operations and maintenance of this infrastructure in small and major towns have resulted in the inadequate supply of quality water that impact on the life and dignity of our people.

It is for that reason that the Inter-Ministerial Committee on Water and Sanitation exists as an institutional co-ordination platform to respond to institutional weaknesses and challenges in the efficient and effective management and delivery of water services at local government level.

As Parliament we should prioritise support, improve and strengthen our oversight function on local government affairs and work together in ensuring that municipalities have political stability and focus on people-centred service delivery.

Let us not let the people and our country down, let us work together to restore their dignity. Thank you very much, Deputy Chair.

Mr S J MOHAI: Deputy Chair, the ANC joins the Deputy President in saluting millions of South Africans for participating in the recent local government elections, thus strengthening the democratic project in our country.

We also want to thank you, Comrade Deputy President, for your response and for always responding promptly to confirm your availability to appear before the council.

The 2021 local government elections highlighted enormous work that we still have to do to ensure quality and dignified living conditions for our people.

Deputy President, as one of the senior leaders who was in the forefront of mobilising our people to participate in their number to vote, has your office developed a list of critical areas that will form part of your programme to help change the state of some of the municipalities that you visited during the campaign, especially about those ... about poor infrastructure?

Comrade Deputy President, we are aware that you have been driving some of the interventions to assist some of the struggling municipalities in the country even before this local government elections. I thank you, Deputy Chair.

The DEPUTY PRESIDENT OF THE REPUBLIC: Deputy Chair, thanks to the follow up question from the Chief Whip. Yes, we are going to focus our attention mainly on the 64 municipalities as identified by the Department of Co-operative Governance and Traditional Affairs, CoGTA.

Of course, that does not mean that we would turn a blind eye to all the municipalities that are struggling.

So, we are going to utilise the District Development Model, DDM, as a platform where national government, provincial government and local government can meet and plan together.

The situation where our people live is very dire. We saw sewer running in their streets, we saw taps that are dry, there’s no water, there are no roads. So, our people are yearning for services.

Now, we are waiting for this Municipal Council to just confirm the leadership of these municipalities so that we can start hit the road running and attend to this ailing infrastructure that continues to disrupt services that are meant for our people. This, we are going to do working together as the three spheres of government. thank you very much, Deputy Chair.

Mr D R RYDER: Deputy President, you’ve mentioned yourself ... you’ve gone into some detail now about the failures in local government and the fact that councillors are not really doing what they are doing. In fact, many of them don’t what their job is, they think that all they should be required to do is to sit in council and yell and agree when political bosses try and pass motions through council.

But the Deputy Minister of CoGTA recently also felt surprised when she found out that 62% of councillors don’t know how to use a computer.

Now, the fact is that communities elect their representatives; they elect their councillors. And so, using a computer should not be a prerequisite for office. The only prerequisite should be that the councillor is representative of their community.

But during the term of office and certainly during the end of the term of office, when the comment was made by the Deputy Minister, councillors should be sufficiently upskilled that they can do their jobs well.

If this is not the responsibility of CoGTA to facilitate, then I wonder what your Deputy Minister and of course the Minister herself, have been doing in their offices for the past few years?

Surely training and upskilling of councillors, which would help service delivery in local government, was at the feet of CoGTA.

What consequences will there be? We are talk about consequence management, Deputy President. What consequences will there be now that the people of South Africa, by staying away from the elections held recently, have shown their disdain for the process?

What consequences will there be for the Minister of CoGTA for her failure to uplift the state of local government over the last two-and-half years that she’s been in office?

The DEPUTY PRESIDENT OF THE REPUBLIC: Hon Deputy Chair, and thanks to the question from hon Ryder. Well, hon Ryder, you are correct that it is not really the duty of a respective councillor to know how use a computer before he or she can be a councillor; and the community would choose anyone, according to them, who is fit, can lead them.

It is also the responsibility of the very same council to ensure that councillors that are working in that municipality are fully capacitated. Council should put aside money to empower their own.

Yes, it is also the responsibility of the provincial government, the MEC for Finance and the MEC for CoGTA to also support these municipalities in their respective provinces.

It is also, yes, the responsibility of our Minister of CoGTA to also support, but that must start with the council itself.

Remember, we have three spheres of government. we can only come in where there was a request that was made to the provincial government and to the national government.

But we are taking this comment very serious because some of the failures that we have observed is due to the lack of necessary skills and capacity from these councillors to do their work. Thank you very much.

The DEPUTY CHAIRPERSON OF THE NCOP: Thank you, Deputy President. The next will be hon Mokause.

Mr M S MOLETSANE: Deputy chair, I will take it on her behalf.

The DEPUTY CHAIRPERSON OF THE NCOP: Can we please not ... really ... can we have order in this House. Why is the Table not informed that you are going to take the question now?

Because I have the latest, just now, from the Secretary. I don’t want chaos in the House. I just want us to respect one another. I think you were supposed to inform the Table that the question will be taken by someone else. It is just common decency, and can we just follow that procedure. We will allow it for now but I don’t think if I sit here again it will happen. Can you please continue. [Interjections.]

The problem is that as soon as you allow things it become kind

of a common course and it’s not going to happen.

Can we continue [Interjections.] no, but, can we just respect one another [Interjections.] order, here [Interjections.] continue [Interjections.] continue, or you are not going to ask the question [Interjections.]

Learn to respect procedures [Interjections.] you may continue, before I change my mind.

Mr M S MOLETSANE: Deputy Chair, even though I don’t see any chaos there because we have a right to discuss amongst ourselves.

Deputy President, year after year the Auditor-General publishes audit reports, like you mentioned, and we all know what the problems are. But there seems to be a little appetite to deal with the issues head-on.

Municipal officials and their political heads do as they please because there is no consequence management.

What has the government done, if you can clarify there, what has the government done or is going to do in order to ensure that there is consequence management for those who repeatedly ignore the recommendations of the Auditor-General? Thank you.

The DEPUTY PRESIDENT OF THE REPUBLIC: Deputy Chair, well, government has done a lot of things to try and intervene. Firstly, you’ll be aware that as the National Council of Provinces you also supported a number of interventions, section 139(a), 139(b), 139(c); taken by provinces because all of us should concur that in that municipality we need to intervene because services have collapsed.

We have done so into a number of municipalities but some did succeed, some did not; after lifting of the interventions they realised.

Well, we have noted that the main challenge that is affecting our municipalities is leadership. If there’s constant quibbling and fighting at the leadership level, the Mayor, the Speaker and the Chief Whip; these are the very important people that must run and see to it that the business of council is done at a manner that respects and honour the people that have elected them.

Most of the time that has been lacking and a lot of leaders have been removed, some replaced, at a political level; a number of administrators, Municipal Managers, have been removed.

The turnover of the managers in our municipalities is very high. The turnover of our Mayors in our institutions is very high. This indicates that our local councils are not stable.

So, this time around I agree also with the point made by hon Ryder to say we need to support, skill these people, so that they focus on their work and support them.

Now that we have this District Development Model that will allow us to monitor exactly what these councils are doing on a daily basis, we think this platform will be very helpful.

We are going to develop plans at the district level. The plans will involve national government, provincial government and that particular municipality, whether it’s a district municipality or a local municipality.

So, all of us are supposed to account at that platform, whether you are a district or a local municipality or a province or a national department; so that all of us, if we have agreed to deliver certain services, we must do so without failure. Thank you very much.

Ms M O MAKAUSE: Deputy Chairperson, I’m rising on a point of order. It’s only logical and making sense that when a province rises on a question, the next follow up comes from the similar question but on the opposition benches; you should be knowing that. So, there was no need to be absolutely pumped up about the EFF mixing of names. Moletsane comes from the Free State. I just needed to correct you, Deputy Chairperson. When you sit at that chair you should be knowing the rules. Thank you, Deputy Chair.

The DEPUTY CHAIRPERSON OF THE NCOP: Is there an order? Is there any order that you want to make?

Ms M O MAKAUSE: Yes.

The DEPUTY CHAIRPERSON OF THE NCOP: What is your order?

Ms M O MAKAUSE: [Inaudible.]

The DEPUTY CHAIRPERSON OF THE NCOP: Because I still didn’t

hear that order.

Yes, hon Mohai!

Mr S J MOHAI: The questions are on the names of members of the House. And it is irrelevant, it’s uncalled for, that attack to the Deputy Chairperson. The Deputy Chair understands the Rules of the House [Interjections.] Thanks.

Ms M O MAKAUSE: [Inaudible.]

The DEPUTY CHAIRPERSON OF THE NCOP: Hon members, may we continue?

Hon de Bruyn, the next follow up is from you, and let me apologise to you for that disturbance. Continue!

Mr M A P DE BRUYN: Deputy President, the projected cash of about R50 billion from municipality over the mid-term or the medium-term. It is inevitable to think that there will be much more failed municipalities, interventions will be needed.

Have you extended the capacity of the intervention teams to compensate for this? And if so, to what extend? Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Deputy President, I hope you got the question?

The DEPUTY PRESIDENT OF THE REPUBLIC: I’m sorry, Deputy Chair. The sound was faltering a bit, so, I could not get the questions clear.

The DEPUTY CHAIRPERSON OF THE NCOP: I also ... I could really

... we also couldn’t hear.

Hon de Bruyn, if you don’t mind, can you just repeat the question please?

Mr M A P DE BRUYN: Okay, surely. I was asking Deputy President: With the projected cash shortfall of R50 billion for municipalities over the medium-term, it is inevitable that they will see more and more failed municipalities where interventions will be needed. Have you extended the capacity of intervention teams to compensate for this? And if so, to what extend? Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: Did you get the question, hon Deputy President?

The DEPUTY PRESIDENT OF THE REPUBLIC: Ya [Yes], I think I’ve

heard the question about the R50 billion shortfall ...

The DEPUTY CHAIRPERSON OF THE NCOP: Thank you ...

The DEPUTY PRESIDENT OF THE REPUBLIC: ... money that is

supposed to go to local government.

Well, it’s a situation we are facing as a country, given the current pandemic, the economy; we are supposed to spend what we have.

But we think the district development platform will be able to help us to combine the resources that we have as government.

For instance, if the Department of Water and Sanitation can work together with the Department of CoGTA in a province, and work together with a municipality or a district, we can be able to deliver water to our people. Working together with the Department of Minerals and Energy, together with the Department of CoGTA in a province, we can be in a position to deliver electricity to our people.

So, this kind of a platform is fostering us to use our resources sparingly and in a purposeful manner, and we are able to measure the performance of the plans that we have put together and we are able to monitor ourselves.

Yes, the shortfall is very dire, it’s a huge amount, but I think working together can undermine the shortfall and we can deliver services in a faster way. Thank you very much.

Question 20:

The DEPUTY PRESIDENT: Deputy Chair, following the July unrests and violence that led to more than 359 deaths, law enforcement agencies are still busy with investigations against all criminal acts of violence and looting that took place during that period, in line with the dictates of our constitutional democracy that subscribes to the rule of law and equality before the law for every citizen.

Therefore, there is no justification to mention the names of those accused in this House, as it is a matter of public knowledge that some of those accused of inciting the unrests have already appeared in court. In each of those cases, where there is evidence of criminal conduct, such individuals will be prosecuted in accordance with the laws of our country.

We are pleased that the affected provinces of KwaZulu-Natal and Gauteng are starting to normalise, and businesses and logistics networks are back to full operation. People’s security and livelihoods have been restored in the main.

As for what measures has government taken to ensure the security of the country and its people, the President has appointed a panel of experts to conduct a thorough assessment of the country’s response to deal with such incidents in the future. Upon the conclusion of this work of this panel, Parliament will have the opportunity to engage with the findings and recommendations of thereof.

In the final analysis, the events and subsequent aftermath of the July unrests is a stark reminder that the project of building and consolidating democratic society that is inclusive and reflective of the aspirations of our people, as contained in our Constitution, is still far from being over.

We would like to acknowledge the support of all partners in finding practical solutions to the problems on the ground, and who have supported efforts to restore calm in the various affected areas during and post unrest period.

The extent of poverty and inequality in our country, especially in the affected communities of Gauteng and KwaZulu- Natal, suggests that we must work together and harder across political divide to deepen anti-poverty programmes in order to ensure that we achieve inclusive growth as we enhance social

cohesion. Public sentiment to the possibility of a better South Africa should be constantly kept alive through concrete improvement to their socioeconomic conditions of our people. Doing so as a country is in our collective interest.

For as long as the poor feel that the system is leaving them behind and is benefitting only a few people, we run a risk of this section of our people opting out of democratic process. Therefore, it is incumbent upon all of us to find shared solutions to ensure that such incidents never repeat themselves. Thank you, hon Deputy Chair.

Mr T J BRAUTESETH: Deputy Chair, to the Deputy President, I must take the issue with you if you were to visit Durban you would know that there are many, many, many businesses, especially in the Springfield Industrial Park, where they are still not open. Perhaps you should come and do an oversight visit some time.

Mr Deputy President, your attempted ... [Inaudible.] ... today lays bare the reality that your government will not act against those in the golden circle of invents. We all know what the unrest was about. We all know that it was geared to liberate former President Jacob Zuma from prison. We all saw

the Zuma children on social media calling for this — calling for the unrest and calling for all the provinces. Today you cannot give us one name.

The people of South Africa are not fools, Deputy President. The people of South Africa demand answers. When will you and your government put South Africa first and the ANC and its cronies a distant second? I thank you, Deputy Chair.

The DEPUTY PRESIDENT: Hon Deputy Chairperson, from where I am sitting, more than 18 people have been arrested and that process, like I have said, is currently before the courts of our country. Now, let us leave the institutions that we have put in place. If by any chance we have some information that can help our police and our justice system we should step forward and give that information because we want to restore order in our country, and we want those who are involved to finally be accountable. So, we know where to go, and I would encourage our people to report such cases to our law enforcement agencies.

I also take note that as much as we say the situation is back to normal, we understand that there are businesses that have put application to South African Special Risk Insurance

Association, SASRIA, for support through the Department of Trade Industry and Competition. A lot of work is being done to support small businesses by the Department of Small Business. So, all the interventions are starting to take route. Yes, it will take time to restore some of the businesses that were destroyed and burned, but as we can see now our national routes are open, trucks are moving in carrying some logistical items. So, life is beginning to take route again.

This we must encourage, and also encourage the good donations by good Samaritans that came into the stage to help our people in the time of need. The situation will improve, but let us wait for the report so that as a country and as these Houses we can discuss and make recommendations to the President in terms of how best we think such situations can be avoided in future. Thank you, hon Deputy Chair.

*IsiZulu:*

Mnu E M MTHETHWA: Ngiyabonga Sekela Mongameli weNingizimu Afrika, ngibonga nokuthi nje uvume ukusho ukuthi izinhlelo [system]zethu yizo lezi ezenza isimo sibenzima. Bese senza ukuthi noma ngabe yiliphi ilungu lomphakathi lizithole seliyisisulu sabantu abalwisana nohulumeni baze balwisane nentando yeningi yethu ngalezinhlelo abangaziboni ukuthi

zisebenza kanjani futhi zisebenza kancane. Sekela Mongameli umbuzo usekutheni ...

*English*:

... to what extent is the social relief grant assisting government to respond to the immediate relief in addressing hunger and poverty in our community, especially given the ravaging impact of COVID-19?

*IsiZulu*:

Sibonge nokuthi laphaya KwaZulu-Natali,KZN, koPhoenix sekukhona neKhomishana elilwisana nale nto obukhuluma ngayo kwiyinamhlanje. Siyile nalapho eSpringfield lapho wakhuluma khona uMnumzane ... [Akuzwakali.] kukhona esesikubona kwenzeka kusukela manje kukhombisa ukuthi kuyasilungisa lesiya simo.

Ngiyabonga Sekela Mongameli.

The DEPUTY PRESIDENT: Deputy Chairperson, right from the onset I must say that the R350 we know very well that it is far from addressing the needs of our people. If you give a family R350, that family will still remain below the poverty line. We are of the view that at least you would have provided some relief. We are providing this relief because we are quite aware of the dire situation our people are facing on a daily basis. We are

quite aware of the high numbers of unemployment in our country because of a number of factors that are caused by the challenges that we are facing, in the main, COVID-19.

A lot of companies have closed and we know this very well. It will take a collective effort to get the economy back on track. This is what the President said when he presented the recovery plan. The recovery plan is constantly disrupted by these very pandemics that are affecting the country, in the main, COVID-19, and we have lost a lot as a country in terms of livelihood and in terms of life.

We should soldier on but ensure that our people do not die of hunger. So, that is the impression and thinking about this R350. It is not adequate but it goes a long way to assist our people. Thank you very much, Deputy Chair.

Mr I NTSUBE: Hon Deputy Chairperson of the Council, Chief Whip and hon Deputy President, the looting and destruction in KwaZulu-Natal exposed cracks in social cohesion and point to a bigger problem concerning unity of South Africa.

Hon Deputy president, the state is a permanent entity and the ANC contest power so that it can capture the state to advance

its policies to change the livelihoods of our people. We want to check with you, hon Deputy President, what steps are you taking to ensure that in future, differences in diversity will not be exploited in a similar manner, and how will you build peace among the affected communities? And lastly, how will you measure the success of these steps? Thank you very much.

The DEPUTY PRESIDENT: Hon Deputy Chairperson, thank you for the question from the youngest in our Council. Well, the challenge before us demands a reaction from all South Africans. The project of building an inclusive society and a democratic society cannot be relegated to the ruling party, the ANC, as government. This project should be pursued by all South Africans without failure. Why?

Because the issues that seeks to threaten South Africa, issues like gender-based violence. This is an issue that all of us must stand up and fight because if we don’t, it is going to destroy the very essence of our democratic project. Issues like racism. Racism is a cancer that must be destroyed because it divides and undermine our democratic project.

So, as these institutions of Parliament, we need to be in the forefront to drive social cohesion, deal with gender-based

violence wherever it raises its ugly head. Deal with racism, mind our language in these corridors of Parliament because we are leaders of the people and we must lead by example. It cannot be relegated to a government department or government institutions. Yes, I agree that government institutions carry a lot of responsibility but equally so, our people must also play their part.

One other thing that can undermine our democratic project is poverty. Poverty knows no line, colour and affects people across the spectrum. It is our responsibility as a nation to fight poverty and uplift those that are at the lower run of our society. If we do not do so, those people who are poor and hungry will get disinterested to the democratic project. I am not saying this is a fact, but it is probably why some people are starting to stay out of the voting process. The voting process supports our democratic project and if people are starting to stay away from the voting process that means they do not see the benefits or the fruit of being a voter constantly voting every five years.

We must encourage our people to stand up and build this democratic process for the sake of all of us. Social cohesion is our responsibility. Thank you very much.

*IsiZulu*:

Nk SA LUTHULI: Ngibonge Sekela sihlalo, okwenzeke KwaZulu- Natali naseGauteng ...

*English:*

... was racial profiling of black people by both racists and the state.

*IsiZulu:*

Ubandlululo lubonakala luyinto esijwayelekile lapha eNingizimu Afrika yize noma sithi sathola inkululeko ngowe-1994. Umbuzo wami Sekela Momgameli uthi: Awucabangi yini ukuthi lesimemezelo esenziwe uMongameli uRamaphosa sokuthi kusazozilelwa lowo owayengumbulali, engumhlukumezi futhi ehlukumeza abantu abamnyama uDe Klerk, kufana nokuvuvuzela usawoti kanye nesipiriti emanxebeni asavuza igazi kubantu baseNingizimu Afrika? Ngiyabonga.

The DEPUTY PRESIDENT: Deputy Chairperson, thanks for the question. To try and respond to the question, it is not about or the former Deputy President, F W de Klerk, but it is about our country and where we come from. We come from those painful days where it was very difficult to emerge. If we can go back, all of us have painful stories to tell that can discourage us

from going forward. We might tear ourselves apart, we might be angry but we have the duty to restore peace, justice and democracy in this country.

My appeal is that reconciliation is necessary from a country like ours. We are coming from a divided past and have lost too many people some of which we don’t even know where they are buried. They are missing in action. Some families are not able find closure, but we have an obligation to take a step forward and move on.

I understand the pain you have, hon member, but where you are now you are a leader that must lead this country out of that pain. There are too many people that are feeling this pain, but you must give them the assurance that tomorrow will be better. Thank you very much.

Question 21:

The DEPUTY PRESIDENT: Thank you, hon Deputy Chair. At the presidential level, we have two co-ordinating structures established by the President to address prevailing challenges within Eskom and other state-owned companies. The first is the Eskom political task team chaired by the Deputy President, which continues to provide political leadership and support to

ensure that Eskom is able to meet its obligation of providing electricity. Also is that Eskom implements a credible and transparent national maintenance programme to ensure that power generation plants operate at optimal levels to reduce negative impacts of electricity supply disruptions.

The second coordinating structure is the Presidential State- Owned Enterprises Council established to reposition and strengthen the governing framework of state-owned companies as well as to address their liquidity challenges including implementing turnaround strategies.

Whereas, the Eskom political task team serves as an institutional co-ordinating platform that brings together key players within government, to provide leadership and technical assistance towards the resolution of challenges facing Eskom, the Presidential State-Owned Enterprises Council focuses on prioritisation of critical state-owned companies that have a greater impact on our economy. In the main, the Presidential State-Owned Enterprises Council identifies specific interventions to stabilise and strengthen the state owned enterprises financial and operational performance, reduce reliance on the fiscus and ensures they are repurposed to align with national priorities.

Both these structures are working towards assisting Eskom to develop decisive interventions to address their poorly performing generation business and other pressing and persisting challenges. We must stress that the challenge at Eskom has not been with the quality of advice or plans, but rather the resources, services, and funding required in implementing interventions on power generation. It is therefore, our view that an additional panel of experts shall not improve the situation, and we remain open to specific ideas that can contribute to further improvements.

Equally, the board of Eskom has been urged to review existing weaknesses that continue to affect performance of the utility and ensure that we resolve operational challenges. The management of the utility is also doing its best to focus on intensive maintenance and management of the aging power generation fleet to avoid breakages that lead to collapse in generation and ultimately power outages.

As government we are cognisant of the impact and inconvenience of inadequate electricity supply on people’s daily lives and its devastation to the country’s economic growth.

Collectively, this undermines development and delivery of critical services on predictable basis across society. Hon

members should rest assured that measures are being undertaken to ensure that the negative impact of load shedding is minimised in order to avoid the total collapse of energy- intensive economic sectors such as mining and manufacturing.

Within the framework of the integrated resource plan, alternative energy generation measures are also being explored and implemented to augment electricity supply and improve the stability of the grid upon their completion. The Minister of Mineral Resources and Energy recently announced the preferred bidders for the Renewable Energy Independent Power Producers Procurement Programme Bid Window 5. The 25 projects in this latest round of independent power producer procurement will eventually add the much-needed 2 583 megawatts capacity of renewable energy to South Africa’s grid.

To resolve the current energy spply challenges it is clear that Eskom’s medium to long-term focus should be on investment in new generation capacity as the current fleet of power stations has become old, unpredictable and costly to matain.

Part of this will also entail the implementation of just energy transition plants that will ensure that some this infrastructure is repurposed for renewable generation optin

As to whether the government has considered moving Eskom from the Department of Public Enterprises to the Department of Mineral Resources and Energy, discussions are underway as part of a broader government effort to improve the management of parastatals. The re-organisation, once finally decided, would better align companies such as Eskom on their mandate.

The Presidential State-Owned Enterprises Council will advise government on the appropriate shareholder models and repositioning of the state-owned companies as effective instrument of economic transformation and development. In this regard, we should await the finalisation of the Presidential State-Owned Enterprises Council work for further guidance.

As government, we continue to engage with key stakeholders to address any implementation bottlenecks and challenges in our efforts to provide stable energy which will stimulate sustainable economic growth. Private sector experts are also invited to share expertise and experience across a number of key performance areas that the Eskom political task team is seized with. Thank you very much, Deputy Chair.

*IsiXhosa*:

Nksz N NDONGENI: Enkosi Sekela Sihlalo. Ndiyabulela Sekela Mongameli ohloniphekileyo ngenkcazo othe wasinika yona ukuze sihlale sisazi ukuba kwenzeka ntoni na. Kodwa ke ndinombuzo, kwaye nanku umbuzo wam Sekela Mongameli:

*English:*

Has the Presidential State-Owned Enterprises Council put forward the immediate and long-term plans to address Eskom debt which is estimated to be almost R400 billion or USD

28 billion which is hampering its plans to ensure transition to renewable energy, and to what extent is that impacting on Eskom’s generation capacity programme?

*IsiXhosa:*

Ndiyabulela Sihlalo.

*English*:

The DEPUTY PRESIDENT: Thank you, hon Deputy Chair, well, the Presidential State-Owned Enterprises Council with all the work streams reporting to this council deals with different aspects of the problems that are confronting state-owned companies.

For instance, there is one work stream that looks at the measure of some of the state-owned enterprises so that we are effective and eliminate publications. There is another one

that is looking at the viability of such state enterprises. We have said that the final report that will be presented to the President would be coming with recommendations that talks to all these issues. But in the main the financial standing and the proposed support in the main to parastatals like Eskom.

Eskom is in a dire financial situation that is not very easy to resolve. We are looking at a strategic partner that will come with the necessary expertise and skills that can complement Eskom and ease the financial burden. But we will cross the river when we are there. Currently, we are looking at these additional generation capacity as approved by the Department of Mineral and Energy. Some have started to connect to the grid. But the generation that have been connected to the grid is not enough to offset the shortage. That is why you see some load shedding here and there. Thank you very much, hon Deputy Chair.

Mr M A P DE BRUYN: Thank you, Deputy Chair, I hope I am audible this time around. Deputy President, with regard to the generation capacity issues at Eskom, we would know that thousands of skilled workers were lost at Eskom over the past two decades. How will the efficient skills development at Eskom ensure that there is enough qualified and skilled staff

for the purposes of generation? There is a load shedding implemented on a regular basis. Are there any plans in place to ensure that renewable energy do not go to waste during load shedding intervals in the interest of constant and reliable energy? Thank you.

The DEPUTY PRESIDENT: Thank you, Deputy Chair. Yes, the shortage of our electricity, our generation capacity, can be attributed to a lot of factors. Firstly, we are running old power plants. So the energy availability factor is no longer reliable. Today, they can tell you that we have this amount of energy available, but tomorrow the situation has changed because we have aging infrastructure. That becomes a problem for the management of Eskom because the number of unplanned outages have become now more than the number of planned outages. That disrupts the plan that Eskom is following. That is why from time to time they must go for load shedding because of unplanned disruptions in their plans.

We cannot undermine the fact that these plants are very old and somewhere they need to be replaced. To replace these plants Eskom must find money. That is one reliable option that Eskom must do. Eskom must replace some of these aging power

plants which are becoming very expensive to maintain. They are very unreliable.

Secondly, yes, the amount of energy that we are getting from the independent power producers is helpful but is not enough. Some of the energy that we are getting is from solar energy. You will understand that solar energy is only available during the day not unless you have a storage capacity that you can store and utilise that energy during the evening. But as we speak that energy is available during the day and is fluctuating. When it is cloudy we are not getting the desired amount of energy. So, yes, it is augmenting to the problem but it cannot fully resolve our problem.

*Xitsonga:*

Ms B T MATHEVULA: Ndza khensa, Xandla xa Mutshamaxitulu. Xandla xa Presidente ...

*English:*

... just recently the Eskom CEO just recently characterised Eskom as a dead horse. Intimating that it cannot be safe and that the country must depend on independent power producers. Does government share the view of the Eskom CEO? If not, do

you still have confidence in his leadership of the entity if he himself claims that Eskom cannot be safe?

*Xitsonga:*

Ndza khensa!

*English:*

The DEPUTY PRESIDENT: Thank you very much, hon Deputy Chair. If the member wants my opinion as an individual, as someone who is sit with these people in meetings and listen to all the problems and follow-ups, I can tell you that in the person of the CEO we have a very good manager. But remember we have brought this manager into something that is ailing, something that is unstable and something that is collapsing. And for the very fact that, yes, we have load shedding but we still keep the lights on. He is trying very hard to maintain. I think we should give praise where he deserves. I think we must commend him for the work done.

However, as a country we are saying we cannot live in this situation. Something drastic must be done. What must be done? Eskom should be assisted to find a partner so that they can have available resources to add to their generation, that is,

to put power stations. They can put more, three or four power stations that can stabilise our problem once and for all.

Independent power producers are more helpful but the amount of energy that they are bringing in to the grid is not stable. It fluctuates. It is about wind and wind fluctuates. There are moments where there’s wind blowing very high and then you get energy, but when the wind slows down you get very little energy. When there is a sun you get energy, but when there’s very little sun or cloudy day, the amount of energy that you are making is very low.

Yes, renewable energy is the way and I think they will improve along the way and we will also improve the storage of that energy so that we can utilise it. But the current challenge that we have is how do we get rid of load shedding. The only way to get rid of load shedding as we speak now, yes, maybe tomorrow when we reconnect the generation that we have procured from the independent power producers. Probably, that will help. But today we need to rely on our power stations.

Now the message to Eskom is that try and improve your planned maintenance. Try and manage your plan, minimise unplanned outages. That is the only plan that we can stick to, but in

the meantime we must look for ways of building new power stations so that that can secure the country the future of our economy if we have reliable energy

Ms M O MOKAUSE: Deputy Chairperson, I am rising on a point of order, The Deputy President did not answer the question hon Mathevula asked. Is Eskom a dead horse? Deputy President, do you agree that Eskom is a dead horse? We don’t want to hear anything about your meetings, private meetings, wind and everything. Do you agree that Eskom is a dead horse? We are currently experiencing load shedding throughout South Africa. Do you agree?

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES

(Ms M E Lukas): Hon Mokause, a question has been asked and there is no point of order because the question in the end that I have is, is this person in your view still the right person? That was the question after everything was said. Can we now move on? We request hon Nhanha to ask your follow-up question.

Mr M NHANHA: I am worried, Deputy Chairperson. We are wasting time and yet we are on Stage 2 load shedding... [Interjections.]

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES

(Ms M E Lukas): Hon Nhanha, you have two minutes.

Mr M NHANHA: Deputy President, I would like to quote President Ramaphosa in his state of the nation address in 2019, and I quote:

As we address the challenges that face Eskom, we also need to safeguard our national fiscus, achieve a positive impact on our sovereign credit rating and pay attention to the rights and obligations of Eskom’s funders. Eskom has come up with a nine-point turnaround plan which we support and see it implemented. To bring credibility to the turnaround and to the position South Africa’s power sector for the future, we shall immediately embark on a process of establishing three separate entities, which is, generation, transmission and distribution under Eskom.

Now, Mr Deputy President, I am so pleased that we have conceded that we actually don’t need more task teams and more experts and panels. But I would want to put it to you that we equally don’t need more work streams. The plan does exist, Mr

Deputy President, and it has been agreed to by the President. I presume by his Cabinet as well in 2019.

The only possible follow-up is, you as the Leader of Business Government, why have you not ensured the implementation of the President’s commitment to the people of South Africa? Why has Eskom not restructured? Or does your government have a different definition of the word immediately? Thank you.

The DEPUTY PRESIDENT: Thank you, hon Deputy Chairperson. According to the turnaround plan the unbundling of Eskom into three business entities that is underway and there is a very good progress. I can say, with transmission we are starting to see it becoming slowly a standalone entity. If required we will be able to give progress report in terms of all the areas that have been identified in the turnaround plan: eliminating corruption, bringing the necessary skills and ensuring that we increase maintenance. There are a number of issues in the turnaround. I can tell you that where we are standing all people that were found to be on the wrong side in Eskom have been brought to book and some cases are continuing. Some skills that in the past left Eskom are being replaced. We are getting people. I cannot say that we have all the skills that

we require, but I can say there is an effort of getting the necessary skills to run our power stations.

Now the task that we are struggling with is to get our maintenance. Our maintenance is obviously linked with the availability of resources and the time it takes to procure. Eskom is complaining about the turnaround time that it takes to order a spare part because of the procurement system. That is an issue that we request. The Treasury must look at it so that in a situation of an emergency, emergency procurement measures should kick–in. Eskom should be allowed to buy parts to fix our plants in a very quick way. There are a number of improvements that we have notices in terms of our turnaround plan, but the problem is that we have these power stations that are old. They are old to such that you fix them today and do a planned maintenance that will last you for a certain time period, but it doesn’t. It breaks again. So we are dealing with aging infrastructure that we cannot turn them in a minute to be new plants. These plants are old. South Africans should understand that almost half of the plants are old. There are some plants that are performing very well. We are trying to get Kusile and Medupi to perform at their utmost capacity, and that will come. One day these power stations with their design

effects will be corrected and will give us the necessary amount of energy.

Eskom is not a dead horse; Eskom is alive that is why we have energy. We are shedding energy because of the unplanned breakages in Eskom. Thank you very much.

Question 22:

The DEPUTY PRESIDENT: Deputy Chair, as already indicated in our first question, as government we have taken stock of the challenges that are continuously confronting our municipalities. To this end, the Minister of Co-operative Governance and Traditional Affairs in July this year tabled the report on the state of local government elections before Cabinet as well as the Portfolio Committee on Co-operative Governance and Traditional Affairs.

The report confirms the correlation between failures in governance and political oversight as the primary causes underpinning the increase in the number of dysfunctional municipalities. In the main, these challenges relate to inefficient financial management and governance systems, poor delivery of basic services like water and sanitation,

electricity, equitable provision of sustainable human settlements, and crumbling and dilapidated infrastructure.

As part of focused government interventions, the Department of Co-operative Governance and Traditional Affairs, in collaboration with the provinces, the SA Local Government Association, Salga, and National Treasury, has developed a framework to guide the process of developing, implementing and monitoring the municipal support and intervention plans in the

64 municipalities that were identified as dysfunctional.

It is envisaged that as commitments made in these plans are being implemented, service delivery will improve thereby reducing the prospects and frequency of service delivery protests. We remain optimistic that the coming Local Government Lekgotla, which will be attended by the incoming local government leadership, will come up with innovative solutions to implement municipal support and intervention plans.

We must stress that whilst the delivery of basic services remains the competence of local government, the reality of coalitions that will emerge out of these elections, especially in hung municipalities, would necessitate that where

applicable, national and provincial governments guide and intercede where the availability and quality of services is faltering due to lack of capacity.

As for low voter turnout, we are not in possession of any empirical evidence which suggests that poor service delivery especially by outgoing local government administration, has resulted in low voter turnout during these elections. In fact, there are many variables including the ongoing COVID-19 pandemic and related risk adjustment restrictions. This is a trend elsewhere in the world where elections were conducted under similar conditions. The fact that some people did participate, is an illustration of their commitment to democracy. That is what we must build on.

Having said that, it is important to point that as we were campaigning for our parties, some of the criticism levelled at us as leaders, is of our own making. We get preoccupied by our own responsibilities of office as Members of Parliament, members of the executive or as mayors and councillors, thus spending less time talking to the people and responding to their needs.

Leaders must listen to the people and respond to the issues they raise that affect them at community level. In our view, all leaders must make themselves available to be at the service of the people and work to unite our communities.

People are looking for collaborative approach by parties that places their needs at the centre as opposed to narrow political party agendas. To improve the situation, the arrogance of leadership must give way to humility. We continue to work hard to restore the confidence of the people by implementing municipal interventions that government has put into place. Thank you very much.

Mr I NTSUBE: Deputy Chairperson, hon Deputy President of the Republic of South Africa. Indeed Deputy President, your analysis are correct when you mention that the reason for a low voter turnout is of a result of lack of service delivery and poverty that we find ourselves in. As the youth of South Africa, hon Deputy President, we are calling upon you and the Presidency and the Cabinet to declare the state of emergency on poverty and youth unemployment.

Hon Deputy President, the public was informed on 5 August 2021 that an independent panel will be set up by the President to review the response of government during the civil unrests and

looting. What is the latest update on the work of this panel since the terms of reference for its work was published in September and what are the actions by government so far? Thank you very much.

The DEPUTY PRESIDENT: Deputy Chair, regarding the panel that has been instituted by the President - like I said in the answer for earlier question, the panel is working and we are waiting for their report. And finally the report will be shared with you. We are not ruling out a number of factors that may come out of the report but probably it is best not to pre-empt the report. Of course, service delivery is one of the problem that makes a society or community angry. Lack of water and lack of proper sanitation can anger our people. In the main, also poverty accounts to a lot of distress our communities are going through. I am saying that there are a number of reasons that cause a protest and there are a number of reasons that can cause people to stay away from elections. To me that becomes a threat because it’s an indication that people are starting to opt out of a democratic process and finally they are now becoming a threat to that process. But I am sure that when we get the report we will be able to discuss it and make recommendations for the President to implement.

Thank you very much.

Mr W A S AUCAMP: Thank you, Deputy Chairperson. Hon Deputy President, you are aware that we recently had the lowest voter turnout in the history of elections in South Africa. Whether you agree with that or not, one of the main reasons cited for this poor voter turnout is the fact that South Africans are feeling disillusioned with the dismal state of service delivery by all spheres of government in South Africa.

We further know that some of the main reasons for the extremely poor levels of service delivery by the various ANC government departments are firstly cadre deployment, which led to the appointment of a large number of incompetent officials who do have the expertise to exercise the duties in pursuit of service delivery. Secondly, it is the endemic corruption which has become synonymous with the various ANC governments departments.

Deputy President, do you therefore agree that in order for government to curb this low voter turnout and to improve its responsibility of service delivery and the eradication of corruption, it is absolutely vital that the policy of cadre deployment must immediately be replaced by a system where only fit for purpose, competent officials are appointment? And if not, why not, and if so, what are the relevant steps that will

be taken to ensure the eradication of cadre deployment and the appointment of competent officials which every voter in South Africa requires? Thank you, hon Deputy Chair.

The DEPUTY PRESIDENT: Thank you very much Deputy Chair. Well, in response to the question, I think that the hon member is not really against cadre deployment, but he is suggesting that cadre deployment must produce the right people for the positions - that means we need to deploy skilled people. As long as our deployment policy can deploy the right people, I don’t think that we will be having a problem. The complaint is that this deployment policy is not deploying the right people

- then the complaint put forward is justified and I take it. But I am not quite sure that we should be conclusive about the reasons of this low voter turnout. There could be many reasons.

For instance, I am not ruling out that people are frustrated about basic service delivery, water and other things. Yes, I accept that - but as I was campaigning, I met a group of young people who said that they are not working and they don’t see the reason to go and vote. So, for them as young people, unemployment is a problem – that is their reason. There could be a number of people who have not voted for various reasons

that affect them directly. So, we hope we will learn from this report that we are going to get from the experts.

Yes, as leaders in this House we know that poverty, hunger, unemployment, poor service delivery, poor leadership – you can count all these factors – probably account for this low voter turnout. But it’s a question that is before us that is now triggered by the unrests and the disruptions in the two provinces that allowed the country to drill deeper into the causes of these unrests. In the main, with the outcome of the elections, we must find reasons why our people are opting out of this democratic project. Thank you very much.

Mr A ARNOLDS: Thank you, Deputy Chairperson. Deputy President, there is a growing perception that those in political offices serve only their interests and the interests of those who fund them. Ordinary people therefore feel excluded. People see business people who funded president Ramaphosa to win the ANC conference getting fat cat business deals which confirms the view that government leaders only serve their own interests.

My question to you is: How destructive is the involvement of business leaders in political contests? Do you not think that this is a danger to our democracy?

The DEPUTY PRESIDENT: Thank you very much, Deputy Chairperson. The very essence of being public representative is that you are basically a servant of the people, which means you must serve the people without serving your interests. I agree with the member and that cuts across the political divide. All leaders must serve the people. The experience that I’ve gone through in these past elections is that public representatives were missing in action, services were not delivered and people were left alone. I have seen that in a number of wards where I went to campaign. Yes, you are correct. Probably we must ask ourselves as public representatives whether we are still relevant or we are drifting away from the call of serving the people.

Business people in the private sector should work together with government because we share the very same space. The public sector and the private sector must work together to grow the economy of the country. But constantly, we are not happy about some of the tendencies that are developing where business people seek to corrupt public representatives and vice versa. That must be condemned and if there is evidence in that regard, as hon members we can report that to the nearest institutions. We have institutions. South Africa has a very stable democracy with stable institutions. Of course from time

to time these institutions are being undermined but these institutions exist and we must protect them. So, it is one thing to talk about a crime and not report it. I will encourage members to report crime and where they think things are not going very well so that public representatives do what they are elected for, which is to be the servants of our people.

Mr E M MTHETHWA: Thank you Deputy Chairperson for allowing me to take this question on behalf of Comrade Dodovu. Deputy President of the country, to what extent is the increase in the number of hung municipalities since the 2021 local government elections compounding government plan to ensure stable leadership to drive municipal support and intervention plan, especially the implementation of effective governance systems and solutions thereof. I thank you, Deputy President.

The DEPUTY PRESIDENT: Thank you, hon Deputy Chairperson. Well, the number of ailing municipalities from the previous report as presented by the Minister of Co-operative Governance and Traditional Affairs indicated that there are these 64 municipalities that are dysfunctional and that needs attention like yesterday. And we have more than 163 municipalities that are in a dire state of affairs – that also require additional

support. What I can say hon member is that the local government sphere is in dire straits. If you look at the collapse of services and the leadership that is there, so it means that all of us – national government, provincial governments must really take their support so that as we improve these local municipalities and support them, we are indirectly improving service delivery that will multiply to our people.

A number of municipalities are under interventions. We are prepared to step up our support to ensure that these municipalities serve the people. Our worrying point though is the outcome of our elections that is presenting 60 or more hung municipalities, which will depend entirely on the maturity of the leaders to form coalition governments in the interest of the people so that they continue to deliver services. And we are approaching the last days of these negotiations and leaders must emerge with the agreements that will be able to take the work of local government forward. So, we want to call upon these leaders of our different parties that are discussing about coalitions that they must put the interests of our people first. As they discuss, it is not about them wanting those positions but at the end of the day it’s about our people. Thank you very much.

Question 23:

The DEPUTY PRESIDENT: Deputy Chair, the President first represented the Economic and Recovery Plan to a joint sitting of Parliament in October 2020. Since then the government has achieved substantially in supporting townships and rural economies

We wish to update the hon members that in February 2020 Cabinet approved township and rural entrepreneurship programme development. This fund was developed as a response to the urgency of the need to roll out appropriate support to small businesses in township and rural areas. Through that programme, qualifying small enterprises are provided financial and non-financial support to empower them to run their businesses in a profitable manner and also to help them acquire business equipment, tools, machinery with a view to increase their capacity to access economic opportunities and further enhance their competitiveness.

As of the 31st of October 2021, 289 products manufactured by small medium and macro enterprises, SMMEs, have been placed on the shelves of major retailers and wholesalers in the country as part of the localisation programme. These products were manufactured by a total of 45 small businesses creating over

700 jobs. It is the government’s vision that through this programme more products will be locally produced by small businesses for supply to local and global markets and create more job opportunities. At the same time we need to encourage our public to buy goods produced locally as this will increase the sustainability and competitiveness of these business that are owned by the SMMEs.

In addition to the above initiative, the Department of Small Business Development through its entity SEDA, has established

54 branches through a district based development approach to align support to the district development sectors. Thus bringing services closer to the people. It has however been realised that they are still a number of areas where entrepreneurs still travel longer distances to access these services. Which is why SEDA is in a process of establishing additional service points. This includes considering alternative mechanism such as mobile offices to increase access.

Furthermore, the department is establishing more incubation centres and digital hubs across the country to add to the 110 currently existing to supporting township and rural based enterprises. We are pleased that most provinces have begun to

practically implement economic empowerment models to boost township and rural economies. Our view is that at national level there is a demonstrable willingness to consolidate and upscale this initiative. We therefore remain committed to ensure that local economic development initiatives are realised. And that they achieve the empowerment of ordinary people in areas where they live.

We have always maintained that the critical pillar of our country’s industrial policy is a structured focus on the development of new economic centres through our special economic zones and industrial parks that are geared towards attracting public sector investments to boost the growth and local economies especially in our townships and rural areas. This entails the revitalisation of the existing industrial parks and sites that links small businesses especially those owned by women and youth, the global economic value chains.

To this end, the Department of Trade and Industry and Competition, DTIC, has critical infrastructure programme that has at the 31st of March 2020, supported twelve industrial parks with the amount of 690 million for phase one of these refurbishments. The focus of the initial phase of the revitalisation programme is on infrastructure provision of

roads and security upgrades, installation of sewerage networks, water and electricity infrastructure and refurbishment of ... [Inaudible.] ...

Investing in industrial parks will assist SMMEs located in townships and rural areas. To contribute to economic growth, government has ensured us that all SMMEs contracted in development these industrial parks which are at local level must be coming from those areas where the industrial parks are located. This is in realisation that some of the key challenges in the township and rural economies that are faced by SMMEs in particular and entrepreneurs in general include among others lack of economic infrastructure, poor access to markets limited trading spaces, logistical constraints and uneven provision of municipal services.

Therefore, Deputy Chair, we are approaching this matter from a perspective that as things stand township and rural economies are restricted from realising their full potential by a variety and historical impediments. Revitalising the rural and township economies will require focus on the twin objectives of investing in economic infrastructure and investing in enterprise development. Thank you very much.

Ms H S BOSHOFF: Thank you very much, Deputy Chair and good afternoon. Deputy President, the fundamentals are absolutely clear. Under your watch, unfortunately, there has not been any significant improvement in township and rural economies. Every year we hear about revitalisation but up until now we have seen absolutely nothing happening in Mpumalanga, and you know that coming from that province.

You have to admit the economy has contracted, the unemployment rate has increased, and no significant intervention other than a few grants to connected cronies have been made. Your reconstruction and recovery plan is exactly that, a plan and it will remain as such until you provide this country with energy security, which you haven’t been able to do in the past 27-years.

You have said in your reply to the various questions that Eskom is in dire financial difficulties and you have also said that you will cross the bridge. Please explain to us how you are going to cross this bridge because currently small businesses cannot afford generators. It is just too expensive to keep the doors open. And without energy they cannot trade.

Therefore, my question is I would like to know what happened to the $10 billion worth of investment from Saudi Arabia, agreed in 2018 that was meant to revive the energy sector and aid small businesses and ordinary South Africans? What are the direct benefits resulting from this investment?

The DEPUTY PRESIDENT: Deputy Chair, let’s welcome the question. An investment that comes from Saudi Arabia depends on the investor and the speed at which they really move assisted by our institutions to invest. However, if the hon member really wants to know progress on that specific investment, we can trace it and be able to give her feedback. I understand why the hon member is asking this question. It is because we are talking about economic recovery and you are citing the availability as one impediment, you are correct.

There are a number of impediments we are dealing with. I have said in response that the DTIC is also assisting in the refurbishment of the industrial parks and the special economic zones. The refurbishment deals with the infrastructure that is there your sewerage networks, water networks etc, so that these zones can accommodate these small businesses. Let alone the availability and unavailability of electricity.

The other impediment is access to funding to the SMMEs, which the Department of Small Business is attending to. The township and rural entrepreneurship programme which has been given R2,9 billion is meant to assist and support SMMEs. To date, we have supported almost 727 SMMEs. We have dispersed almost R212,6 million to this SMMEs. Yes, it is a small figure and we have not gone very far. I have said in my response that we are also thinking of a number of mechanisms to reach out to young people, women, where they live in the townships and even in the rural areas. We are even thinking of mobile networks so that we can reach them.

During the elections campaigns we have met young people who are complaining that they want to start their own businesses but they don’t know what to do. I am sure by starting these` mobile networks would be an appropriate one and we will encourage Small Enterprise Development Agency, SEDA, to do that, so that we go closer to where people live if we want to bring this assistance.

Yes, I agree hon member that for now entrepreneurs are not happy with the way energy is affecting their business in the country currently. We really take complain very serious because we know it is a serious inconvenience. We want this

economy to grow therefore all efforts are being made to help Eskom. As a country we will eventually help Eskom and we will go through this challenge once and for all. Thank you very much.

Mr S F DU TOIT: Deputy President, with reference to all the temporary jobs that were created through the Reconstruction and Recovery Plan, the Extended Public Works Programme, EPWP, and other similar employment initiatives, are there any measures in place to ensure that government gets value for money for employees being paid?

Since many of these initiatives are handled as grants, money being paid to individuals that does not work. The image of yellow overalls under a tree during working hours is so ever familiar in South Africa. I think we owe it to taxpayers that they get their money’s worth.

The DEPUTY PRESIDENT: Thank you very much, Deputy Chairperson, yes, not in all these interventions you can say we are not getting value for the money we are spending. Some of these interventions like your EPWP where you will find people sitting under a tree not supervised, it is something we are attending to it so that people that have been employed must

work. People that have been employed must work. But there are certain programmes like teacher assistant, those programmes are very helpful and there is value for the money that we have paid those assistant teachers in our schools. We think we can even add more of the assistant teachers and some administrative posts at the school level. Yes, we are trying very hard to ensure that there is value for money in the stimulus package.

Ms M L MOSHODI: Thank you very much, Deputy Chair and good afternoon, Deputy President, thanks for your detailed response, my follow up question is to what extent is the township and rural entrepreneurship programme are championed by the Department of Small Business Development benefiting women and youth who continue to suffer the most from poverty, unemployment and economic marginalisation.

To what extent is government ensuring that while pushing a drive to ensure that more products are produced locally by small business, these initiatives are used to create more employment opportunities for women and youth?

*Setswana:*

Ke a leboga.

The DEPUTY PRESIDENT: Hon Deputy Chair, the amount of money that I have cited as a support for SMMEs ... the majority of these SMMEs are led by young people and women. They are being supported, they are not just given the money and that’s it.

They are being assisted on a daily basis to manage the affairs of the business, they are being assisted to find markets for the products. I have mentioned that the products they produce are in the shelves of our big retail stores and wholesalers.

Though we have not reached the desired number and we have not fully utilised the money that has been given to us. But the R2,9 billion is a three-year programme and this money is available for the entire Medium-Term Expenditure Framework, MTEF, period. For this year alone, I think we have dispersed R212 million to these enterprises that are mainly women and young people.

We are still far from achieving the desired goals and I think there is a need to press on and to become more available and closer to where these young people and women are living. Thank you very much.

Ms M O MOKAUSE: Thank you, Deputy Chair, Deputy President, you also chair the Inter-Ministerial Committee, IMC, on Land

Reform, which is supposed to make sure that there is acceleration on land reform programmes in South Africa.

We are almost in the middle of your term and we haven’t witnessed any of such programmes championed by yourself. These programmes are in relation to the land ownership in South Africa. What new programmes has this committee recommended to yourself to fast-track giving back the land to our people who need to use it for agricultural development. If there are such programmes, are they linked to any co-ordinated government support to emerging farmers? Thank you.

The DEPUTY PRESIDENT: Thank you very much, hon Deputy Chair, yes, our land reform programme is progressing very well and we should be giving a report to hon members that should be shared to all members of the Council, about our redistribution and restitution programmes.

I think we have made some good progress in terms of restoring land back to the rightful owners. I can cite one or two examples of land that has been claimed by claimants that is in the hands of government. All government departments have

released that land to the people. A report will be given that will give you that progress.

We have identified more than 700 hectares that were supposed to be given to people and we have made quite a significant progress. Some glitches were met when we found people staying on that land. We didn’t just simple remove those people, we checked their status. If they qualify, the land is given to them and if they don’t qualify they are removed from the land, so that the land can be made available for young people and women.

Hon members, we can give you progress on that score, in terms of the work that the IMC has done. In terms of integrating this programme in regard to funding, the land reform programme has got its own support which has just been approved, the kind of support that we are going to give our farmers at a district level, through this District Development Model. Which consists of a suite of interventions that will be given to a specific farmer at a district level.

Question 24:

The DEPUTY PRESIDENT: Thank you, hon Deputy Chairperson, our government remains committed to fighting any forms of

corruption, fronting or collusion to ensure fairness in the processes of state procurement. To this end, provisions regarding the procedure for restriction has been provided for in various practice notes, instruction notes and other legislative provisions. These prescripts provide specific instructions to the accounting officers and accounting authorities on the restriction process.

In this regard, if a court of law convicts a person on any offence, as contemplated in sections 12 or 13 of the Prevention and Combatting of Corrupt Activities Act of 2004, the court may rule that such a person be prohibited from doing business with the state, and be added onto the Tender Defaulter Database. The accounting officers and accounting authorities must act upon the instruction of the court by submitting the documentation to National Treasury.

The intention and purpose of the Restricted Supplier or Tender Defaulter Database is to ensure transparency by combating and curbing abuse of the state supply chain management system. We are of the view that the Restricted Supplier or Tender Defaulter Database is comprehensive but not adequate.

It appears that whilst the system is meant to blacklist those that are defaulting, there is still a need to strengthen the system and improve co-ordination across all spheres of government and how we manage the database. This co-ordination includes reporting in order to populate the database with applicable information.

We must emphasise that the responsibility to identify the suppliers or contractors for restriction rests solely with the accounting officers and accounting authorities. The National Treasury is only able to upload the data of the Restricted Supplier Database and the Tender Defaulter Database, based on the instruction received from the accounting officer or an accounting authority. Therefore, any failure to institute restriction procedures against suppliers or contractors must result in corrective action against accounting officers and accounting authorities.

Further intervention underway, is the adoption by Cabinet of the Public Procurement Bill for processing by Parliament. The main objective of the Bill is to regulate public procurement and to prescribe a framework for procurement policy envisaged under section 217(3) of the Constitution.

In its regulations, the Bill will make provision for mandatory action by accounting officers or authorities in order to combat corruption and fraud within the procurement system. The regulations will also provide the framework for reporting corruption as well as the sanctions that may or can be imposed on any official that does not report corrupt activities in line with the framework.

It is anticipation that these regulations will close any gap that exists in the current regulations when it comes to mandatory reporting or flagging of corrupt activities within the procurement system. Thank you very much, Deputy Chair.

Ms M BARTLETT: Yes, Chair. Good afternoon hon Chairperson and Deputy Chairperson, hon Deputy President, hon Deputy President, with both registers standing empty even today, it is a clear sign that measures to report and fight corruption are being undermined. Any there any plans to ensure that the Department of Public Service and Administration and the Public Service Commission, PSC, undertake rigorous initiatives to take decisive action against accounting officers and other authorities who are showing utter disregard of this important intervention that is intended to assist us to wage a concerted

battle against tender fraud and corruption? I thank you, hon Deputy Chairperson.

The DEPUTY PRESIDENT: Thank you, hon Deputy Chairperson, and thanks to the hon member, I think the concern is well placed. There are gaps in the current provision, that’s why the database is empty. In our view, where we are standing, we think that we must amend the Public Procurement Bill so that we enforce the reporting. If reporting does not happen, the regulations must provide that such accounting authorities and accounting officers must be held accountable. That’s the one aspect that we have realised that we must enforce this. It must happen.

With regard to the three spheres of government, we think that through the intergovernmental relations framework, this should be one item on the agenda where the three spheres of government should from time to time address this provision of the Act to ensure that every sphere of government does report any corrupt and fraudulent activities occurring in our procurement system and that it is reported to the National Treasury without failure. It is not going to be a choice but a compliance matter. Everyone that is charged to be an

accounting officer or accounting authority is obliged by law to report such cases. Thank you very much.

Ms M O MOKAUSE: Thank you, Deputy Chairperson of the Council, Deputy President, as things stand, municipalities solemnly rely on external capacity with regards to provision of services and this is through the tender process. This tender system, Deputy President, is unreliable, is outdated and lacks capacity. In fact, it is in tender system where corruption gets facilitated by those who benefitted from cadre deployment. When are you planning to build solid and dependable internal capacity at a local level so that the work that is currently outsourced through tenders be performed by government and work gets created for those who are currently working for those who occupied contract opportunities at a local level? Thank you.

The DEPUTY PRESIDENT: Thanks, hon Deputy Chair, well, let’s acknowledge the question. Yes, partly, the outsourcing of a tender process to external players can bring with it a lot of fraudulent activities. I agree with that assertion because some of the municipalities can’t handle the procurement process themselves. We have spoken much about the required skills. I don’t think we can harp on this broken record of

cadre deployment. We all agree that we should deploy skilled people with the necessary skills at the right positions.

In this case, we have identified omissions in the Public Procurement Act, which does not compel and make it a crime for anyone who is an accounting officer or an accounting authority not to report any corrupt and fraudulent activities in the procurement process. If you don’t report it, it makes it an offense, and that accounting officer or accounting authority can be arrested for that.

We think we should strengthen the legislation, close gaps that we see and train the necessary people that will handle the public procurement process. Understanding the regulations and understanding the Act. If we want to minimise fraudulent activities and corrupt activities, we must strengthen ... [Inaudible.] ... space for criminals ... [Inaudible.] ... less available. It is our duty not to act on the whims of our emotions at times but must be guided by legislation. Thank you very much.

Ms H S BOSHOFF: Thank you very much, Deputy Chair, as you know, I am standing in for hon Christians. Deputy President, the register that we are speaking about was established in

2005 under the *Gazette 8186.* That, Deputy President, is 16 years ago.

In the Northern Cape, more than 10 or you may pick a number if you wish, contractors have defaulted on housing projects alone. Minister De Lille is forever pointing fingers at contractors who have failed. Deputy President, the absence of any names on the register shows that government is either too inefficient or too crocked to use this tool to ensure that mistakes are not repeated, mistakes that cost money, that delay the delivery of housing, schools and other important life-changing projects. As the Leader of Government Business, I believe it is your duty to ensure Ministers follow through on their duties as you have rightly said in your reply just now. Therefore, when will Minister De Lille be sanctioned for non-performance? Thank you, Deputy Chair.

The DEPUTY PRESIDENT: Thank you very much, like I have said that, yes, we acknowledge the gap in the application of the law, that the law does not make it mandatory to report any fraudulent activities and failure of which can result into a jail sentence. Now, we are making it mandatory. All our accounting officers, our accounting authorities, MECs, heads of departments, HODs, directors-general, DGs, and Ministries.

We now know that any offense and any corruption case with regard to our procurement process must be reported to National Treasury. That is one thing that we must fix.

If we have fixed the law, we will make sure that the law is followed and can whip people to follow the law. We can apply sanctions. It has taken us a long time to address this matter and it is not a good thing given all the number of corrupt people that have defrauded the state. It was an omission on our work which we must try and improve on.

With regard to Minister De Lille, that matter rests with the employer, being the President. The President will look at these allegations and at the right time, the President will pronounce himself. Thank you very much.

Mr I NTSUBE: Thank you very much, hon Deputy Chairperson of the Council and hon Deputy President, in a recent report by a civil society organisation Corruption Watch, it was found that the Register for Tender Defaulters had no current listing.

This is the register which serves the critical purpose. Essentially, as you understand, these are entities and organs of state prohibited from awarding contracts. This register was technically brought into operation in 2005 already in terms of

the regulations regarding the Register for Tender Defaulters, made in terms of the Prevention and Combating Corrupt Activities Act of 2004. Considering the important role that this register serves, why are there no current listing on the register? What actions will be taken to investigate the failures to ensure its proper operation? Thank you very much, hon Deputy President of the Republic.

The DEPUTY PRESIDENT: Thank you very much, hon Deputy Chair, I think I have said that the first point of touch is to amend the legislation. That will give National Treasury some power to act. It will even give the President the power to act. It will make it mandatory for anyone leading a department and municipality to report any fraudulent activities within the procurement process. If that does not happen, there will be consequences. Right now, there are no consequences. We are only crying that people have not reported. What must we do if people have not reported? We must sanction those people. So, we think, by amending the law, we will be able to give ourselves enough scope to act. I think I regret that we took this long to deal with corruption in our procurement process which has been rife in a number of cases. This corruption has not been reported.

We must hasten to say that it’s not that there was a vacuum. We have institutions like the Special Investigating Unit, SIU, who have been investigating and bringing people to book. It’s not like there was nothing happening. The only thing is that these defaulters and have stolen money from government, should be prohibited from doing business with government. That has not happened. Thank you very much.

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

very much. Hon delegates, that ends the session of questions for this plenary. With that said, I would like to thank the Deputy President for availing himself and also for the fact that he has comprehensively responded to all the queries that have been raised. I also want to thank the special and permanent delegates for the attendance of the plenary today as well as the Chief Whip. That concludes the business of the day.

*Xitsonga*:

Ndza khensa.

The Council adjourned at 16:34