**UNREVISED HANSARD**

 **NATIONAL ASSEMBLY**

**THURSDAY, 25 NOVEMBER 2021**

***PROCEEDINGS OF THE NATIONAL ASSEMBLY***

The House met at 14:02.

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

The SPEAKER: Hon members, in the interest of safety for all present in the Chamber, please keep your masks on and sit in your designated area. The only item on today’s Order Paper is Questions addressed to the President. There are four supplementary questions to each question. Parties have given an indication of which questions their members wish to pose a supplementary question on. Adequate notice was given to parties for this purpose. This was done to facilitate the participation of members who are connecting to the sitting through the virtual platform. Members who will pose supplementary questions will be recognised by the presiding officer. In allocating opportunities for supplementary questions, the principle of fairness, amongst others has been

applied. 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 on duty will be allowed to ask the question on behalf of their member. When all the supplementary questions have been answered by the President, we will proceed to the next question on the Question Paper. The first question has been asked by the hon the Leader of the Opposition. The hon the President?

**QUESTIONS TO THE PRESIDENT**

Question 13:

The PRESIDENT OF THE REPUBLIC: [Interjections.] You’re a good man. [Laughter.] Can I start now? [Laughter.] Madam Speaker, hon members on all sides ... [Laughter.] Isn’t that nice? Hon Speaker, today marks the start of 16 Days of Activism for no violence against the women and children of our country. This is a time when all South Africans come together to reaffirm our commitment to the end of the violence that is perpetrated by men against women and children. During the next 16 days, we as a nation need to reflect on the progress that we have made in tackling this pandemic in our society. In particular, we need to look at the implementation of the National Strategic Plan on Gender-Based Violence and Femicide, identifying where

there are shortcomings and addressing these with urgency as well as with purpose. It is important that we should work together as one nation to ensure that this year’s 16 Days of Activism is meaningful, that it moves beyond mere words and that it results in real change in the lives of the women of our country.

Coming to the first question, as asked by the Leader of the Opposition, the recent load shedding which has disrupted daily life for millions and millions of South Africans and which has also caused great damage to our economy, is in many ways a stark reminder of the severe and intractable challenges that our electricity system faces.

Load shedding is always the last resort where demand for electricity is greater than what can be produced by the system. It is necessary to prevent the collapse of the power grid and a complete blackout.

At its core, load shedding is inevitable and it has inevitable

consequences due to the age of many of Eskom’s power plants.

Many of us will know that a number of them are between 20, 30,

40 and 60 years, and this has affected the inability of our power generating company on a number of fronts. Some of the

reasons have been precisely due to the age of the fleet, some the debt, some lack of capacity and some of the reasons would also be as a result of state capture.

Eskom has to undertake the fundamental maintenance that is necessary to improve the reliability of our electricity supply. As it continues with maintenance, load shedding will remain a possibility for some time to come.

However, we are not simply waiting for the inevitable. We are working hard in a number of ways to fix this problem. As Eskom has been implementing a generation recovery plan to improve the availability of generating capacity and to minimise the risk of load shedding, we have been undertaking a number of other measures to fundamentally change the trajectory of the generation of electricity ... of energy in our country.

As part of Eskom’s road map, Eskom is currently being restructured into three subsidiaries: one for transmission, another for generation and another for distribution. The legal separation of the transmission entity is planned for

31 December this year and the legal separation of generation and distribution is scheduled for next year. The Electricity Regulation Act and the Electricity Pricing Policy is being

amended to reflect the new structure of the electricity industry. The restructuring of Eskom will in many ways transform the sector, and will enable greater competition and investment in new generation capacity.

Some of our municipalities are already getting ready to take advantage of what flows from this transformation process and have declared the clear intention to generate power for their residents. This will remove the risk of relying on one entity that has the sole monopoly on power generation in our country. This reform will have a significant positive impact on economic growth, and will improve the reliability and efficiency of our electricity supply.

Over the last year, we have put in place several additional measures to address these energy constraints. We have amended Schedule 2 of the Electricity Regulation Act to exempt embedded generation projects up to 100 megawatts from having to apply for a licence. This will allow for more private- sector investment in electricity generation capacity without any public funding and will reduce the risk of load shedding. Already a number of entities are moving forward to take advantage of this new regulatory permit that they have been given.

The other one is that eight preferred bidders have been appointed for the 2 000 megawatts Mitigation Independent Power Producer, IPP, Procurement Programme. These are for projects that can deliver electricity into the grid within three to

12 months from approval.

The other one is that we have revitalised the Renewable Energy Independent Power Producer Procurement Programme, with

25 preferred bidders announced in the fifth round. Together, they are expected to produce around 2 600 megawatts of wind and solar photovoltaic electricity.

From the renewable energy Bid Window 4 projects,

1 600 megawatts had been connected to the grid as at the end of June this year and over 400 megawatts is to be connected by the end of the year. So, progress is being made in as far as adding more generation capacity, which is going to be a great boost to the incapacity that Eskom is currently going through.

While we can anticipate that substantial new generation capacity will come into the grid in the near future, there are still many challenges that we need to address to secure a stable and reliable supply of energy. These include the management of Eskom’s debt, overcoming the skills deficit

within the company, steadily improving municipal revenue collection, further improving Eskom’s maintenance capabilities, addressing procurement challenges and rooting out all forms of corruption and criminality, including some of the incidents that the Eskom management has been reporting, where pylons have been cut and have been disturbing the operation of the grid.

There are no easy solutions to all of this, whatever anyone may want to say. This is a complex problem. However, we have developed a road map towards a revitalised Eskom within a transformed energy industry. We are making significant progress in implementing the road map, and are determined to persevere, regardless of the difficulties and obstacles, until we have achieved energy security in this country. The good thing is that we have now ensured that energy generation will not come from one source only on a monopoly basis. We have now ensured that there will be many other sources of energy generation. I thank you. {Applause.]

The LEADER OF THE OPPOSITION: Thank you very much, Madam Speaker. Mr President, six years ago you said in this House, “In two years’ time Eskom’s problems will be a thing of the past. People won’t even remember load shedding”. Six years

later and the government still cannot keep the lights on. It’s surely now time to allow South Africans to solve their own energy crisis.

Cape Town Mayor Geordin Hill-Lewis has pledged to make Cape Town load shedding free. The Western Cape government is also committed to assisting six Western Cape local governments to become load shedding free. Now, these plans depend entirely on municipalities being able to buy electricity directly from IPPs or to generate it themselves.

So, I would ask you today, Mr President, can you publicly commit that your national government will not obstruct capable local governments from procuring electricity directly from IPPs and generate it so that we can keep the lights on, keep the factories working and create jobs? {Applause.]

The PRESIDENT OF THE REPUBLIC: Hon Speaker, if the hon Leader of the Opposition had listened carefully, he would have heard me saying that a number of the measures which we have taken and put in place include — underline include — that there should be independent generation of electricity, including by our local government entities.

Now, local government entities play a critical role in the electricity system. Many of them distribute and sell to residents, and whilst it has taken quite a long time to finally get to this decision that municipalities should be allowed to generate or be able to generate as well as buy from IPPs, that is exactly where we are now.

So, hon Steenhuisen is trying to force open a door that’s already open. This door is already open. We’ve given clear direction and permission to local government to generate, and in fact, if there is anyone who wants to see municipalities like Cape Town and any other municipalities succeed, that is me here. I’d like to see them move on to generate electricity immediately so that we can de-risk this risk that we have of having one entity alone generating electricity for the entire country.

If you are, and I’ve seen it many times ... and hon Steenhuisen, I often comment to people that whenever I fly out of Cape Town or Johannesburg to Cape Town at night and you just look at the whole landscape of our nation with lights lit wherever they are lit, you must be filled with concern that all this is being done by one company; that when that company falters it basically means that the entire country is at risk.

So, what we have now done is to say let us allow local electricity generation, and yes, Eskom which has an overarching presence in the country and owns the grid, will always be on hand to supplement, to support even those local generators. When they fail they will be able to rely on an Eskom.

So, hon Steenhuisen, be assured that the national government is not going to obstruct the capabilities of local government at all. So you can go to sleep peacefully then.

Ms J C N MKHWANAZI: Thank you, hon Speaker. My President, in light of the longstanding and complex challenges that Eskom is now stuck in, with effects that include, amongst others periodic load shedding and an unsustainable high level of debt, my question is, what role can Eskom play in the large- scale supply of energy amidst the fast-turning energy environment and, secondly, in what ways will these measures allow Eskom to generate revenue to reduce its historic debt and afford its maintenance costs?

The PRESIDENT OF THE REPUBLIC: Thank you, hon Speaker. Eskom still has a very critical role to play in many, many ways.

Firstly, to improve itself in terms of management, in terms of

improving maintenance and in terms of just managing the procurement processes that it needs to embark on to ensure that it has all the turbines and all the various other products and services that it has.

However, at the same time Eskom has also decided that they want to get into the renewable space, and in my view that has been quite an important and a significant decision. So, they now need to build capacity to get into the renewable space and be able to compete with all other entities that are now in the renewable space.

What we need to see is healthy competition in the generation of energy, when all of them will then channel the energy that they generate into the national grid and into the transmission grid, and the distribution can also be managed in differentiated ways. This is where a number of local government entities have actually demonstrated that they have great capabilities for distributing electricity.

So, we also see Eskom being able to manage its debt much more effectively to ensure that they collect the revenue. They are embarking on really good initiatives, working together with local government entities around the country, enabling local

municipalities to also manage their debt properly and to ensure that there is collection.

So, that level of co-operation that should exist between Eskom as the generator as well as the transmitter with municipalities is exactly what Eskom needs to improve a great deal on. I have confidence that they will be able to do precisely that.

Of course, the other one is to attract people with good skills who will be able to properly manage electricity provision to our nation.

Mr N F SHIVAMBU: Thank you very much, Speaker. It’s quite obvious now that one of the biggest challenges of Eskom is the subjective incapacity of its current leadership, the board, the chief executive officer, CEO. The CEO even came to Parliament to say that Eskom is a dead horse and we do not seem to be paying attention to the fact that the people who are leading Eskom now are not capable of rescuing it from the crisis that we are facing.

When are we going to see the change of leadership at Eskom because they are not capable of reviving it, unless your

purpose is to decapacitate Eskom, mutilate it so that we can create space for the IPPs to continue to ridiculously profit out of energy generation in South Africa**.** You had made commitments before that there won’t be privatisation of Eskom but effectively what is happening now is the privatisation of energy generation for the benefit of a few businesses, some of whom are the people that are associated with you. That is the question. What do we do with the leadership of Eskom that is incapable and has demonstrated that it fails dismally?

The SPEAKER: Hon member Shivambu, you are out of order. Your time is up and you haven’t asked a question. Thank you very much. The last supplementary ... No, no, no, excuse me, I will be advised here, but hon Shivambu finished his minute and went on to negative ... 30, right, without asking his question.

Hence, my statement that he hasn’t asked a question. I will be

assisted by the Table. Thank you. [Interjections.]

Mr J S MALEMA: No, you are out of order, Speaker.

An HON MEMBER: Chair, point of order. [Interjections.]

The SPEAKER: Hon member, you may take a seat.

An HON MEMBER: Point of order.

The SPEAKER: Take a seat. Now, Mr President, the advice I am receiving is that you may respond to the question. The hon the President. [Interjections.] Hon Mkhaliphi, please don’t do that. Thank you very much. The hon the President.

The PRESIDENT OF THE REPUBLIC: Hon Speaker, thank you. In relation to the question that hon Shivambu raised with regard to the leadership of Eskom both at management and board level, I would like to say that this is a matter that we continuously look at. We look at the capability and effectiveness of the leadership that, yes, resides in Eskom ... not only in Eskom

... in all our state-owned enterprises, SOEs, and we evaluate that against a whole number of indicators.

Now, Eskom has been one of the most unfortunate entities, in that, I would say that in the past 15 years they have had a new CEO almost like every 18 months. We need to examine precisely what the management is trying to do. What do they do? They work with a whole number of, what I would call, blue- chip companies that help them service the plants that we have and because the plants are aged — the plants are old — they tend to break down quite often. I have said in the past that

there is no deliberateness, there is not a single key leader in Eskom who wakes up one morning and says, I am going to break down one of the power stations. These break down because they are aged and therefore what we are seeking to do is to balance, to maintain the fleet that we have, to keep it properly maintained and at the same time build new capability, which we are continuing to build because there is a deficit of some 5 000 or so megawatts. Once we can breach that gap through new build, as they maintain the current fleet and as we also retire some of the power stations that we have or repurpose them, we will then be able to manage our energy properly.

As I said in my main input, yes, load shedding in the meantime is going to be a key challenge that our economy faces but we are resolving the problem and that includes being able to bring in more skilled people and continuing to evaluate those that we have from the board and the management as well. So, this is something that is top of mind for us on a continuous basis.

Mr N SINGH: Thank you very much, hon Speaker. Mr President, thank you for your response. However, I think we all have to agree that maintenance over the years at Eskom has been

shocking to say the least. Now, somebody has to be held responsible for that. I mean, we can’t just keep complaining about the lack of maintenance over the years. Who is going to be held responsible and what are we going to do?

However, having said that, hon President, it is a well-known fact that the Chief Financial Officer, CFO, of Eskom at a *Standing Committee on Public Accounts, Scopa,* hearing recently said that they owe over R400 billion and they are in serious debt, and if government does not bail them out there might be no light at the end of the tunnel. Also, that putting into Eskom will just be putting money into a bottomless pit. Has government considered what kind of financial assistance, if any, is going to be provided to Eskom and, given that Eskom is one of the biggest contributors of pollution in our country and Cop 26 proved that, where Eskom is really, really, really, you know, causing lots of problems in terms of climate change in our country, hon President.

The PRESIDENT OF THE REPUBLIC: Hon Speaker, Eskom is carrying the biggest debt burden of all our SOEs and this is debt that has accumulated over a number of years but it has also accumulated as we have had over-runs of costs and so forth with the new build that we’ve had. We are now stuck with this

debt. We all agree that Eskom is just too big to fail because a failing Eskom will be catastrophic for our economy. It will also be catastrophic for the lives of our people all round.

Therefore, Eskom is our collective problem that we have got to solve and it doesn’t help us ... [Interjections.] ... it doesn’t help us to sit and not do anything. It also doesn’t help us to be on podiums and be accusatory, accusing people all the time. What we should be doing is to find ways of addressing the problem.

Now, the most interesting part is that nongovernment entities have been discussing how best the Eskom debt can be dealt with. This is in the form of business and this is in the form of trade unions and community-based organisations that have been coming forward with really meaningful proposals on how best we can deal with the debt. Government for its part has been working with Eskom and working with those entities to try and find a way of dealing with the debt.

A number of proposals abound. Proposals include, yes, take the debt on your sovereign balance sheet, and some of the proposals are, you know, find a way of selling the debt and so forth and so forth. Now all these proposals are being looked at and we should be able to find a solution because as I have

said, Eskom is just too big to fail. I am rather pleased that a number of South Africans are looking at this rather positively and trying to find a solution. We will come out with a solution. Of course, the good thing is that Eskom on its own is forward-looking. It is repositioning itself and repurposing its ... [Inaudible.] ... whereas in the past Eskom was just stuck as a coal-fired generation company, as well as, yes, a little bit of nuclear. They are now saying we need to be broader, much broader than that, and find ways of entering the renewable energy space.

Now that is a forward-looking company that we need to support. Yes, we need to support the leadership as well as they try to solve the many problems that they face. So, yes**,** Eskom is the biggest risk our country faces and we have got to collectively find solutions to address this risk. Thank you, hon Speaker.

Question 14:

The PRESIDENT OF THE REPUBLIC: Hon Speaker, climate change is an existential crisis. As a country, we are a signatory to the Paris Agreement to combat climate change and, as such, we have obligations to contribute our fair share to reducing greenhouse gas emissions.

The same Paris Agreement places an obligation on developed economies that are responsible for some 76% of historical emissions – they have a responsibility which they signed up to and which everybody agreed they have – to provide support to developing economies to adapt to the effects of climate change and transition to a lower-carbon future.

The Political Declaration announced at COP26 in Glasgow gives effect to some of these obligations, both our own obligations as a country and those of other developing-economy countries, as well as the obligations of developed-economy nations.

In terms of the Political Declaration, the US, the UK, Germany, France and the EU have offered – underline “offered” in that they have said that they want to put this offer on the table in line with our obligations as agreed to at COP26 – an initial amount of US$8,5 billion, which is equivalent to around R131 billion, to support South Africa’s just transition efforts. This is a process we have agreed to go through – we will go through a transition to lower our own greenhouse gas emissions.

This support will take the form of various financial instruments, ranging from grants to concessional loans at very

low interest rates. This funding will be mobilised over the next three to five years, with a view to longer-term engagement – if we finally reach agreement and accept their offer.

This is an initial commitment, which may increase as discussions progress and further funds are identified. This commitment from international partners does not mean we need to accept the offer as such, nor do we need to accept any unfavourable terms, especially if the financing arrangements could impact negatively on the public fiscus of our country.

The political declaration is in line with the obligation on the part of developed economies – as historical beneficiaries of high carbon emissions – to provide support to developing economies to transition to a lower-carbon future.

The pace and extent of decarbonisation in South Africa will be determined by the financial support available and it will also have to take into account our own country’s social and economic challenges. In other words, this is not a blank cheque. This has to take into account our own situation, challenges and everything else. We will continue to chart our own developmental ... [Interjections.]

Mr J S MALEMA: We can’t hear a thing, Madam Speaker.

[Interjections.]

[TANYA LYONS FROM NA TABLE REFERS TO SOUND PROBLEM; TECHNICAL QUERIES]

[Interjections.]

BUSINESS INTERRUPTED ON THE VIRTUAL PLATFORM DUE TO TECHNICAL ERROR AT 14:40 AND RESUMED AT 14:45.

The SPEAKER: Thank you very much, hon members. Our sincere apologies for that. Am I audible, hon members?

HON MEMBERS: Yes.

The SPEAKER: Thank you very much, hon members. The first supplementary question will be asked by the hon J S Malema through the virtual platform. But, hon members, just a friendly reminder: the first supplementary question, which is asked by the person who originally posed the question, has two

... [Inaudible.] Subsequent supplementary questions ... [Inaudible.] ... one minute. I just thought we have been away from Parliament and maybe we had forgotten that it is one

minute. So, for the hon member now, because it is the first supplementary question, you have two minutes. Thank you. Hon Malema, you may proceed.

Mr J S MALEMA: Hon Speaker, I didn’t hear half of the response

by the President, because we got cut.

The SPEAKER: Okay. Thank you very much, hon Malema, for drawing my attention to that. Hon President, I learn from the Table that this is true in that the members that were on the virtual platform could not hear half of your response. Our apologies once more, Mr President. Hon President, you may start all over again.

The PRESIDENT OF THE REPUBLIC: Thank you, hon Speaker. I will do that as a favour to the hon Malema. I said in response to his question that climate change is an existential crisis that we face as do many other countries around the world. As a country, we are – we should remind everyone – a signatory to the Paris Agreement to Combat Climate Change and, as such, we do have obligations as South Africa to contribute our fair share to reducing greenhouse gas emissions.

The Paris Agreement places an obligation on developed economies, that are responsible for some 76% of historical emissions, to provide support to developing economies to adapt to the effects of climate change and transition to a lower- carbon future. The Political Declaration announced at COP26 in Glasgow gives effect to some of these obligations, both our own obligations and those of developed economies.

In terms of the Political Declaration, the US, the UK, Germany, France and the EU have put on the table – offered – an initial amount of US$8,5 billion, which is equivalent to around R131 billion, to support South Africa’s just transition efforts.

This support will take the form of various financial instruments, ranging from grants to concessional loans. This funding will be mobilised over the next three to five years, with a view to longer-term engagement. This is an initial commitment – it is an offer that has just been put on the table – which may increase as discussions progress and further funds are identified.

This commitment from international partners does not mean we need to accept the offer as such, nor do we need to accept any

unfavourable terms, especially if the financing arrangements could impact negatively on our own fiscus.

The political declaration is in line with the obligation on the part of developed economies – as historical beneficiaries of high carbon emissions – to provide support to developing economies to transition to a lower-carbon future.

The pace and extent of decarbonisation in South Africa will be determined by the financial support that will be available and will take account of our own country’s social and economic challenges. So all of this is conditional on us wanting to get the financial support and on our very clear plans on how we address our social and economic challenges. We will continue to chart our own developmental path and continue to affirm our right to develop our economy in a sustainable and inclusive manner.

A significant portion of funding is expected to be used for Eskom’s just transition plans, which include the decommissioning of some of the power stations whose life has come to an end. Ordinarily, they would have been decommissioned and that would have been the end – the town would close and the power station would close. But we are now

saying that, with funding, we will be able to recalibrate those power stations, repower them, repurpose them. We will be able to do this in line with our own Integrated Resource Plan 2019.

Funding will also be allocated towards the development of new sectors, such as electric vehicles and the implementation of the Green Hydrogen Sector Master Plan. More importantly, the declaration recognises that a transition to a lower carbon economy must also address the needs of workers and the needs of communities that reside in areas where our power stations are located.

Funding offered through the Political Declaration will be used for targeted programmes of reskilling and upskilling, creating employment and providing other forms of support to ensure that workers, women and young people are the major beneficiaries of our shift to a greener future. Now this will be the stage at which our key role-players – trade unions, business, communities – will have to buckle down and properly design what this transition is going to be and what the key elements of this transition should be. This is so that out of this transition, we should be able to leave no one behind.

Achieving our Nationally Determined Contribution targets and implementing the IRP 2019 require significant investment. A joint negotiations team will be established. And, as I was saying, we will have top-class financial people from both the public sector and the private sector – and we also include trade union representatives – who are going to buckle down and make sure that all these elements of this transition are properly negotiated as well as whether, in the end, this offer that has been put on the table is the type of offer that will take us forward or not. This process is expected to be finalised over months. I have said that it needs to be done in the most transparent manner so that South Africans know precisely what this just transition is going to be about and what funding will be provided, both from the local market and the offshore market. Thank you, hon Speaker.

Mr J S MALEMA: Thank you very much, Speaker. Mr President, reliable energy supplies just about ... [Inaudible.] [Sound breakdown.]

The SPEAKER: Hon Malema? Your network seems to have a problem.

We’ve lost you. Hon Malema, can you hear me?

Mr N F SHIVAMBU: Hon Speaker, the commander-in-chief is joining in now, but the system has done what it did before. So he is joining in now. He will ask the supplementary question now.

The SPEAKER: Do you want to ask the question for him?

Mr N F SHIVAMBU: He is going to join in to ask the question now. [Interjections.]

The SPEAKER: Hon Malema? May we proceed to entertain another question, hon Malema? Hon Shivambu, you are connected. Maybe you should take the slot and raise the question on behalf of Comrade Malema.

THE MINISTER OF SMALL BUSINESS DEVELOPMENT: Let’s move,

Speaker. We can’t wait for Malema here. [Interjections.]

The SPEAKER: Hon Shivambu, will you please take this slot on behalf of hon Malema?

Ms N V MENTE: Hon Speaker?

The SPEAKER: Yes. You may proceed, hon member.

Ms N V MENTE: The president is joining in. [Interjections.] Could you take ... [Inaudible.] [Interjections.]

THE MINISTER OF SMALL BUSINESS DEVELOPMENT: No! No! We can’t

wait forever for him to join.

Ms N V MENTE: Shut up, wena! I am not talking to you.

The SPEAKER: Order, hon members! I suggest we proceed. If there isn’t a member from your party who would like to ask a question on behalf of the hon Malema, then I proceed to allow another member, the hon M G Mahlaule, the opportunity to ask a supplementary question.

Mr M G MAHLAULE: Thank you very much ... [Interjections.]

Ms N V MENTE: Speaker ... [Interjections.]

The SPEAKER: Is that a point of order?

Ms N V MENTE: Yes, Speaker. I was rudely disrupted by your members there. My suggestion was ... [Inaudible.] ... Just like we usually do with all parties: my suggestion was that whilst the president is joining in, that you please take

another follow-up question. When he comes in then he is going to ask his question.

The SPEAKER: That is what we are doing. Thank you very much, hon member. Hon Mahlaule?

Mr M G MAHLAULE: Thank you very much, Speaker. Mr President, in light of the view that in Africa we have many examples of states whose performance until the mid-1970s would have qualified as developmental states in the sense conveyed by the current definitions, but which now seem anti-developmental because the donor conditionalities of Western countries brought the expansion of their economies to a halt, what approach is being used to ensure that the government continues to perform its socioeconomic transformation agenda without facing major opposition from donor conditionalities in so far as the R131 billion investment in a just transition is concerned? Thank you very much.

The SPEAKER: I now recognise the hon President. Mr J S MALEMA: [Inaudible.]

The SPEAKER: Yes, will you hold and allow the President to respond to the question.

Mr J S MALEMA: No problem.

The PRESIDENT OF THE REPUBLIC: Hon Speaker, in terms of negotiating with those who have offered this funding, we will make sure that part of the funding is grant funding without any form of conditions. Quite a lot of it is concessional funding, which is less onerous that just straight loans. If any part of it is categorised as loans, we will make sure that the conditions are not onerous on our fiscus. We will make sure that we are never lumped with conditions that will debilitate our developmental initiatives.

We will be seeking to have negotiations in a very transparent manner in that we will not just want to roll over and accept any conditions. The last thing we want to do is to be lumped with conditions that are going to restrict our ability to continue along our developmental path.

So we are going to be absolutely careful. It is for this reason that I said that we will bring in to the team people from the private sector, the public sector and the trade unions, as well as from government of course, to ensure that the agreements that we arrive at are agreements that are going to be beneficial to us.

We will also make sure that there is quite a lot of transparency in all these negotiations. So we are not going to be handing over everything to those funders. A number of them will be development funding institutions from those various countries. These are institutions that in the main – the likes of Eskom and many others – have already been dealing with over time. So we will be dealing in an arena that a number of the key role-players in our country have been working with. So I don’t really foresee us being short-changed in any way. Thank you, hon Speaker.

The SPEAKER: Hon member Malema, are you ready?

Mr J S MALEMA: Yes, I am available. My apologies, Speaker, and Mr President. We were challenged here with the network. Mr President, I was a bit worried when some of these developments were announced by a president of another country which somehow suggested that they were undermining the sovereignty of our country, because such a development ordinarily should have been presented to us and the world by our President.

Mr President, renewable energy supplies just about 12% of the energy needs of the United States, with the rest coming from petroleum, natural gas and coal. They are the biggest emitters

of greenhouse gases in the world. A similar trend can be found in the United Kingdom and in Europe. These countries have developed to the extent they have because of their exploitation of fossil fuels, developing themselves while leading us to the climate situation we find ourselves in.

Why are these countries, who are the biggest emitters of greenhouse gases in the world, not committing to making the transition to fuel ... [Inaudible.]

Mr S M KULA: Speaker, point of order. May I rise on a point of order?

Mr J S MALEMA: ... [Inaudible.] ... responsibility of the developing world to clean up the mess done by the developed world.

The SPEAKER: Point of order.

Mr J S MALEMA: What authority do you have that our transition to renewable ... [Inaudible.] ... energy will not ... [Inaudible.] ... our developmental goals. [Inaudible.]

Mr S M KULA: Point of order. Point of order, hon Speaker.

The SPEAKER: Hon Malema, my apologies. There is a point of order. Point of order, yes?

Mr S M KULA: Thank you very much, hon Speaker. I am saying that I agree that the hon Malema must be able to ask a question, but it must be noted in this Parliament that the hon Malema and the EFF have sold out this country. The EFF is the new ... [Inaudible.]

Mr W T I MAFANYA: Point of order. Point of order, Chair. [Interjections.]

Mr S M KULA: [Inaudible.] ... go down in the annals of history that the hon Malema is a ... [Inaudible.] [Interjections.]

Mr W T I MAFANYA: The fool is busy talking... [Interjections.]

The SPEAKER: Hon member, do that again and not listen and I will request the Chamber to remove you from the system. You are disrupting the processes. This is an irrelevant issue when it comes to what we are discussing right now. The hon President?

Mr J S MALEMA: I was still on the platform.

The CHIEF WHIP OF THE OPPOSITION: Speaker, I’m terribly sorry to interrupt the hon Malema as well as the President, but there is a terribly strong smell of burning coming into the Chamber. Could that please be addressed because the smell of burning is getting stronger?

The SPEAKER: The Serjeant-at-arms will check where the smoke or the burning is coming from. Hon Malema, you may continue.

Mr J S MALEMA: Hon President, I asked my question but then I got interrupted here by some clown.

*Sepedi:*

Ke be ke re ke no mmotṧa gore mpimpi o tla ra papagwe! [I think I should tell him that a sellout is his father!]

Mr S M KULA: Hon Speaker, point of order. [Interjections.] We are not going to allow this behaviour from the hon Malema? He can’t be saying that and that is allowed. [Interjections.]

The SPEAKER: [Inaudible.] ... now remove you from the system. Will you please remove the hon Kula from the system? [Applause.] [Interjections.] The hon President?

The PRESIDENT OF THE REPUBLIC: Thank you, hon Speaker. I’m able to answer the question posed by the hon Malema. Hon Malema, you are absolutely right. The countries in the North are the biggest emitters of greenhouse gases and a number of them are still reliant on fossil fuels to generate their energy. Through the devastating effects this has had on the climate, we now have a climate that is changing.

But the unfortunate part of this is that it is changing for all of us. For the most part, they have damaged the climate and we are now paying for the damage that they have caused to the climate and its effects are being felt by those who participated least in effecting that damage. We are depicted as number 12 in the world as an emitter of greenhouse gases.

The effect that climate change is having is not only just what we may want to believe. It is much more overarching than that. We now have strange climate phenomena that have an effect on our own continent and in our own region. We now have floods that even our forebears have never seen before, and droughts that go on for years and years. We are currently having a drought here in our own country in the southern part where there is a shortage of water. There are many other climatic disasters that are befalling us.

So, in the end, it does behove us too as part of the countries that have been the least responsible for damaging the climate, because we are the most affected and we are worse off because our developmental challenges are much bigger than those who have damaged the climate in the main. So, in the end, we also have to do something to address climate change. And, in addressing climate change, we have had to declare precisely what we are going to do.

The damage, if you like, is not only on the landscape of our country and all that, because it also affects health – the health conditions of many of our people, particularly in our cold mining areas and electricity-generation areas. They are just continually at risk because of reliance on fossil fuels.

Evidence of this was possibly not available many years ago, but it is becoming more and more available. So this is a serious problem that we too have to address. In addressing it, we also have to rely on the international or global agreements that have been arrived at in Paris and in many other places – Kyoto and others – where the more developed economies have accepted the responsibility.

Therefore, we must make them live up to those responsibilities. Hitherto they had been dilly-dallying and not been too willing to make real commitments. Now we must make sure that they live up to the commitments they have made.

In doing so, as I said earlier, we should not short-change ourselves. We should not enter into agreements that are going to be detrimental to our own developmental path. We should enter into agreements that are going to advance our own situation. If, for instance, in addressing the transition ... say, for instance, of an Eskom in a power station town, we must make sure that the workers’ situation is looked after.

There must be a just transition that addresses their situation through reskilling, upskilling and in any other way. The livelihoods of communities must also be factored in.

So our approach is going to be developmental. It’s not just going to be a financial approach. We will want to approach this whole process in a holistic manner so that our people benefit and they are not left behind. Thank you, hon Speaker.

The SPEAKER: Thank you very much, Mr President. Hon members, there is no reason for fear: somebody was smoking in the courtyard. [Laughter.] So we are sorting that out. We will not

adjourn; we will continue, but we have opened the doors. Thank you very much, Mr President. The third supplementary question will be asked by the hon K R J Meshoe from the Chamber.

Rev K R J MESHOE: Thank you, Speaker. Mr President, while the ACDP fully supports the transition from coal to clean energy, we nevertheless have two major concerns. The first concern is the impact of the hundreds of thousands of job losses on the families of mine workers and their communities. Renewal energy jobs will not be created overnight and retrenched workers will not be upskilled for the newly created jobs in that sector.

The second concern is how our country will afford to repay concessional loans as our current debt is almost R4 trillion. So, my questions, Mr President, are how are coal-dependent regions going to be supported to ensure that they don’t become ghost towns; and what is government going to do to prevent retrenched workers and their families from ending up on the street, thereby increasing unemployment? Thank you.

The PRESIDENT OF THE REPUBLIC: Thank you, hon Speaker. Our path to a just transition is aimed precisely at addressing what the hon Meshoe was raising now. The main input of my reply dealt with the situation of workers and the situation of

our communities in areas where we will have to transition from fossil fuels to renewable energy.

In the first instance, as I said, one of the things we are going to look at is how, for instance, Eskom – which, through its power stations, is the dominant player in particular towns in Mpumalanga and in Limpopo – moves towards decommissioning some of those power stations. This entails looking at how those power stations be repurposed and can be refrabricated to be more useful either through gas or otherwise, or through other forms of renewable energy. That is a process that is now being looked at very, very closely. In fact, there is a project plan that focuses just on that. But this needs to go beyond just the technical part; it needs to look at the human part – the workers and communities. It also has to look at new opportunities that will come forward with a renewable energy future, because we have found that as certain areas of various countries transition from fossil-fuel generation to renewables, new forms of sectors begin to emerge.

We believe that that too will emerge with us. We are already thinking about electric cars. We are already thinking about green hydrogen. That, in itself, in terms of the discussions

we are having with the private sector, demonstrates that there are enormous opportunities.

As I said, part of the funding will have to go towards reskilling and retraining some of the workers. I participated in an International Labour Organisation study with the former prime minister of Sweden at which we looked at the future of work and how workers can be reskilled, retrained and upskilled so that they are fit for purpose for the new economies that are coming. Let us not forget that as the world has evolved, as we have moved from one revolution to another, from the industrial revolution to now where we are in another revolution, of course jobs have been lost, but jobs have also been created.

Now, what we want to do is to make sure that we maximise the creation of new jobs, new technologies, new forms of doing things and new sectors. Even through our Economic Reconstruction and Recovery Plan we are looking at ... [Inaudible.] ... how we can capitalise on new sectors of our economy and really boost them up. We often find that there is new money; that there is good money that is willing to come into these new sectors because it creates new markets.

So, even though on the energy side, we will, unfortunately, have to decommission some power stations and coal mines, there is a future that we can look forward to as we recalibrate those power stations and create new sectors and new economies. Thank you, hon Speaker.

Ms T L MARAWU: Thank you very much, hon Speaker. Mr President, I think my question is more or less the same as what the hon Meshoe asked you and you have already responded. My question is: What effect does phasing out the usage of coal have on the economy and on the broader jobs market in all dependent sectors? Also, what mitigation strategies do you have in place in ... [Inaudible.] That is why I was saying that you have more or less responded to that. It is the same question as that of the hon Meshoe. Thank you, hon Speaker.

The PRESIDENT OF THE REPUBLIC: Well, hon Speaker, I thought the hon member was saying that I had already answered the question. I’m rather glad that she listened very carefully and conceded that the question had been addressed and answered too. So that makes me happy and saves me some time too. Thank you.

Mr B A RADEBE: Hon Speaker, just before we leave this question: during the exchange between hon member Malema and hon member Kula, it seemed like offensive language was used during that time, but because it was given in a home language of hon member Malema I could not understand it. The only language I am comfortable with are IsiZulu, Sesotho, Afrikaans and English. So what I request the speaker to do – because you cannot have offensive language on the record of Parliament – is to look at the Hansard. Thank you.

The SPEAKER: We will look into it, hon member. I will request the Table to check with Hansard and then we will come back and report on it. Thank you very much.

Hon members, we now proceed to Question 15 ...

Question 15:

The PRESIDENT OF THE REPUBLIC: Hon Speaker, thank you. The current situation in local government, including the unprecedented number of councils where no party has an outright majority, is the product of a democratic process that we should be please about. Whichever way it could have gone for any of our parties we should be pleased that the people of our country have expressed their will. On 1 of November, the

people of South Africa freely and fairly, and in conditions of peace and stability, voted for the people and parties they want to represent them in municipalities. This is the will of the people and we must accept it, whether we are happy with it or not, whether we like it or not. [Applause.]

While there are certainly particular challenges associated with so-called hung municipalities, these challenges are by no means insurmountable. And they are no means novel to us. It happens all over the world. While the country’s experience of coalition or minority government at a local level has not always been favourable, it is essential that we nevertheless make these councils work, for the sake of the people of our country who reside in these municipalities. We must ensure that these councils provide the services that people need and create an environment conducive to the growth of businesses and the creation of employment. Ultimately, this will depend on the political will, commitment and capabilities of the parties and individuals running these municipalities.

As national government, we are firmly committed to support all municipalities in ensuring that they fulfil their responsibility to the people they were elected to serve. I took time yesterday and the day before, to phone the new new

metro mayors whichever party they belong to and congratulated them and said to the I look forward to work with them when they would be attending the Presidential Co-ordinating Council on an ongoing basis. Invariably, all of them were please with that offer and some of them even we didn’t expect you to call because we took the metros from your party. I said to them, no, no, no, I am phoning as the President of the Republic of South Africa. [Applause.]

It is significant that on the same day that the local government elections were held, the Municipal Structures Amendment Act No 3 of 2021 came into effect. The interventions that were introduced through these amendments will go a long way towards addressing many governance challenges that have been experienced by municipalities in our country and to ensure improved and sustained service delivery to all our communities. The amendment Act strengthened the Code of Conduct for Councillors and makes it mandatory for all municipal councils to establish municipal public accounts committees, Mpac. The purpose of these committees will be to review various reports and thereafter make recommendations to the municipal council.

The Ministry of Co-operative Governance and Traditional Affairs, National Treasury and the SA Local Government Association, Salga will soon after all municipal councils have been constituted embark on an intensive councillor induction programme. I intend, in the Presidency, to set up a unit that is just going to be focussing on our work as a nation on local government so that we bring more attention to the work that is being done, how the money is spent and all that. I often get concerned that sometimes money is returned to the fiscus without being spent from local government entities.

We want all those elected councillors, especially those that are serving for the first time, to receive the appropriate orientation to effectively perform their duties as councillors, and where appropriate, the specific roles and responsibilities that are entrusted to municipal office bearers such as the speaker, mayor, executive mayor or Whip should be responsibilities that they will execute with a great commitment. We are confident that these interventions that we are making will help to strengthen governance at a local level.

However, the achievement of stable well-managed municipalities that provide quality services to all residents depends on

effective collaboration between all political parties, all stakeholders and the different spheres of government. I have been particularly pleased to have heard many of the metro mayors saying that they are going to extend their hand to various political parties in their spheres so that they can work together. This is the time when we at local government level collectively should put our people first and the interests of our parties last. If this happens we will have much better service delivery in our local government sphere. Thank you, hon Speaker.

Mr S S SOMYO: Thank you very much, Madam Speaker.

*IsiXhosa*:

Enkosi kakhulu ...

*English*:

Indeed, the worrisome factor is the recent past where our people have experienced instability on the fragility of the system - something which we concern ourselves with. I am so proud of your sessions that indeed the centrality of the people is the core of our own observations, whether you are coming from any political party this is the time to serve our people. We need to commit to that. You have made it through

length and breadth of our country where that commitment has been made. Are you, today, prepared to face these political parties and say to them, go with me to make this commitment work to ensure the fragility of the system is the thing of the past? Those who arrogate power for their own interest they should see through that voice that indeed people have spoken. Thanks very much, Mr President.

The PRESIDENT OF THE REPUBLIC: Thank you, hon Speaker. I am able to say to hon Somyo that one of the reasons that made me call these metro mayors and I will in time permitting be willing to call the other hundreds of other mayors, tens and tens of them to congratulate them and also to give them a commitment that from national government level we are prepared to work with them and support them. One of the reasons why I decided to do so was precisely in many ways to depoliticise the local government sphere. As much as I think all parties went through the length and the breadth of the country on a party-political ticket. In the end our people are just interested in service delivery. They want service delivery and if they can get water, roads, electricity, clean town, refuse removed and all that, our people will feel that leaders are doing everything they can to look after them.

I would be willing, hon Somyo, as I go to various towns from time to time be willing to go with leaders of other political parties if they will be willing to do so. They are often not too keen to do so. So, maybe you may want to whisper to them that there is really no danger in going around with a person like me. But I will be willing to work with them. The willingness to work with them is going to be demonstrated in the next few as we will be getting a better focus on local government through our own office with a view of assisting and supporting the work that local government leaders will be effecting to advance the interests of our people. So, the answer is, yes! Thank you, hon Speaker.

Mr A M SHAIK EMAM: Thank you hon, Speaker. Mr President, these hung municipalities are certainly going to go through a roller-coaster ride as political parties jostles for positions, power, control and resources. Corruption and looting will be on the rise. Mr President you known that the private sector has invested a lot in these elections. What additional measures can be put in place to ensure that we get value for money at local government level so that more money will be available to deliver services rather than going into the pockets ... [Interruptions.]

The SPEAKER: Hon Shaik Emam!

Mr A M SHAIK EMAM: Have you heard me, hon Speaker? Can you hear me now?

The SPEAKER: Now we can hear you. Proceed!

Mr A M SHAIK EMAM: Thank you, hon Speaker. Mr President, these hung municipalities are certainly going to go through a roller-coaster ride as political parties jostles for positions, power, control and resources. Corruption and looting will be on the rise. As we know private sector have invested heavily in these elections and are expecting something in return, what additional measures could be put in place to ensure that we get value for money so that we can provide better services to the people rather than a few individuals enjoying a monopoly in this municipalities controlling all these candies?

The PRESIDENT OF THE REPUBLIC: Hon Speaker, what I was saying earlier in my main reply referred to some of the measures that we would want to put in place. Firstly, we would obviously want all councillors to be properly inducted and that induction process will also accompany overtime through

training process so that we don’t only end up with induction but also training so that they get to understand more fully their own responsibilities. Beyond that, I also spoke about the amendments we have now introduced in the Municipal Structures Act which is going to enhance the governance at that level so that we have committees such as the Mpac that are going to look very closely at how money is spent and what it is spent for and root any form of corruption.

But the other important thing, of course, is that local government must also look beyond the horizon a bit. We would like to see the leaders themselves as people who are going to promote investment in their own towns, cities and metros. If possible they should each establish an investment office which will just be focussing on advancing, promoting and attracting investment in specific towns. I often refer to a country like China which has grown phenomenally. I have often been told that the growth was largely generated at local government level. As I often say that is where investment takes place.

Investment does not take place here in Parliament or at the Union Buildings, but it is at the local level. Municipalities can find a way - and they must find that way - of working very closely together with the private sector to make sure that

their cities, towns and metros become areas that are conducive for investment to take place.

Local government leaders must be everything so that they attract investment rather than repel investments. They should come up with creative ways of attracting investors to their own towns and making sure that investors stay in their own towns to create jobs. They must do a variety of things. They must look after their roads, electricity and cleanliness of the town. They must have a very open and inviting type of disposition to potential investors. In some cases, they must go out and seek investors and bring them in. Run a clean government where corruption does not have a space at all. If they can do that, investors will start coming in. Investors want a conducive environment. They also want certainty. The regulations, rules and the incentives must be such that they can attract investors to come to the town, city or metro. If they can do that, hon Emam, I believe that we would have local government dispensation that will also begin to lift the economy of our country. As I said, and I repeat, investment takes place at a local level. They do not take place at a national level. All we do at the national level is to create an environment and the climate. Similarly, the responsibility rest on the shoulders of local government leaders to make sure

that investment do take place and job creation does ensure. Thank you, hon Speaker.

The LEADER OF THE OPPOSITION: Thank you, Madam Speaker. Thank you very much, Mr President, for the maturity of your response. We associate ourselves with it. But the question of the hon member is frankly a deflection because we all know that the hung municipalities are not the real problem in South Africa. If we look at the recent report released by your Co- operative Governance and Traditional Affairs, Cogta, Minister there are 64 municipalities in that list that are listed as dysfunctional. Barely, a few of them are hung or minority government councils. This list is jam-packed with ANC majority coalitions.

But you are right about local investments. When people vote with their feet businesses vote with tinier feet. In places like Lichtenburg and Standerton they are leaving because those ANC councillors have failed to deliver basic services.

I would say to you, Mr President, that there is no big threat to service delivery at a local level in South Africa than an ANC government coupled with ANC cadre deployment. Now that the voters have said the same thing around South Africa, Mr

President, would you now concede that the policy of cadre deployment is directly responsible for the collapse of local government service delivery and now must surely be abandoned? [Applause.]

The PRESIDENT OF THE REPUBLIC: Thank you, hon Speaker. Thank you very much for the concession you made at the beginning. But it is quite clear that hon Steenhuisen just misses this thing to me whenever I speak. I don’t know what am I going to do. [Interjections.]

The SPEAKER: Hon Malvern Dicks, do not do that. The President is on the platform. Proceed, hon President.

The PRESIDENT OF THE REPUBLIC: The answer is very simple and straight forward to hon Steenhuisen. If he has been listening to everything that I have been saying through the period where we have been saying, we want capable people to be put in positions. They should be put in those positions on merit and their capability to do the work. It should not be because you are handsome, you are able to speak English, you are good looking or whatever. It should be because you are good at what you do. I am making you blush. I am sorry I never thought it would get to this.

In the end we want capable people to be put in positions throughout various areas in our country so that we can deliver good service to our people. It’s as simple as all that.

Anything else really begins to dilute the real meaning of what capability is all about. Thank you, hon Speaker.

Mr I M GROENEWALD: Thank you, hon Speaker. Hon President, with reference to the question asked by the hon member, I would like to disagree with the statement that hung coalition governments are unstable and a threat to service delivery.

Coalition governments are the future of the South African governance and can be a turnaround point for service delivery and the economy of South Africa. Germany is a good example of this. We saw however in Tshwane that the provincial government intervene illegally to bring about instability. What guarantee can you, as the President and the president of the ANC, give that there will be no interference by provincial and national ANC administrations which will attempt to hamper the functioning of coalition governments?

The PRESIDENT OF THE REPUBLIC: I spoke a few days ago when we were receiving President Kenyata. One of the journalists asked me offline question from the right field. He wanted to know about my own views on the functionability - I can use such a

word – of coalition governments. I said that we are still new. This is a new terrain for us. Our democracy is still very young and we are yet to fully experience the full effect of coalition governments. What we have experienced in the recent past has not been anything that can give us great confidence. But having said that I do not believe that we should not look to a future where there will be coalition governments. What we should seek to do is to see coalition governments work.

If we can embrace that type of future and say, yes, the future that we see evolving in many other countries particularly in the more developed democracy countries is that the future is coalition governments, and if not there is a continuous gyration changing of government on an ongoing basis. You see what is happening. In the US one party comes in and the next party goes out, next party comes in and so forth. In other countries it is more sort of permanent coalitions.

Speaking to the former Prime Minister of Sweden the other day he said sometimes we have a gridlock because we almost have a permanent coalition type of dispensation. The same thing is happening in Germany. They are still negotiating months after their own elections. So, this is a new terrain. We are

traversing a new terrain. Sometimes it will be unstable, sometimes it will give rise to stability.

What we should focus our eyes on is that all these should not hamper service delivery. Our main focus must be to ensure that there is service delivery. Yes, the notion that when you have a majority government in local government, even at national government, that’s when you have the way with all to be able to deliver more effectively. There is that notion and at the same time there is also the view that when you have a coalition government you are able to sharpen each other’s wits and be able to ensure that corruption is reduced and the lack of capability is done away with and you are able to ensure that there is good service delivery.

The jury, as far as I am concern, is still out. One cannot at this point in time say one system will work better than the other. Let us hope that with these coalitions that have been struck now they will function for the full five years as well as it is expected. For me, the worst would be when there are disruptions and instability. I can say that from government level we will not be seeking to disrupt or destabilise governments at local government. We accept that the people have spoken and the will of the people must be executed. We

will be supportive of the governments that have been put in place. Thank you very much, hon Speaker.

Question 16:

The PRESIDENT OF THE REPUBLIC: Hon Speaker, the Integrated Resource Plan 2019, IRP 2019, is the guiding document for energy supply planning between now and 2030.

In developing the IRP 2019, the energy planners take into account security of electricity supply, protection of the environment and the need to reduce carbon emissions. The reduction of carbon emissions as envisaged in the IRP 2019 is aligned with the emissions trajectory in our updated Nationally Determined Contribution, which sets out a target for a reduction in our greenhouse gas emissions by the year 2025 and the year 2030.

It is projected that full implementation of the IRP 2019, along with existing energy efficiency and green transport policies, will result in emissions in line with the revised Nationally Determined Contribution that we adopted prior to the Conference of Parties 26, COP26.

The IRP 2019 provides for the decommissioning of a number of coal-fired power plants that have reached, or are nearing the end of their lives. The pace and scale of decommissioning coal-fired power stations will be determined by the need to maintain security of energy supply and the extent to which financial support - as I said earlier - for a just energy transition that will enable a higher level of ambition.

In terms of both the IRP 2019 and the revised Nationally Determined Contribution, coal will remain part of the energy mix beyond 2030 even as the share of renewable energy sources significantly increases. I think that’s important for us to note and this is what we have also made clear to our international partners. We have just built two mega coal power stations – Kusile and Medupi. Their lives would be quite much longer. There are a number of coal-fired power stations that have to be closed down because they have reached the end of their own lives. There has to be a clear balance. Right now, we have 45 000 megawatts installed capacity in our country and the majority of that is coal-powered. Even as we bring in renewables, none of them are ever going to reach that level of

45 000 megawatts within a short space of time. In the end, we are going to have the two living side-by-side as we move on our trajectory to remove fossil fuel utilization.

The Integrated Resource Plan is a living document that takes into account changing circumstances and the anticipated needs of our country into the future. The Integrated Resource Plan looks at all the sources of our energy. That’s why we say we have a mixed energy supply type of dispensation or generation dispensation relying on wind, sun as well as nuclear, hydro, fossil fuels and gas. The whole mix has to be put in place and we need to create a balance as we move on. We will never do anything that is going to be detrimental to our energy source, our economy and the needs of our people going forward. Thank you, hon Speaker.

The SPEAKER: Thanks Mr President. Due to a bereavement, Mr Gallo is unable to take the first supplementary question and Mr Jafta from the AIC is also unavailable to take charge of the first supplementary question. Accordingly, Rule 137(10) will apply. I will only allow one minute for each of the four supplementary questions.

Ms O M C MAOTWE: Thank you very much, Speaker, Mr President, it is now clear that the ruling party and the Cabinet it leads has taken a resolution to hand over strategic state-owned entities in the energy, rail and water and soon this will be the case with sanitation as well. Whether you call it selling

our strategic assets or privatization, at the end of the day, you are handing over public assets mainly to people who handles you. Mr President, we hear you, the Minister of Public Enterprises and the incompetent white chief executive officer, CEO, of Eskom talk about a lot of transition ... [Inaudible.]

...

Mr B A RADEBE: On a point of order.

The SPEAKER: Hon Maotwe, there is a point of order. Yes, hon Radebe.

Mr B A RADEBE: Hon Speaker, I am rising on Rule 84.

The SPEAKER: Yes.

Mr B A RADEBE: The member has just used an offensive language that the President is handled by some people. She must use Rule 85, to substantiate the matter.

The SPEAKER: Hon Maotwe, can you withdraw, please?

Ms O M C MAOTWE: I will substantiate, Speaker.

The SPEAKER: Hon Maotwe, can you please withdraw that offensive language which is directed to ... [Interjections.]

Ms O M C MAOTWE: The member is not asking me to withdraw but to substantiate. I am saying, I am willing to do that.

The SPEAKER: I am asking you to withdraw, hon Maotwe.

Ms H O MKHALIPHI: Speaker, hon Mkhaliphi here.

The SPEAKER: I can see you, hon Mkhaliphi but I haven’t given

you the opportunity to speak.

Ms H O MKHALIPHI: I am raising my hand Speaker; I just need clarity. What must she withdraw? You are supposed to tell that she must withdraw one, two and three.

The SPEAKER: Hon member, Mkhaliphi, you are really out of order because I did not grant you an opportunity to speak. Please don’t do that.

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: I am fine with

your ruling, hon Speaker.

The SPEAKER: Thank you very much. I insist that hon Maotwe ... that statement was directed to an individual and not to a party. Will you withdraw that statement?

Ms O M C MAOTWE: Hon Speaker, I want to withdraw. Which part must I withdraw?

The SPEAKER: I will cut you off. That’s a warning ...

Ms O M C MAOTWE: I am seeking clarity, Speaker.

The SPEAKER: I said this thrice to you and you know exactly what to withdraw. I am now giving you the last opportunity to withdraw or leave the system.

Ms O M C MAOTWE: I withdraw but I want to follow it up because it is incorrect to ask me to withdraw. When I simply ask you for clarity, you are unable to do so. I withdraw.

The SPEAKER: Thank you very much for withdrawing

unconditionally. That’s the most important thing.

Ms O M C MAOTWE: Now, Mr President, we hear that you, the Minister of Public Enterprises and the incompetent ... [Inaudible.] ...

The SPEAKER: You are gone. The system has thrown you out. The hon President.

Ms O M C MAOTWE: On a point of order. Hon Speaker, I am still here. I am asking a question.

The SPEAKER: You were inaudible.

Ms O M C MAOTWE: Oh, okay. Let me finish, Speaker. We also know that Eskom once had the capacity to develop renewable energy because of a number of successful projects but we don’t hear you talk about how Eskom fit into the just transition process beside misguided rhetoric about closing old power stations. How much of the R131 billion pledged by the imperialists and former colonizers is going to benefit Eskom? We don’t want long stories Mr President. Just give us a number. And President, maybe you must discipline the Speaker again and remove her, please. She is a problem. Thank you.

Ms H O MKHALIPHI: Speaker, I have my hand up. Speaker can you

...

The SPEAKER: Hon Mkhaliphi, you have a tendency of just budging in without saying a point of order. Call for a point of order and I will give you attention. I will grant you an opportunity to raise your point of order but if you just budge

... Thank you very much.

Ms H O MKHALIPHI: Speaker, on a point of order.

The SPEAKER: Thank you. Hon Mkhaliphi.

Ms H O MKHALIPHI: Speaker, I am raising a point of order on the way you are running this Parliament. The member is correct to say please clarify what she must withdraw. It is your duty to take through the member of the things that she said that is unparliamentary. You can’t just say to a member, just withdraw, you know what you have done. That is a point of order I wanted to raise and ask you to reconsider because it is unfair to our member when you just expect her to withdraw something that she does not even know, Speaker.

The SPEAKER: Thank you very much, hon Mkhaliphi. I have ruled on the matter and we now proceed.

The PRESIDENT OF THE REPUBLIC: Hon Speaker, the question that the hon member has raised is the subject of the very next question that I am supposed to answer. Just in short and maybe two sentences; a good portion of the funding that will come through will be utilised to support Eskom’s just transition plans. You may well want us to elaborate more or in detail about what they are. I think in time, that will be the case because in the end – as I said in my main reply earlier – Eskom has embraced the renewable energy sector and will be entering that sector and play a key role. Eskom has full capabilities of being able to do so. It is also going to reimplement, retrain and reskill workers. This is going to be played out in one of the pilot initiative as one of the power stations is about to be decommissioned and discussions have been going on including the climate change commission that I sit on as well as unions and communities. So, all that work is under way as we speak now. I am confident that whatever funding that we will get, will enable us to move forward in a much more confident manner and enable Eskom to embrace renewable energy in a way that I think all of us have always wanted to see because they have the greatest capability of

generating electricity. We were delight in the end when Eskom decided that this is the direction that they want to take. I think they are well placed to do so. In doing so, they’ll make sure that it is a just transition that takes into account the interests of workers and our communities without any fail.

Thank you, hon Speaker.

Mr S LUZIPO: Thank you, hon Speaker and hon President, lets appreciate that you are here today and the doubting Thomas can see no one is helping you. [Interjections.] Hon President, what contingency intervention plans are in place to mitigate against adverse impact of the coal power plants retirements on jobs and our economy should a just transition proceed without

– note – delay if there will be such, in particular in the context of the current energy challenges? This obviously informed by the fact that coal is still predominantly used to generate electricity at a scale and pace that the financial resources can be generated in line with the IRP 2019 going forward. Thank you very much, hon Speaker.

The PRESIDENT OF THE REPUBLIC: Thank you, hon Speaker, what this new moment presents to us is an opportunity to navigate our way through the transition, which I believe is pregnant

with a lot of opportunities such as setting up new sectors of our economy.

The spectre of electric cars is a wonderful opportunity which our country must grasp with both hands. Cars are now going to be moving towards being electric in many parts of the world. We are a renowned car manufacturing base. The other day I went to the Eastern Cape and we were launching a car that was made by Toyota, which is a hybrid, using both fossil fuel as well as electric. More and more cars in the world will become electrically powered and that brings us to a new sector. It could also mean battery manufacturing. The other important sector is the utilisation of the very wonderful elements that we have in our country which are endowments, our weather, our location and where we are able to advance to our hydrogen sector of the economy. Manufacturing and fabricating a whole number of parts are implements that are utilised in renewable energy installations. These are all new sectors of the economy that we need to advance to. It is for that reason that we felt when an offer like this is made, we need at it without obviously making it detrimental to us, but we should be ahead of the curve and be able to take up an offer like this before the funding runs dry. Maybe, we will be a trailblazer. We have been a trailblazer as a country in many things. When it comes

to just transition, we could possibly be a trailblazer and put in place transition initiatives that will be of a cutting edge nature as we go on our own developmental processes.

This offers us a great opportunity one which I think we should not ignore. We should go into it with all that South Africans can take up. I am quite excited about all these because many countries have not yet reached the same level where we are.

The pleasing part is that many players in the private sector, many of our companies are already way ahead of that curve.

They are already thinking and beginning to do things that should be leading us there. They are already utilising hydrogen type of power to drive their big vehicles. We have a good supply of platinum which can be used for generating energy as well. The opportunities are quite a lot. All we need to do is to embrace them.

As government, we should not be lagging behind some of those technological opportunities that the private sector ... our own private sector is already moving forward with. We should be out there to support them, to draft regulations that will not impede their ability to be world leaders. This is a great opportunity for South Africa to be world leaders in hydrogen

energy generation. Great opportunities lie out there. Thank you, hon Speaker.

The LEADER OF THE OPPOSITION: Thank you, Mr President, you are saying so many things I agree with today. It’s hard to be the opposition today. Let me say this then, then I would agree with you. I do listen. I had you say single supplier generator is a problem. That you have also welcome that capable metropolitan governments and municipalities can play a role in alleviating the electricity crisis. I have also heard you talk about the regulations that get in the way. May I then ask you, Mr President: Whether you would consider relooking at the regulations that have been recently released by the Minister, which leaves the Ministerial discretion to determine whether a municipality can do all these things? I think we should rather look at a set of criteria that municipality should meet to be able to qualify, not leaving it up to somebody’s discretion. I think you should remove the ideological log jam out of the way and focus on capability. Would you be prepared to have a chat about those regulations? [Applause.]

The PRESIDENT OF THE REPUBLIC: My answer has to be yes. It is yes because I would like to remove as many regulatory impediments as possible so that we can free the key players in

our economy to do what they do best. If, for instance, municipalities want to generate energy and some regulation and discretion stands in the way, we should be prepared to look at that and be able to free our municipalities also. We have seen the dangers of the highly monopolised electricity generation dispensation. It is very dangerous for our country because when a power station breaks down in Mpumalanga or Limpopo, it is just total darkness for our country. So, being able to have generation on a disaggregated basis and without too many stretchers, would be the ideal situation that I would support. So, the answer is, yes, I am prepared to look at that. [Applause.]

*IsiZulu:*

Mnu M HLENGWA: Ngiyathokoza kakhulu Somlomo ...

*English*:

Hon President, the load shedding phenomenon has been with us since 2008.

*IsiZulu*:

Ngangisengumfanyana sengiyaguga manje. [Uhleko.]

*English*:

Hon President, on a serious note, at the heart of all the things you have spoken about today is financial management consistent with the law. We are speaking about an Eskom with an irregular expenditure of R37 billion, the construction of Medupi which has escalated and would now cost us R234 billion and Kusile has been escalated to be R161 billion. They are all way past their initial deadlines. You speaking about repeat audit outcomes for Eskom without any particular resolve to turn things around. You speaking about excessive and heightened use of expansions and deviations. Medupi and Kusile combined will now cost us just over R450 billion.

Mr President, the question then becomes: What is it that will be a key primary focus of your government to ensure that beyond the breaking down of Eskom into three parts, that they return onto a trajectory of prudent financial management?

Eskom has become a runaway train, anchored in high levels of arrogance and an inability to listen. Mr President, if we don’t solve that problem, none of your noble plans will come to fruition and hindsight is the best sight and the figures I gave tell the horror story of why things have to change. Thank you.

The PRESIDENT OF THE REPUBLIC: Thank you, hon Speaker, hon Hlengwa, I couldn’t agree with you more. Things have to change. As we restructure Eskom, we expect that the various components of Eskom will work much more flawlessly and effectively and their finances will be better managed. The debt levels will be brought down and be properly managed.

There will be focused leadership both at the management and the board level. That is precisely on of the derivatives that we expect to get from this restructuring.

I am sorry that it is taking so long because there are quite a number of other regulatory and legal processes that have to be gone into. In my books, they should have been done some time ago. We should now have a disaggregated Eskom linked at the top of the holding level, but functioning at the operational level in the way that we had envisaged, with the transmission being wholly owned by government and the generation having a number of generators; Eskom being the dominant one but having good competition from other power producers and the distribution functioning even better than it is now. Eskom is a distributor and so are our municipalities. In the end, some of the independent power producers will also be distributors.

In that way, you have an energy architecture that will be able to support this economy as well as supporting the livelihoods of our people. If we have something like that in the end, we should see the end at the back of the malfeasance and overspending that we have seen – as you say – we are a runaway train. I expect that things will be a lot better and that Eskom will be much better managed. Right now, we are on the way to transforming and restructuring Eskom ... Yes, we are taking pain but I see this pain coming to an end one of these days as we implement all the plans that we got. Thank you very much.

Question 17:

The PRESIDENT OF THE REPUBLIC: Hon House Chair, a significant proportion of funding offered by the international partner group countries is expected to be used for Eskom’s just transition plans, as I was saying earlier. The shutdown of coal power stations must be accompanied by sufficient investment in new generation capacity as well as a network to promote energy security for our country.

In particular, the funds will be utilised to support Eskom’s plans to repower and repurpose coal plants that are shutting down with renewables, battery storage as well as gas.

Eskom aims to add 8,5 gigawatts of renewable energy over the next 10 years, and will require international financial support for this investment. This financing will not and cannot be used for financing the legacy debt. The electricity sector contributes 41% to South Africa’s greenhouse gas emissions and is the quickest route to decarbonising South Africa with the greatest impact in the short-term.

This process is an opportunity to build our industrial capacity as well as to create new jobs in new sectors. We can maximise the impact of this new investment by ensuring that local inputs are used in construction, and by implementing strategies and incentives to encourage global players to localise their operations. What we have been doing hitherto was that many of these independent power producers have been foreign firms that have developed these technologies in other locals, and they come here. In the beginning they were bringing nearly everything here. With our policy of localisation, we are putting pressure on many players in our economy to localise so that some of these parts and products can be made here.

A transition to a decarbonised economy must also address the needs of workers and communities. Funding must be used for targeted programmes so that there is very good skilling.

Eskom has already begun to work on a reskilling plan and has entered into co-operation agreements with the Department of Trade Industry and Competition, the Manufacturing Circle, Sasol, Anglo American, Exxaro and Seriti to ensure among others, a collective drive to growing industrialisation and local manufacturing. Eskom has commenced its first demonstration project for the just energy transition at Komati power station, which I was talking about as a pilot.

In addition to expanding capacity through solar, battery storage and gas, the Komati power station plans include opportunities for local community involvement in the agrivoltaics solution and the assembly of containerised microgrids.

The transition to a low-carbon economy and a climate resilient society holds enormous potential for our economic growth, development and job creation. So, in a way, this is the new energy world beckoning and as South Africans we should not be left behind. We should embrace it and make sure that we grasp

all the opportunities. As I was saying, various of our companies have already started moving in that direction. Government cannot be left behind; we must move in tune with our various economic players and give guidance and support and create that conducive environment for them to be able to operate in. thank you very much.

Ms V T MALINGA: House Chair and hon President, good afternoon. Given the compelling reasons why Eskom urgently needs to transition from coal to renewable energies, what assurance does the government have that the offered R131 billion in grants and loans from the four countries will come through?

And in what ways will the R131 billion investment ameliorate Eskom’s high electricity tariffs that are expensive for most South African citizens? Thank you, President.

The PRESIDENT OF THE REPUBLIC: Hon House Chair, I believe that in many ways, first part of the question has been addressed with regards to how we will navigate our way around this just transition and the money if we do finally sign off and accept it will be utilised for. I just said that a minute ago.

But the other part of the question which is what impact would all this have on tariffs. One expects that as we move more and

more to renewables ... the renewable energy has already been proven to be getting cheaper and cheaper and cheaper. When we started it was much more expensive, and this was so well explained by Minister Mantashe who said that we were paying x amount of money at a higher level but it has now come down quite significantly right up to 47 cents or so. I expect that with more installation of renewable energy we will find that the pricing will come down more and more. That is bound to have an impact on the tariffs.

One of the benefits that we will be getting from renewables is the cleaner energy and it is the cheaper energy for all. If nothing else, this is one of the biggest and the best outcomes because we will be utilising the sun, hydro and various other capabilities, hydrogen and all that. That must, in the end, fall into the cheaper energy category. That is going to fuel economic growth as well because energy has become one of the most expensive items on any company’s income and expenditure statement. If we can reduce the cost of energy, we will be better off.

A number of companies when they look – particularly your offshore companies who have great choice to go anywhere in the world – when they look at a country the first thing they ask

about is the cost of energy. We started off at a cheaper level years ago and we have now moved up to be one of the more expensive energy cost countries. If we can embrace renewables, then that should start coming down and we become more of an investment destination. That is where we should be going. So, I am hoping that the derivative that we will get from utilising more renewables is cheaper energy which will be good for all of us. Thank you, hon House Chair.

The LEADER OF THE OPPOSITION: Mr President, just days after you welcomed the offer of the R131 billion in grants and loans to fund this important transition from coal, your Minister of Energy called for African nations to push back against decarbonisation and renewables. And this led to a very nasty media house calling him a fossil fuel dinosaur. Mr President, how do you explain your government’s position in that?

The PRESIDENT OF THE REPUBLIC: House Chair, Minister Mantashe is not a fossil fuel dinosaur, just as you look at him you will see that he is as lively as anyone of us. [Laughter.] Minister is a coal miner. His love for coal is deep and ... [Laughter.] ... and his love coalminers is even deeper. So, when you listen to Minister Mantashe have that at the back of

your mind that he is a coal miner and he is also a person who loves coalminers deeply.

However, having said that, Minister Mantashe’s position on the issue of transition is no different, in fact, it is very well aligned with our position as government. I think that people should listen to Minister Mantashe very carefully. What he has been saying is that we need to navigate our way through the transition very carefully because we have workers and we have communities. And as we do so we need to ensure that no one is left behind.

He is the owner of the IRP 2019 and as a Minister he is there to implement it. The IRP 2019 sets very clearly where our direction is, and he is not advocating a different direction for our transition towards renewable energy. So, he is both a lover of coalminers and a coal man but he is also a clear advocate for our transition to move forward through renewables. There is just no difference between Minister Mantashe and us in government. Thank you. [Applause.]

Ms O M C MAOTWE: President, the coalmining sector employs over

90 000 workers, and 70% of our energy needs come directly from coal. The country has coal reserves that can continue

satisfying our energy needs for the next 100 years. There is currently no renewable energy capacity that can replace what we get from coal currently in the country. With that in mind, what necessitated the announcement by the President of the US that they will give us a loan to transition from coal to renewable energy? And how are you planning to make use of that loan in a manner that will not make us behold unto the US, taking into account the practical limitations of renewables in this country and the socioeconomic impacts that will result from abandoning coal? Thank you.

The PRESIDENT OF THE REPUBLIC: Hon House Chair, I do believe that I have answered that question extensively today. Four times as hon Steenhuisen is whispering to me. I have answered it extensively and I have not tripped over ... [Interjections.]

Ms O M C MAOTWE: House Chair?

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, the President is still on the floor, why are you rising. Hon member?

The PRESIDENT OF THE REPUBLIC: I am, however, willing and prepared to repeat and say that we have no choice but to navigate our way through this transition. The utilisation of fossil fuels should never be seen as just a danger to countries in the northern part of the world, it is also a danger to us. In accepting the impact that climate change is having on our own country and our own region we have decided that we will make it clear that we are prepared to move away from fossil fuels to renewables but we have to go through a transition that is going to ensure that no one is left behind and make sure that our workers and communities are properly accommodated and they benefit.

In any event, some of our power stations’ lives are coming to an end. Komati is just one and, and that is where we are now beginning to pilot a process that will embed a transition that we need to embark upon, even much more effectively so that we can see whether this transition is a type that we can spread around the country.

We have also said that it is going to be impossible to close down every power station our country because it is going to take us some time. However, we must make it clear we have to move towards renewables, and we must also be pleased that

Eskom has embraced this and is already beginning to do a number of things. We must also be pleased that a number of South African companies have also made their position very clear that they are going to move towards renewables. It could be the mines or the big manufacturing entities; they have embraced this transition that we have to move to. I have also said that from a health point of view, we have a huge challenge and have no choice but to embrace this. So, in the end, we are in a situation where our choices are limited and we therefore have to chart a new path.

This is a path, as I have been saying hon member, that has a number of opportunities. It is a path that we should not be afraid to traverse because the opportunities are there. We must go and unlock those opportunities, and we can be trail blazers in the world. Once again, demonstrate to the world that we can do things and we can do them better. As a country we were the first to extract oil from coal and it is the technology that we are envied for around the world. In this regard too, moving towards hydrogen and electric cars is something that we can demonstrate very clearly to all and sundry that South Africa can lead.

So, as I have said, new economic sectors beacon, and this is not the time to try and move back and be like fossil fuels or fossils ourselves. Thank you.

Ms S A BUTHELEZI: Hon House Chairperson, to the President, Eskom’s current problem is that it is, as we all know, the sole entity that produces power in South Africa. It appears to have no interest in becoming profitable and sustainable as merely accumulate debt and pays lip service to financial management and accountability. The best model for Eskom would be to integrate into public/private partnerships with local communities which the President has already alluded to so that the communities have ownership and a vested interest in the success of the utility. I would like to know in detail, what additional jobs, over and above the current employment, in the energy sector will be created with the introduction of renewable energy? Whether South Africa has sufficient skills to build, manage and maintain the structures? If not, what programmes in secondary or tertiary schools has government put into place to address these skills shortages.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, I also said yesterday to hon members who asked follow up questions. A supplementary question is one question. It is not a new

question with sub questions under it. You may respond to the part that you wish to respond to, hon President.

The PRESIDENT OF THE REPUBLIC: Thank you. So, I can pick and choose. And this is now the fifth time that I will trying to explain all this. However, I should say that the hon member has actually highlighted some interesting aspects, particularly when it comes to skills. Obviously she wants to know in detail what are the new jobs that are going to be created.

Standing here now I am afraid I will not be able to say these are the details of the new jobs. All I have been trying to say all afternoon is that there are a number of new sectors that are going to be opened and they are going to give rise to a number of jobs that can be created. Jobs in the manufacturing of the implements or the products that will be utilised in renewable power generation. Quite a number of these we have been importing from offshore.

With our localisation programme, which is beginning to have traction much as a number of people have been criticising it, we found that more and more as we talk about localisation and spreading the word about localisation, a number of companies

are waking up and saying indeed, it is better to localise. Some of them are actually caught up in the supply chain challenges that already exist in the world and they are now saying we would rather make means or efforts to manufacture locally. So, quite a lot of localisation, in my view, is beginning to respond all round. There will be manufacturing jobs, industrialisation will be boosted because as new sectors come up industrialists will come to the fore because they will see a great opportunity for making new products and new creations and of course making money. Funding hopefully will also become available.

That immediately sponds a number of industries, and you will find that one company makes one part of a pylon or a blade or turbine or whatever and another company makes another part, and then all of them can then grow together and be able to produce the various implements that will be utilised in the renewable energy space. Hydrogen, I have said repeatedly, is another opportunity and the fuel sales that we can utilise from platinum is another opportunity. So, all these will come to the fore, and business people will also participate.

We expect that as the transition is being navigated we will find that Eskom for starters will be able to enter into PPEs

with a number of other role-players. Government will also be standing by to give assistance and support wherever possible.

The hon member then spoke about another area which we need to pay attention to which is the skills. As our education system is going to be well attuned to producing skilled young people to be able to take up all these opportunities. I can say that already a number of companies that are seeing a future in all this are already beginning to say to us that we now want to participate with you in the creation of courses and curricula which will lead to the training of people ... [Inaudible.] ... all these sectors.

So, with regard to schools and to TVET colleges I see a process where the new skills will be created and therefore working together with our enterprises we should be able to create well trained people. As I said, part of the money is going to be used for retraining, reskilling and upskilling and will also be used for proper training. So, it is going to be a wonderful virtuous cycle of development, success and progress because we will want to leave no one behind and we would want to train our young people to be serious players in this field as well. Thank you, hon Chairperson.

Question 18:

The PRESIDENT OF THE REPUBLIC: Hon House Chair, during the course of 2020 the Presidency received several complaints about the perceived failure of the Department of Military Veterans to provide services to military veterans.

Furthermore, a group of marchers called the Liberation Struggle War Veterans marched to the Union Buildings on the 10th of November 2020 and presented a memorandum of grievances to the Presidency.

In response I called for a high level briefing on the plight of military veterans, the support package that military veterans are entitled to as prescribed by the Military Veterans Act of 2011, as well as gaps and shortcomings that there may be.

Following this I appointed a Presidential Task Team on Military Veterans, which is chaired by Deputy President, to engage with military veterans on their challenges as well as their grievances.

Since its establishment in November 2020 the Presidential Task team on Military Veterans has held several consultative

engagements with various military veterans’ associations and a number of inter-governmental stakeholders as well; some in housing, health, education and yes, the Department of Military Veterans as well.

Progress has been registered in the following issues:

Firstly, the review of the Military Veterans Act is ongoing and expected to be taken for public comments in early 2022 and it is anticipated that the amendment Bill will be tabled to Cabinet and Parliament in 2022. The amendment will deal with, amongst other things, the definition of a military veteran, a policy shift towards the non-statutory force members, and the provision of health care, housing and burial benefits, where appropriate, to dependents and surviving spouses of military veterans.

Secondly, the process of restructuring the Department of Military Veterans has been initiated with the approval of the service delivery model and the development of a proposed structure. The proposed structure will be finalised upon the completion of the amendment of the Bill to ensure that the reviewed structure supports the new mandate of the Department of Military Veterans.

Thirdly, provincial offices have been capacitated to assist military veterans at provincial level. This was one of the key complaints that military veterans had, that they don’t receive sufficient service and that we needed to capacitate their provincial offices so that they don’t have to travel all the way to Tshwane to get their matters addressed.

Fourthly, a moratorium on applications for educational support has been lifted and the Department of Military Veterans is now receiving and processing new applications that come from military veterans as well as their dependents for education opportunities.

Fifthly, consultations are underway on the costing and funding of the pension policy. The target date for payment is the

1st of April 2022; which is after the budget.

Sixthly, the Verification Panel continues with the verification of military veterans who are non-statutory force members. The total number of processed applications on

16 November 2021 was 2 549.

Seventh, the Department of Military Veterans has developed a Memorandum of Understanding with the Department of Sports,

Arts and Culture and its agencies to assist with the repatriation of the remains, erection of monuments in host countries and memorialisation of fallen heroes.

Eighth, the Department of Military Veterans is repositioning its skills development and empowerment programme to ensure that military veterans participate in all government programmes that can create jobs and business opportunities for them.

The department is forming partnerships with various Sector Education and Training Authorities, Setas, and other state organs to assist with the various skills development programmes.

The challenges that are faced by military veterans are many and they are also very complex, and will require a common approach from all parts of government. A society like ours, which owes its freedom to the sacrifices made by these gallant daughters and sons of our country, must do everything it can to ensure that military veterans and their children are able to enjoy the fruits of the freedom that they helped to bring about.

These in the main are people who were even prepared to sacrifice their own lives to ensure that the democratic order that we have in our country is installed. So, we ought to give them the consideration and the respect as well as ensure that we look after their wellbeing as much as we possibly can. This is something that I’m determined to ensure it happens. Thank you, hon House Chair.

Mr T M MMUTLE: Hon House Chair, thanks to the President for that comprehensive response.

In view of your response that this matter should be the responsibility of government as a whole, not only the Department of Military Veterans, will the President ensure that government set aside a reasonable percentage of their procurement plan for the purpose of empowering military veterans?

While the department is resolving the database issue and consideration should be made to prepare military veterans for those set aside procurement plan. I thank you, hon President and House Chair.

The PRESIDENT OF THE REPUBLIC: Hon House Chair, yes, we are determined to do as much as we can to empower our military veterans. And in my reply I spoke about one of the efforts that we are involved in on entrepreneurship and also on skills training through our Setas, and we are obviously so keen that where the military veterans have the capability to take up procurement opportunities they should be brought in and they should also be able to participate in that.

The important fight for us is that they need to be empowered, either through skills and through entrepreneurship. They should have a sense that, yes, they are active participants in the economy of our country and where there are procurement opportunities they should also be able to participate. Thank you, hon House Chair.

The LEADER OF THE OPPOSITION: Mr President, we certainly welcome the justice that’s going to finally come for military veterans in South Africa, and I think you can see the effectiveness of the Presidential Task Team.

My question is that: If this issue has received a Presidential Task Team, why do we still not have a Presidential Task Team for the July unrest that happened in KwaZulu-Natal?

There was a hostage situation in Irene but the residents in KwaZulu-Natal and the citizens there were held hostage by warring factions of the governing party and they’ve had to make do with a SA Human Rights Commission hearing.

That hostage situation is ongoing because thousands of jobs have been lost and that economy is still being held hostage to businesses that’s been scared off.

Mr President, four and half months later, no high-profile arrest, none of the main instigators who were fingered in that particular incident have been taken to custody.

Can we honestly say to the people of KwaZulu-Natal that government ... [Interjections.] [Inaudible.] ...

The PRESIDENT OF THE REPUBLIC: Hon House Chair, that, clearly is a new question. Much as it is good, it’s a new one. And all I would want to say in this regard is I appointed a panel that is investigating all this. The panel has been busy at work and they will soon be reporting to me. They had expected to report a week or two ago, they’ve asked for an extension. They will certainly be giving me their report shortly.

It is upon receipt of that report that I’ll be able to have a much more globular look at precisely some of the failures and some of which can still be carrying on. And we will then be able to determine precisely what action needs to be taken.

So, let us wait for all that. That is broad in terms of the investigations that they have been effecting. Let’s wait for that to come. Thank you, House Chair.

Ms N V MENTE: President, will you attribute the latest hostage situation and the anger of the military veterans to the inefficiency of the Presidential Task Team and their delays?

Earlier on you mentioned that you started the task team last year; most recently we had the hostage situation. Since that due to the fact that the Deputy President, who is in charge to the task team, was absent for a while due to ill-health and what systems, now, did you put in place in terms of leadership of the task team?

And what assurance do you give this Parliament and this country that we are not going to see the anger of the military veterans being exacerbated by the inefficiency of the task team and the delay or the ... [Inaudible.] ... attitude of the

Presidency and the Ministry in terms of attending to the

military veterans’ grievances. Thank you.

The PRESIDENT OF THE REPUBLIC: Hon House Chair, when I set up this task team it was out of a deep concern arising from the complaints that military veterans had articulated and the Deputy President spent a lot of time consulting with them, working through the various issues with the military veterans and took the trouble to listen to them. I, also, finally met them and as we met we mapped out what their needs are and how they wanted their needs addressed, and we reached very good consensus and ... [Interjections.] [Inaudible.] ...

The Deputy President continues to be ceased with this matter and he’s going to make sure that it is properly rounded off. He’s going to be finalising it and giving a report to me; which may well go beyond some of the issues that I articulated here.

So, this matter is receiving the highest consideration with a great deal of seriousness because I do treat it very, very seriously, and we would like the military veterans to have a deep sense of knowing that, yes, we do care for them and we

want to do everything that is good by them. Thank you, hon House Chair.

Mr B H HOLOMISA: Hon President, we welcome the update. However, it is unlikely that anyone below age of 35 could have been active in the arm struggle, as we knew it.

Is it not advisable, as part of the task team’s terms of reference, that they establish with the leaders of the liberation movements that the names of the entire group of people who claim to be veterans appear on the registries of the liberation movement?

The events of 14 October cast a spotlight on the dangers of having quasi-military groups or private armies, as we normally see them in the streets of South Africa. Thank you.

The PRESIDENT OF THE REPUBLIC: Hon Holomisa, yes, you are absolutely right. We do need to be clear about the identity of our military veterans. One of the terms of reference of the task team is to do precisely that. They are involved in putting together a proper register of military veterans, which should be verified through and by the various liberation

armies that we have. So, we will soon have a full identity list of everyone who claims to be a military veteran.

I should say that not everyone who has claimed that title or that label is a military veteran; there are others who are just accompanying others. So, we, therefore, ... [Inaudible.]

... have clarity ... [Inaudible.] ... interesting ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon President, my apologies. There’s a Procedural Officer, Matakane, who is disrupting proceedings. It cannot be acceptable that a Procedural Officer is not paying attention to what’s happening in the House. And I want that matter to be looked at and the National Assembly Secretary to deal with it decisively.

You may proceed, hon President!

The PRESIDENT OF THE REPUBLIC: I was about to conclude and say that it’s interesting that hon Holomisa, who is a military man himself, is even able to put a date or an age because he would know best the age cut-off point that should be ascribed to military veterans.

So, we are looking at that and we will make sure those who claim to be military veterans are true military veterans and they are known by their own organisations, there are institutions that are absolutely clear on that.

Once we have great clarity on that we hope that we will be able to implement more fully all the matters that we need to implement and make sure that we give dignity and respect and recognition to those who were even prepared to die so that we may have freedom. Thank you, hon House Chair. [Applause.]

The House adjourned at 16:57.