**UNREVISED HANSARD**

**NATIONAL ASSEMBLY**

**TUESDAY, 30 NOVEMBER 2021**

***PROCEEDINGS OF THE NATIONAL ASSEMBLY***

The House met at 14:02.

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

# SUSPENDSION OF RULE 290(2)(A)

(Draft Resolution)

The CHIEF WHIP OF THE MAJORITY PARTY: Hon Deputy Speaker, greetings to all hon members here in plenaries as well as on virtual. Hon Deputy Speaker, I am hereby move that this House suspends Rule 290(2)(a), which provides inter alia that the debate on the Second Reading of a Bill may not commence before at least three working days have elapsed since the committee’s report was tabled, for the purpose of conducting the Second Reading debate today on the Division of Revenue Amendment Bill known as Dora. Thank you very much.

Motion agreed to.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON PUBLIC ENTERPRISES

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: Hon Deputy Speaker, I hereby move that this Report be adopted by the House. Thank you.

Motion agreed to (Economic Freedom Fighters, Democratic Alliance and Freedom Front Plus dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON DEFENCE AND MILITARY VETERANS - ON 2019/20 ANNUAL REPORT OF ARMSCOR AND CASTLE CONTROL BOARD

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: Hon Deputy Speaker, I rise to move that this Report be adopted by the House. Thank you.

Motion agreed to (Economic Freedom Fighters and Democratic Alliance dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON DEFENCE AND MILITARY VETERANS - ON 2020/21 ANNUAL REPORT OF DEPARTMENT OF DEFENCE

There was no debate.

The Chief Whip of the Majority Party: Deputy Speaker, I hereby move that the House adopt this Report. Thank you very much.

Motion agreed to (Democratic Alliance and Economic Freedom Fighters dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON DEFENCE AND MILITARY VETERANS

There was no debate.

THE CHIEF WHIP OF THE MAJORITY PARTY: Hon Speaker, I agree

with hon Mazzone that, that shirt makes me to be hot. Hey! [Laughter] [Applause.]

The DEPUTY SPEAKER: Order! [Laughter.] [Applause.]

THE CHIEF WHIP OF THE MAJORITY PARTY: Are you hot, baba? I

move that this Report be adopted. Thank you. [Laughter.]

Motion agreed to (Democratic Alliance and Economic Freedom Fighters dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON PUBLIC SERVICE AND ADMINISTRATION - ON NATIONAL SCHOOL OF GOVERNMENT ANNUAL REPORT FOR 2020/21 FINANCIAL YEAR

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, I move that this House adopt this Report. Thank you very much.

Motion agreed to (Democratic Alliance, Economic Freedom Fighters, Freedom Front Plus and United Democratic Movement dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON PUBLIC SERVICE AND ADMINISTRATION - ON PUBLIC SERVICE COMMISSION (PSC) ANNUAL REPORT FOR 2020/21 FINANCIAL YEAR

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, hon Prince Benza Ncamashe says he agrees with women here that you are hot. I move that the House adopt this Report.

The DEPUTY SPEAKER: Was this House sprayed with something radical before we entered here? [Laughter.] What’s going on in this House.

Motion agreed to (Democratic Alliance, Economic Freedom Fighters, Freedom Front Plus and United Democratic Movement dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON PUBLIC SERVICE AND ADMINISTRATION - ON STATISTICS SOUTH AFRICA FOR 2020/21 FINANCIAL YEAR

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, I move that this House adopt the Report. Thank you.

Motion agreed to (Democratic Alliance, Economic Freedom Fighters, Freedom Front Plus and United Democratic Movement dissenting)

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON PUBLIC SERVICE AND ADMINISTRATION - ON DEPARTMENT OF PLANNING, MONITORING AND EVALUATION (DPME), AND BRAND SOUTH AFRICA FOR 2020/21 FINANCIAL YEAR

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, I move that this House adopt the Report. Thank you.

Motion agreed to (Democratic Alliance, Economic Freedom Fighters and Freedom Front Plus dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON PUBLIC SERVICE AND ADMINISTRATION - ON DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION (DPSA) AND CENTRE FOR PUBLIC SERVICE INNOVATION (CPSI) FOR 2020/21 FINANCIAL YEAR

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: I move that the House adopt this Report. Thank you very much, Deputy Speaker.

Motion agreed to (Democratic Alliance, Economic Freedom Fighters and Freedom Front Plus dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON INTERNATIONAL RELATIONS AND COOPERATION

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: I move that the House adopt this Report. Thank you, Deputy Speaker.

Motion agreed to (Democratic Alliance, Economic Freedom Fighters and Freedom Front Plus dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON HEALTH

There was no debate

The CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, I move that the Report be adopted by this House. Thank you.

Motion agreed to (Democratic Alliance and Economic Freedom Fighters dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, I move that the House adopt this Report. Thank you.

Motion agreed to (Democratic Alliance, Economic Freedom Fighters and Freedom Front Plus dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON WOMEN, YOUTH AND PERSONS WITH DISABILITIES

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: Deputy Chairperson, I move that the House adopt this Report. Thank you.

Motion agreed to (Democratic Alliance and Economic Freedom Fighters, dissenting)

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON TOURISM

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: Deputy Chairperson, I move that this House adopt this Report. Thank you.

Motion agreed to (Democratic Alliance, Economic Freedom Fighters and Freedom Front Plus and dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON MINERAL RESOURCES AND ENERGY

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, I move that this House adopt this Report. Thank you.

Motion agreed to (Democratic Alliance and Economic Freedom Fighters dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON COMMUNICATIONS - ON GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM AND MEDIA DEVELOPMENT AND DIVERSITY AGENCY

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, I hereby move that this House adopt this Report.

Motion agreed to (Democratic Alliance, Economic Freedom Fighters and Freedom Front Plus dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON COMMUNICATIONS - ON DEPARTMENT OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES AND ENTITIES

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, I hereby move that this House adopt this Report. [Laughter.]

Motion agreed to (Democratic Alliance, Economic Freedom Fighters, Freedom Front Plus and United Democratic Movement dissenting).

Report accordingly adopted.

# CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF PORTFOLIO COMMITTEE ON TRADE AND INDUSTRY

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, I move that this House adopt this Report.

Motion agreed to (Democratic Alliance, Economic Freedom Fighters and Freedom Front Plus dissenting).

Report accordingly adopted.

# CONSIDERATION OF REPORT OF STANDING COMMITTEE ON APPROPRIATIONS ON DIVISION OF REVENUE AMENDMENT BILL [B 19 - 2021]

Mr N S BUTHELEZI: Hon Deputy Speaker, hon Ministers and Deputy Ministers, hon members, ladies and gentlemen, ...

*IsiZulu:*

... singamalungu ekomidi ikakhulukazi thina besilisa sithi: Phansi ngokuhlukumeza kwabantu besifazane nezingane zethu!

Sikusho lokhu sihlanganyela nabo bonke labo abakulo mzabalazo kulezi zinsuku eziyishumi nesithupha.

*English:*

As we continue to fight this scourge, let us be reminded of the words of *Isithwalandwe* O R Tambo when he said I quote:

One of the fundamental task that this process of National Liberation Conference is the liberation of women in our country from their triple oppression on the grounds of sex, class and colour.

We shall never rest until our women folks are free. Their freedom is our freedom. Coming back to the Bill, the African National Congress supports the Division of Revenue Amendment Bill[B19-2021]. The Bill provides for changes to provincial allocation, local government allocations, gazetted conditional grants framework and allocation. It is thus important that we should remain on the lane. The Bill represents the changes to the Division of the Revenue Act passed by Parliament at the beginning of the year.

*IsiZulu:*

Nasi isexwayiso malungu ahloniphekileyo, ningabe seninhlanhlatha ke nigcwala iziganga. Hlalani emseleni njengenkabi efundisiweyo.

*English:*

The national government receives additional R43,9 billion, while the provincial equitable share increases by 21,1 billion from the national raised revenue. These allocations are added

to assist government to meet its commitment to the wage agreement of the Public Service Co-ordinating Bargaining Council for the 2021 financial year.

As the ANC, we welcome this because it will assist the workers who had been hard hit by coronavirus pandemic. This shows that we have government rooted in the masses of our people. Saying despite the physical challenges, it would not drop the people in their hour of need. Deputy Speaker, I see the minutes that I was given are not the minutes that I was told about.

The high rate of unemployment continues to be a plight in our country. It is even worse with the unemployment of our young people. It makes it difficult for our country to realise the young population dividend.

*IsiZulu:*

Yingakho ke malungu ahloniphileyo sishayela izandla isenzo sikaMongameli sokunikeza izifundazwe isamba sika R6 bhiliyoni ukuze kuqashwe abasizi bothisha ezikoleni. Lokhu kuzosiza ukuvula amathuba emisebenzi kuphinde ukusize izingane zethu ukuze ziphumelele ekufundeni kwazo.

*English:*

Hon members, these interventions have been made possible by a large performance of commodities. This resulted in the windfall of R120, 3 billion.

The DEPUTY SPEAKER: Hon member, just wait a minute. Please, members switch off your mics and mute. Please, it is important. Hon member, we called you to introduce the Report. You will come back later for the minutes you are talking about. Please be aware.

Mr N S BUTHELEZI: Okay, the high rate of unemployment continues to be a plight in our country. It is even worse with the unemployment of our young people. It makes it difficult for our country to realise the young population dividend.

*IsiZulu:*

Yingakho ke malungu ahloniphileyo sishayela izandla isenzo sikaMongameli sokunikeza izifundazwe isamba esingamabhiliyoni ayisithupha samarandi, R6 bhiliyoni, ukuze kuqashwe abasizi bothisha ezikoleni.

*English:*

Hon members, these interventions have been made possible by the performance of the commodities. Having said that while we

applaud this, we should not lose sight of the fact that a possibility of transfer pricing, illicit financial flows, and base erosion and profit shifting exist. We should ask ourselves why companies that are trading in our commodities are not residents in South Africa. Why are they in London, Switzerland and many other countries with no minerals? We are arguing that without these linkages we could sustain economic growth, decrease sovereign debts and create more jobs. The question remains whether as a country, are we getting what we are supposed to get?

The green shoes that we are seeing in the economic recovery are threatened by the COVID-19 pandemic, especially new strings like the Omicron variant. The ...[Inaudible]... rejection by European countries to the Omicron Variant should be condemned in the strongest where it’s possible.

We agree with Dr Mati Hlatshwayo Davis, Director of Health, City of St Louis when she says:

Stigmatising South Africa because of superior science in genome sequencing is unacceptable, perpetuates stigma. It is unscientific and xenophobic.

It is because of COVID risk that we welcome further allocations to the Department of Health to fight this enemy. Hon members, allow me to draw your attention to the developments which show response by government to the issues that had been raised by Parliament as far as the division of resources among the three spheres of government is concerned.

Over the MTBPS 48,4% of nationally raised revenue goes to national, 42% goes to provinces and 9% to local government. This proposal shall reduce the national allocation by 1,8%. Provincial and local governments shall increase by 0,7% and 4,1% respectively over the MTEF. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the MTEF ... [Time expired.]

The DEPUTY SPEAKER: Wait a minute, just one minute. This is the point I was making earlier on. What do we say with the Report introduced, Chief Whip?

The CHIEF WHIP OF THE MAJORITY PARTY: I move that the Report be adopted.

The CHIEF WHIP OF THE OPPOSITION: Deputy Speaker, there is an objection and I do believe that the hon Minister or member accidentally started with what would have been a debate. So, completely in your hands but we are ready to do the debate and not accept the Report. But I believe that’s what just happened.

The DEPUTY SPEAKER: We are going to go in order. I did remind him that he is introducing the Report after which we must proceed to the Second reading where the debate is. We will note your objection in that regard and that of the FF Plus, EFF. We will note those objections.

There was no debate.

Motion agreed to (Democratic Alliance, Economic Freedom Fighters and Freedom Front Plus and dissenting)

Report accordingly adopted.

# DIVISION OF REVENUE AMENDMENT BILL

(Second Reading debate)

Mr N S BUTHELEZI: Hon Deputy Speaker, I will start by saying over the MTBPS which is the response of government to the issues that has been raised. We need to allocate more resources to the provinces and to local government because those are the governments which are closer to the people. So, there has been a response. That is what I am referring to. I am saying over MTBPS 48,4% of national raise revenue goes to national, 42% to provinces, 9,6% to local government. This proposal shall reduce the national allocation by 1,8%.

Provincial and local governments shall increase by 0,7% and 4,1% respectively over the MTEF. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the MTEF. As the African Congress, we applaud these developments because they basically bring more resources closer to the people who need them most. In welcoming these developments Salga commented:

The update to the local government equity share formula is welcomed in that. It indicates a move towards a more cost effective allocation to adequately cover the costs of providing basic services to communities. Therefore, Salga supports the proposal.

This will go a long way in making local government more sustainable. This will equip this layer of government to better deliver the services to our communities. Deputy Speaker, an impression should not be created at the problem that both provinces and the local government phase is only money. In economic palates, money is a necessary, but not sufficient condition for a better service delivery.

We know from the Auditor-General, AG, that there is a lack of accountability, wasteful and fruitless expenditure. There is also a lack of relevant skills, especially financial, economic, engineering and other relevant skills. The Report shows that R1 billion was used for consultants in the last financial year. At the same time, the cost of the employees is rising. Electricity supply uncertainty chokes inclusive economic growth, which is critical for employment creation and sustainability of our fiscus. Amendment of our Electricity Regulations, which enables municipalities to self-generate or procure power directly from independent power producers will go a long way in ensuring security of electricity supply. This will allow the municipalities to contribute more to the growth of local economies and thus directly contribute to the economic reconstruction recovery plan. Thus, providing more employment opportunities.

Announcing these developments, the President his Excellency Ramaphosa opined I quote:

Our ability to address the energy crisis swiftly and comprehensively will determine the pace of economic recovery.

He continued to say” resolving the energy supply shortfall and reducing the risk of load shedding is our single most important objective in reviving the economic growth.”

Hon members, the committee is of a strong view that as these business opportunities are realised, black people, women, youth and rural people become part of them. We cannot continue singing empowerment of our people while the rich, who in most cases are white and male, are the only beneficiaries. The district developmental model aimed to maximise output and service delivery and thus optimises use of scarce resources.

We want to recommend that we now start and implement DDM approach right away without further delays. The lessons that have been learned today can be put into good use. Like any new thing, it won’t be perfect, but we have no doubt the better will come out of it.

Deputy Speaker, let us call a spat a spat. That is not supporting the Bill, it means the hon members are not supporting R81,3 million in regional bulk infrastructure grant to fund the Potable Water Security and Remedial Works project in George Municipality. It means the hon members do not support R841 million in the direct Neighbourhood Development Partnership grant to fund city-led public employment programmes.

*IsiZulu:*

Kuchaza ukuthi amalungu ahloniphekileyo akahambisani nokuthi uhulumeni anikeze abasebenzi bakahulumeni ezifundazweni u- R14,7 bhiliyoni phezu kokuthi bahlukumezeka kangaka yi-COVID. Uma ungahambisani nalokhu, nalo mthetho kuchaza ukuthi uhulumeni yena akufanele ukuthi asize intsha yakithi engenayo imisebenzi. Ngamanye amazwi, wena uthi uhulumeni anganiki izifundazwe imali yokuqasha othisha nonesi. Futhi awumi lapho, uyaqhubeka uthi uhulumeni akasonge izandla, anganiki isamba esiyizigidi esiyi-R120 izifundazwe ukuze zikwazi uyokuqasha osonhlalonhle. Nakho okushoyo. Ekugcineni, uthi abantu bakithi iningi labo elimpisholo, elingenamsebenzi, elilala lingadlile alihlale njalo - liyozibonela.

*English:*

That’s what not supporting this Bill means, hon members. The ANC supports the Division of Revenue Amendment Bill. [Applause.]

Mr R A LEES: Hon Deputy Speaker, on 23rd August 2017, I stood on this chamber and posed the following question to the then Deputy President Ramaphosa. I have in my possession, I said, a document which is marked secret. This was handed to the executive yesterday and indicates that the Minister of Finance, Malusi Gigaba, is planning to give the SA Airways, SAA, a R10 billion bailout primarily by selling government shares at Telkom. Hon Deputy President, do you support the sale of good assets for bad assets? Not surprisingly, Deputy President Ramaphosa’s Office failed to reply to my question, but the sale of Telkom shares to fund the SAA didn’t go ahead.

Today, four years later, it is not a secret that the ANC has spent R30,8 billion in taxpayer bailouts on the SAA vanity project since the revelation of the secret memo in 2017. The ANC and Minister Gordhan in particular are quick to condemn state capture and the need to ensure that the perpetrators face the consequences of their malfeasance, but the budget allocations to the institutions that are tasked with taking

action, indicate that the ANC is paying lip service to the eradication of state capture.

A quick look at the budget allocations reveals that the ANC allocates a measly annual budget of R4,45 billion to the National Prosecuting Authority but ...

Mr B A RADEBE: Deputy Speaker, on a point of order.

Mr R A LEES: ... spends R10,3 billion on the vanity project

... [Interjections.]

The DEPUTY SPEAKER: Hon Lees, just a moment. Yes, hon member.

Mr B A RADEBE: I am rising on a point of order. He is raising a decoration which is not authorized by the executive authority of Parliament ... [Interjections.]

The DEPUTY SPEAKER: The only right thing you are about is that he is hiding his face with a page in front of him. [Laughter.] Hon member, please proceed. Don’t hide your face. [Laughter.]

Mr R A LEES: Deputy Speaker, how did I ... [Inaudible] ... because my face is obviously attractive? The ANC allocates a

poultry annual budget of R908 million to the Special Investigating Unit, SIU, but spends R10,3 billion on the SAA vanity project. Yes, the ANC allocates a tiny annual budget of R191 million to the Asset Forfeiture Unit, AFU, but spends R10,3 billion on the SAA. The ANC allocates a minimal annual budget of R348 million to the Independent Police Investigative Directorate, Ipid, but spends R10,3 billion on the SAA.

Deputy Speaker, until the ANC gets serious about spending money wisely for the benefit of all South Africans, the DA will oppose the Division of Revenue Amendment Bill. Thank you, hon Buthelezi. [Applause.]

Ms N K F HLONYANA: Thank you very much, Deputy Speaker, Deputy Speaker, the Division of Revenue Amendment Bill before the National Assembly is a result of changes that happened in the adjusted budget tabled by the Finance Minister in November.

The Division of Revenue Amendment Bill is guided by the failed incompetence and rightwing ideological politics that continues to define the work of the Treasury.

The EFF has in past put practical, believable and implementable proposal on how we should change the approach to the Division of Revenue Amendment Bill. While the current

Amendment Bill only deals with the changes affected by the revised fiscal framework and adjusted budgets, the additional allocation of budget facility for infrastructure funding, additional allocation for wage agreement and health grants, the reality is that the longer we continue to work with the current division of revenue framework only perpetuate apartheid spatial planning.

The allocation of revenue raised nationally continues to be allocated according to what apartheid imagined South Africa, black people, workers and the poor in townships with poor services and the rest in affluent suburbs.

The current division of revenue framework sees our people in long commutes from townships and informal settlements. The current division of revenue framework only claim redistribution of resources equally yet South Africa remains one of the most unequal and untransformed society in the world.

Majority of municipalities have collapsed because there is no relationship between their mandate, capacity and the allocation of resources.

The neighborhood development partnership has simply become a cash cow for consultants, mainly white Consultants who use to work for the apartheid government, who make millions out of project preparation, planning and implementation for municipalities.

Even the Expanded Public Works Programme integrated that continues to receive grant funding through the division of revenue has now become fulltime employment agency for the ruling party.

We cannot continue to allocate less than 11% of the revenue raised nationally to local government but expect to transform society and do away with the past.

The division of revenue is one of the legislative instruments that should be used to change our society and put municipalities at the forefront of transformation of society.

Municipalities must be the centre of reindustrialization of South Africa through allocation of funding through division of revenue. Municipalities must be at the centre of state capacity through allocation of funding through division of revenue. Municipalities must be at the centre of land

redistribution through allocation of funding through division of revenue. It is only then that division of revenue raised nationally will have meaningful impact and will be worth considering as a clear transformative legislation, instead of us rubber stamping legislation like we are just voting cattle. The EFF rejects the Division of Revenue Bill intended to entrench austerity. Thank you very much, Deputy Speaker.

The DEPUTY SPEAKER: Thank you. Hon E M Buthelezi?

Mr N SINGH: Hon Deputy Speaker?

The DEPUTY SPEAKER: Yes, hon Singh?

Mr N SINGH: It seems as if he is having a connection problem. May I proceed?

The DEPUTY SPEAKER: Yes, do.

Mr N SINGH: Thank you, Deputy Speaker. It is undeniable that the COVID-19 pandemic has had a devastating impact on our health care and economy, and required the urgent need for the shifting of funds between and within Votes to address unforeseen and unavoidable expenditure.

In consideration of the standing committee’s report on the Division of Revenue Amendment Bill, which effectively proposes an additional allocation as part of the public employment programme through provincial and local conditional grants and adjustments to the budgetary facility for infrastructure funding, the IFP accepts the report and supports the Bill.

We do however wish to emphasise the concerns raised by various stakeholders, especially those of the Financial and Fiscal Commission. In relation to the conditional grants, we fully support the commission’s recommendation that any ongoing expenditure moderation must be accompanied by comprehensive reports from affected government departments. Departments need to show clearly how they intend to manage tighter budgets and protect the delivery of basic social services. We cannot allow the most vulnerable in our society, whose livelihoods are dependent on basic social services, to be further disadvantaged by these adjustments. These concerns were raised in various public submissions on the Bill and we emphasise the need for proper oversight of conditional grants.

The IFP strongly supports the committee’s concern around the proposed R210 million rollover to address the schools’ infrastructure backlog grant to complete projects that are

part of the Sanitation Appropriate for Education, which is known as the Safe initiative.

The allocation of this grant, as rightly pointed out by the standing committee, is continuously rolled over without any accountability for the gross failure by the national and provincial Basic Education departments to ensure safe and dignified sanitation facilities at schools. We cannot continue to endorse these failures, and as Parliament we need to demand more regular reports on progress and measures taken to address delays.

Furthermore, the IFP strongly agrees with the committee’s recommendation that a framework of standard guidelines must be drawn up concerning the type of jobs created as well as benchmark remuneration for each job category for the employment of education assistants and general school assistants under the Presidential Youth Employment Initiative. In this regard, we cannot allow the proposed allocation of

R6 billion to the provincial equitable share to be wasted, and the lack of guidelines provide ample opportunity for corruption and abuse. The IFP will monitor the feedback, specifically with regard to this recommendation.

In conclusion, the IFP accepts the standing committee’s

recommendations and the Bill.

*Afrikaans*:

Mnr W W WESSELS: Dankie, agb Adjunkspeaker. Laat ek vir die agb Buthelezi sê hoekom geen lid in hierdie Huis met ’n skoon gewete vir hierdie wetsontwerp kan stem nie. Hierdie wetsontwerp vat weg daar waar geld veronderstel is ... [Onhoorbaar.]

*English*:

The DEPUTY SPEAKER: Hon Wessels, one moment. Please, whoever you are, just mute your microphone so that we don’t hear the stuff you are listening to there. Please, don’t do that to the House. Go ahead, hon member. Sorry for that.

*Afrikaans*:

Mnr W W WESSELS: Dankie, agb Adjunkspeaker. Ek kan daarmee kompeteer. Die feit van die saak is dat hierdie wetsontwerp verkeerde prioriteite daarstel. Geen ekonomie kan groei en geen besigheid kan floreer terwyl plaaslike regering totaal en al vernietig word nie; terwyl stede en dorpe nie water het nie. Terwyl daar nie paaie is om goedere te vervoer van en na fabrieke en besighede nie, kan die ekonomie nie groei nie.

Hierdie billike aandeel-verdeling verdeel meer geld na die nasionale regering toe, en dit is ideologies die probleem met die regerende party. Hy dink die nasionale regering moet alles doen, maar eintlik is dit die plaaslike regering wat die meeste moet doen, dan provinsie en dan nasionaal. Nasionaal moet minder en minder magte hê en minder en minder doen. Die staat moet beperk word.

*English*:

Let me tell the hon Buthelezi that he is correct when he says that money is not the problem. Let us take the example of Mangaung Metro, which unfortunately is still under the governance of the ANC. We can see that because for more than seven days the metro was without water. Why? It’s because the metro owes Bloem Water more than R720 million but provincial government, also an ANC government, owes the metro

R700 million. How is that responsible governance? How is that a responsible, caring government, while people are suffering because they do not have water and while businesses can’t actually function because there is no water and electricity supply?

*Afrikaans*:

Agb Adjunkspeaker, dit kan nie wees dat ons R1,446 miljard — billion — bestee om 32 000 werksgeleenthede te skep nie. Dit is nie volhoubaar nie. Daardie werksgeleenthede is tydelik van aard. Daardie werksgeleenthede is selfs onder die minimum loon. Daar word van die privaat sektor verwag om die minimum loon te betaal maar nie as dit die Expanded Public Works Programme, EPWP, [Uitgebreide Openbare Werke-Program] is nie. Nee, nee, nee. Dan bestee ons net geld om vir mense darem ’n werk te gee. Kom ons doen dieselfde met die privaat sektor.

Maar, die feit van die saak is dat om werk in hierdie land te skep moet ons nie net tydelike werk deur regeringsprojekte skep nie. Daardie geld moet eerder aan infrastruktuur bestee word. Ons sien ook in hierdie begroting dat daar onderbestee word op voorwaardelike toekennings wat veronderstel is om te gegaan het om die Vaalrivier skoon te maak. Om daardie waterbron wat baie belangrik vir Suid-Afrika is skoon te maak, word daardie geld onderbestee en word dit nou weer in hierdie begroting *gereprioritiseer*. Hoe is dit moontlik dat geld nie op infrastruktuur bestee word nie maar eerder op tydelike werke wat net tydelik van aard is? Ons moet verander hoe ons dink, agb Adjunkspeaker.

*English*:

We have to create jobs by creating a conducive environment for the private sector to function and flourish. This Division of Revenue Bill is nothing but wrong priorities. While money is spent on state-owned entities, money is not spent on getting local government going and getting the backlog of outstanding debt of municipalities to water boards and to Eskom paid because that is the only way that we can get out of this dire situation. I thank you.

Mr S N SWART: Thank you, Deputy Speaker. The Division of Revenue Amendment Bill amends certain allocations to national, provincial and local spheres of government. Now, as far as specific details in the Bill are concerned, in this period of

16 Days of Activism, the ACDP welcomes the proposed additional allocation of R120 million to the provincial equitable share for the appointment of additional social workers. When one considers the unacceptable high levels of domestic violence, particularly against women and children, and the overall high crime rates in South Africa, it is however concerning that the Department of Social Development still appears to be failing to employ enough social workers to assist victims of crime and abuse. The ACDP thus trusts that this additional funding will go some way to alleviate this problem.

Absorbing the budget reductions implemented in the 2021 Budget presents a significant challenge in the health sector. In this regard, the proposed additional allocation of R350 million to the provincial equitable share aims to fund the employment of staff and assistant nurses who will fulfill the responsibilities required in the COVID-19 vaccine programme, COVID-19 wards, high-care units, patient observation and other issues.

The ACDP wishes to thank and honour all those doctors and health care workers who are on the frontline in fighting the COVID-19 pandemic. The ACDP, while not opposing vaccines as long as the recipient gives informed consent, does however oppose vaccine passports or mandatory vaccines. We are deeply concerned about President Ramaphosa’s Sunday night comment that, “Government has set up a task team that will undertake broad consultations on making vaccination mandatory for specific activities and locations”. Now, this announcement directly contradicts all earlier announcements and undertakings that vaccinations will not be made mandatory. As the ACDP, we will engage with this task team to find a better way of doing things in addressing the COVID-19 pandemic.

Lastly, Deputy Speaker, the Bill must be considered in light of the reality that the country is on the brink of a fiscal implosion at local government level. Many municipalities have insufficient capacity to fulfill their financial responsibilities. An astronomical amount of R232 billion is owed by consumers to municipalities, up from an already high R165 billion two years ago.

Now, the inevitable consequence of this debt of insolvent municipalities is potholes, broken water and sewerage infrastructure, electricity breakdowns and a general lack of service delivery. In this regard, the ACDP will support steps by National Treasury to alleviate this problem. However, the ACDP will not support this Division of Revenue Bill. I thank you.

Mr N L S KWANKWA: Deputy Speaker, former Finance Minister Tito Mboweni, at the beginning of the year, painted a gloomy picture of the state of municipalities in South Africa. He said:

“Of about 278 municipalities in South Africa, 166 were in financial distress, 40 were battling to deliver basic services and 102 adopted budgets that they cannot afford”

To add to this, the fact that a growing number of municipalities are failing to collect revenues from residents whose income are affected by COVID-19 and most of other issues. In Addition, according to a study conducted by MyBroadband earlier, R186 billion has seemingly disappeared from local municipalities due to irregular and wasteful expenditure. [Interjections.] ... Why do we advocate ...

*IsiXhosa*:

Hayi Sekela Somlomo, ngubani lo ungxolayo ngoku? Uyandiphazamisa.

USEKELA SOMLOMO: Ndizakumazelaphi mna, wabuza kum?

Mnu N L S KWANKWA: Nguwe kaloku uSihlalo.

*English*:

The DEPUTY SPEAKER: Hon members! Hon member ...

*IsiXhosa*:

... khawukhe uthule ...

*English*:

... just hold on, I am presiding here. You are out of order. Hon members, please. I told you, requested you, pleaded with you, to mute. Can’t you just be careful and watch that you are not disrupting the House. This is in the Rules but you don’t seem to care about that. Practically, this is why it is necessary now to be impatient with you. Go ahead, hon Kwankwa.

Mr N L S KWANKWA: Thank you, Sir. Added to this, another problem where R1 billion was spent on consultants at this local sphere of government. In other words, as we having been calling since about 2010 for a greater need to increase the local government equitable share formula, and to improve it so that residents at local government levels are able to be provided with a requisite level of service delivery.

We are saying that it is important for the National Treasury and government to make sure that they provide guidelines for this sector and make sure that they address the challenges facing the sector as we continue we give up money to the local sphere of government, because if we don’t address these issues, it is like throwing money at a problem without addressing the fundamental and underlying problems which affects this sphere of government.

It is also important that as budget cuts are undertaken and expenditure moderation is carried out by government, that there is a proper study conducted to see the effect on this department, their ability to actually manage and to ensure that they deliver services to our people. So that we are able to caution service delivery from being affected by budget cuts. We are also concerned about the proposed R210 million rollover for infrastructure backlog grants to complete projects that are part of sanitation appropriate for education initiative and infrastructure. These are issues that ...

*IsiXhosa*:

... esibona ukuthi siyi-UDM ...

*English*:

... amongst other things that ...

*IsiXhosa*:

... asizukukwazi ukuxhasa le ...

*English*:

... division of revenue ...

*IsiXhosa*:

... namhlanje. Ndiyabulela Sekela Somlomo.

Mr S N AUGUST: Deputy Speaker, addressing the COVID-19 pandemic through the vaccinating the nation is the most pressing priority. But at the same time, addressing the basic needs and dignity of our people cannot be abandoned. ...

[Inaudible.] ... the quality and distribution of state services must be ramped up. We must do both [Inaudible.]

... It was not just disheartening and disappointing so see these plunders conniving with private companies to ransack our COVID-19 defences. It was hideous and deeply disturbing.

We need to see those who steal from our people prosecuted and imprisoned. So we must be sure to set sufficient funds aside to keep the criminal justice system going. The burden of spending our tax revenue wisely is not Treasury alone. It is also our collective responsibility as public representatives and each and every government employee to ensure resources we have are best spent. That good procurement decisions are made and the nation gets bang for its buck. ... [Inaudible.] ...

development of resilient and sustainable contracts and consequence management system to hold accountable those responsible for administering of our accounts.

COVID-19 has created unprecedented hardship and challenges. It has also highlighted the shocking levels of inequality, both in quality of life and service delivery. It has highlighted our historic failures to get resources to those who need them most. Whilst the vaccination drive is our priority, our people can’t eat or clothe their children with vaccines and spending money on vaccines cannot be an excuse for a further lowering of standards of service delivery to poorer communities.

The circumstances ... [Inaudible.] ... capable of delicately balancing our long term interest whilst keeping the nation afloat. With the vaccine rollout underway, as we look beyond COVID-19, we need good solutions to tackle on during challenges with inequality, poverty and achieving sustainable, social and economic justice. Government department needs to invest more in infrastructure delivery, to bring much needed services and progress to communities who need most of the diverse legacy of apartheid, spatial planning and economic investment when non-white areas for many years received little to no infrastructure development investment.

Minister De Lille driving great implementation of the Infrastructure Investment Plan approved by Cabinet in May 2020 with projects from all three spheres of government, private

sectors and state-owned entities. All three spheres of government must continue working together - working harder to ensure delivery of the projects in the investment plan. It is said that crises create opportunity, our abilities to realise opportunities however, depends on fiscal integrity. Thank you, Deputy Speaker.

Ms M C DIKGALE: Deputy Speaker, the ANC supports the 2021 Division of Revenue Amendment Bill because it seeks to strengthen our provincial and local government capacity to deliver the much needed services to our people. The adjusted budget and increased to the provincial equitable share is mainly to account for the increased costs associated with the implementation of the public service wage agreement and the implementation of the second phase of the Presidential Youth Employment Initiative.

The Presidential Youth Employment Initiative forms part of the public employment programmes to create jobs through labour intensive projects in response to the rising unemployment associated with the impact of COVID-19 pandemic. The pandemic has drastically increase the number of people who have joined the unacceptably long queue of unemployment. Having risen to

unprecedented level of 34,4% in the second quarter from 32,6% in the first quarter of 2021.

Whilst the global economies slowly recover, many development countries have implemented massive stimulus packages to mitigate the effects of the pandemic by increasing aggregate demand and thereby growing their economies. The increase of the equitable share to provinces of R21,15 billion through the Division of Revenue Amendment Bill is also aimed at the recovery of our economy.

With regard to provincial equitable share, the progressive intervention by the ANC government in response to the pandemic, have showed without a doubt, the important role that the state plays and should continue to play in revitalizing our economy. We simply cannot leave everything to the whims of the market, as some opposition parties believes. The fact of the matter is that the market will not correct past injustices and structural imbalances of the past.

Without the deliberate intervention of government in the economy, transformation will remain a pilgrimage. It is important for our people out there to know that the provincial equitable share comprises of the following important

interventions: An amount of R14,68 billion is added to assist provinces to implement the wage agreement of the public services co-ordinating by gaining council.

An amount of R60 billion is appropriated to employ education assistance and general school assistants at public ordinary and public special schools and the successful programme has created more than 310 000 jobs. About R350 million for the employment of staff and assistance nurses who will fulfil the responsibilities required in the COVID-19 vaccination programmes, COVID-19 wards, high care units, patient observation and other duties as required.

An amount of R120 million for the contracting of social workers as part of a short term response to unemployment amongst social work graduates. About R178 million is allocated to the early childhood development grant to provide unemployment risk support to 17 000 early childhood development related workers impacted by the COVID-19 lockdown to supplement their income. The R11 billion allocated to continue with the Presidential Employment Stimulus programme that has thus far helped to create 550 000 jobs is welcomed as it has assisted to integrate young people into the labour

market, providing them with basic salary and the necessary experience.

One can only imagine what the people of South Africa would be without the ANC government’s interventions. Particularly to support the most vulnerable. The ANC will never stop to reverse the legacy of apartheid and colonialism that has damaged our country. With regard to changes allocations and rollover; the rollover of R210 million of the school infrastructure backlogs grant to complete projects of improving sanitation in schools and creating a safe and conducive environment for learners to learn is worrisome.

The delayed finalisation of these infrastructure projects indefensible and should be resolved speedily. The R97 million of the rollover funding of R210 million is reprioritised and allocated to the Department of Basic Education to find a shortfall in the provision of workbooks. There is an increased demand for Languages, Mathematics and Life Skills workbooks due to changes in teaching and learning practices in public schools, whereby greater emphasis is placed on learners working on their own home due to rotational attendance timetables implemented by schools to allow for the required school distancing as necessitated by COVID-19 regulations.

In conclusion, the ANC has demonstrated through the Division of Revenue Amendment Bill that it has the ability to swiftly respond to the needs of our people and accelerate inclusive economic role. Much work has to go into building strong and resilient institutions. The road is still long but we will not waver. COVID-19 has set us back and brought a lot of pain and sorrow. We however find courage in the words of former President Mbeki that:

“Those who complete the course will do so only because they do not, as fatigue sets in, convince themselves that the road ahead is still too long, the inclines too steep, the loneliness impossible to bear and the prize itself of doubtful value.”

I thank you.

Mr W M MADISHA: Thank you very much hon Deputy Speaker and hon members. What is put before us is extremely unfortunate, that because it does not address daily momentous challenges faced by the working class and the poor people of South Africa. Let it be understood that when I say the working class, I do not basically refer only to those who wake up and go and work

daily for minimal wages but also those who are in the informal work.

The revenue must speak to youth unemployment by ensuring that provinces and municipalities have workable plans to minimize youth unemployment. The South Africa that we are in today has the highest unemployment rate in the world sitting at more than 74,8%. This is a disaster that we are faced with. We know that government usually says the unemployment rate is far below that but the truth is that it is extremely high.

COPE proposes that the Bill must provide a tiff to prosecute government officials misappropriating funds meant for the people of South Africa in their respective provinces and municipalities.

Furthermore, officials involved in the failure of providing services all to be relieved off their duties. We are faced with very serious problems and today for example, that which is happening in KZN where cases of theft by those who occupy senior positions that is not dealt with altogether.

Today food and petrol are very expensive and prices are going up daily, we are faced with extremely expensive everything. I

want emphasize that unless we have something done, nothing is going to take our people forward. We therefore do not agree with this. Thank you very much.

Mr M NYHONTSO: Hon speaker? Deputy Speaker?

The DEPUTY SPEAKER: Yes?

Mr M NYHONTSO: I’m sure you have not forgotten about the PAC?

*IsiXhosa*:

USEKELA SOMLOMO: Hayi, xa ukhona ke sikunika ithutyana, lokuba uthethe.

Mnu M NYHONTSO: Andilifuni ithutyana, ndifuna ithuba ...

*English*

... but don’t jump me, I’m not speaking.

The DEPUTY SPEAKER: No, the list contains only those who have

agreed to speak. If you didn’t agree to speak ...

*IsiXhosa*:

... hayi sizakukugqitha nje kubemnandi.

Mnu M NYHONTSO: Yintoni ithutyana?

USEKELA SOMLOMO: Alikho ithutyana, awutshongo ukuba ... [Ngokungavakaliyo.]

Mnu M NYHONTSO: Kukho ithuba ke, hayi ithuthana. [Uwele-wele}

The DEPUTY SPEAKER: Hon member...

*IsiXhosa*:

... namhlanje kwenzeka ntoni? Ufuna ukuthini kuthi?

*English*

I assume hon Hendricks is not there and as the PAC confirms now hon Nyhontso says he’s not going to speak but is objecting to being skipped. I didn’t skip him; he did not indicate that either way. So, this is why he’s not on the list. Let’s go to hon Sarupen.

Mr A N SARUPEN: Thank you very much hon Deputy Speaker. Hon Deputy Speaker when the original Division of Revenue Bill was passed, one of the startling aspects that Bill was that it demonstrated that ordinary South Africans were paying the

price for very high levels of government debt and impact of lockdowns.

And how do we know this? It’s because the Division of Revenue Bill had shown that the state decided to cut frontline services and pass the burden onto the poor and vulnerable of its bad decision making. The evidence of this of course was in the cuts of allocation to provinces which deliver primary health care and education services. They were cut substantially.

This Bill is only necessary because these cuts have hampered services and in the middle of a pandemic no less. An allocation to local government has stagnated. Even the Financial and Fiscal Commission and state entity has raised an alarm slowly starving local government of revenue while it is already in the accelerated state of decay.

The local government equitable share is going to decline by 0,4% of the medium term while inflation erodes the values of these allegations. So, to put this simply if you live in a municipality elated with potholes, which are usually the ones that the ANC govern, there won’t be any money to fix potholes.

There will in fact be less money and the potholes will get worse. Even Salga is raising the alarm bells.

Furthermore, even Cosatu says there’s no clear mechanism to stabilize these failing municipalities which means the decay will continue. Now, while this particular amendment Bill fixes some of the issues in the original Bill, it’s clear that there are no plans in place as to how the revenue will be used.

The standard government practice of spend money now and figure out what or why later seems to persist and this is evident and there’s lack of planning. Even this Bill increased allocations and sanitations to schools there was no [Inaudible.] plan as to what, where and how money will be spent.

Similarly, while there’s money allocated to fix the pollution situation in the Vaal River, there’s no plan to deal with the fact that Emfuleni Local Municipality, still an ANC run council is the cause of this problem.

Lastly, this Bill demonstrates how the Public Sector Wage Bill is crowding out service delivery. Of the R21 billion allocated to the provinces, nearly 70% of this R15 billion is for public

sector wage increases and a large amount of this goes to millionaire managers mostly cadre deployees.

The DA has recently called for reduction in the number of millionaire managers in order to increase the number of teachers, nurses, doctors and police officers. But, as actual public services require more than just ANC membership, it’s easier to keep millionaire managers in place. So, 70% of this allocation being used in salary increases should be a major wakeup call to everybody about the bloated nature of ineffective public services. Thank you very much.

Mr Z MLENZANA: Hon Deputy Speaker, the ANC supports the Bill. Hon Hlonyane and hon Sarupen, just because our heights are almost the same, I want you to take note of the fact that this comment which is warning by father is not actually biological but philosophical. My father warned me not to carry dwarfs on my shoulders lest I fear to be shorter. Hence then, I will not worry myself about the dwarfs lest I carry them. [Laughter.]

The 2021 Division of Revenue Bill is tabled in this House against the backdrop of difficult economic conditions brought about by the Covid-19 pandemic which has stifled economic growth and caused a serious threat not only to livelihoods but

also to our government’s ability to deliver basic services particularly in the local government. The Bill validates the commitment of the ANC-led government’s policy which centres on inclusive economic growth.

The Division of the Revenue Bill as a result allocates

R460 billion to local government from the national fiscus over the Medium-Term Budget statement where R250 billion goes to Unconditional Grants and R149,7 billion to Conditional Grants. With local government as a direct link to our people, this is progressive and it is a move that is accelerating service delivery and it is therefore welcome.

The ANC is still leading and the National Democratic Revolution, NDR is still on track. In spite of the difficult economic situations we face, the ANC has proved its unwavering concerns to a responsive and distributive Division of Revenue in order to achieve a better life for all.

The net amount of R751 million is added to the direct Neighbourhood Development Partnership Grant. Where is hon Madisha? The purpose of this grant is to fund, support and facilitate the planning and development of neighbourhood development programmes and projects that will be catalysts to

further development in local and rural areas. This allocation is to capacitate local government to create 32 663 jobs through precinct management, community safety, place making, greening, integrated waste management and digitalisation with the special focus on poor and marginalised areas. A further R10 million is added to the indirect Neighbourhood Development Partnership Grant to fund, preparation, planning and implementation for municipalities facing implementation challenges and government’s efforts to respond to unemployment.

Where is this hon member? The Bill appropriates an additional R841 million to the direct component of the Neighbourhood Development Partnership Grant allocated for the Presidential Youth Employment Intervention to create the much needed jobs particularly for young people on the role overs. [Interjections.] Wait, I am coming for you. The rollover of R582 million for the direct regional Bulk Infrastructure Grant allocation for the operational payments for the Vaal River Pollution Rehabilitation Project in Emfuleni Local Municipality is a concern to all of us as this project has been dragging for years and it is creating unnecessary wastage in our fiscus. Hence the ANC is calling for the speedily finalisation of this project.

We are also concerned that some of our municipalities do not have internal capacity and rely on consultants to attend on their service delivery issues. I will not get into detail about that one. We further note the inability of the DA-led City of Cape Town Metropolitan Municipality to spend

R1,3 billion on its Myciti Bus services. This is notwithstanding the serious challenges of a collapsing infrastructure in the city. This action by the DA yet again demonstrates its anti-poor and anti-working class stance.

*IsiXhos*a:

Anibafuni abantu abantsundu nina. [Kwaqhwatywa.]

*English*:

You always pretend as if you are delivering when ...

*IsiXhosa*:

... nisenza izinto kubantu benu kuphela.

*English*:

You do not go to those deep areas ...

*IsiXhosa*:

... apho kutsitywa khona amanzi amdaka. Anibafuni abantu bethu nina ...

*English*:

... and let me tell you that the administration in the Western Cape has delayed the appointment of professional service providers for the building design of the Klipfontein Hospital. As a result, because of your failure, R10 million has to be returned ...

The DEPUTY SPEAKER: Hon member, you are now in interlocution with the man speaking. No, let me explain to you. Heckling is okay but not what you are doing. It does not fit in with heckling. Stop screaming hon member ...

*Afrikaans*:

Jy is buite orde! Bly ’n bietjie stil; jy’t die suurstof nodig! [You are out of order! Stop talking for a while; you need the oxygen!]

*English*:

Go ahead, hon member. [Interjections.]

No, you cannot say that of members presenting their views. You will have an opportunity to disabuse those that you do not agree with but you should not be doing that, throwing stuff at members speaking here.

*Afrikaans*:

Julle hou van vloek! Maar as julle terug gevloek word dan ... [Gelag.] [You love to use swear words. But if, in return, you are sworn at, then ...] [Laughter.]

The CHIEF WHIP OF THE OPPOSITION PARTY: Deputy Speaker, I

guarantee you I have told my members to stay in order regardless of the junk that has been spoken at the podium.

The DEPUTY SPEAKER: Hon members, you will be orderly. We will impose order, otherwise.

Mr Z MLENZANA: The DA should stop deploying speakers who do not sit in committees because they are the ones who come in here and speak junk and be out of order. Here we are debating the Division of Revenue Bill and then somebody comes and talks about appropriation because he is just coming from nowhere.

On a serious note, the ANC humbles itself before the people of South Africa and we wish to thank them for returning the movement to power in 167 municipalities thereby giving us outright majority across the country. *While* some of you are struggling to govern through opportunistic and unsustainable coalitions, the ANC will continue forging ahead with our organisational renewal while at the same time driving the transformation agenda reversing those historical injustices that ...

*IsiXhosa*:

... abanye bootat’omkhulu nootata benu bazenzayo, becinezela

abantu abantsundu ...

*English*:

... but with the ANC now leading we can see the future and we are creating a better life for all. Hon Hlonyane, I respect you but my appeal to you is that please ...

*IsiXhosa*:

... yiyeke le nto yokudlala ngabantu kuba wena uyayazi inyaniso emsulwa.

*English*:

You are unlike some of these other ones. At least you do have some tools of analysis and you can differentiate between issues but immediately you come here ...

*IsiXhosa*:

... nam ndisuke ndibhideke nguwe ubengathi awuzibambanga izinto ...

*English*:

... but you know the reality.

*IsiXhosa*:

Andifuni ukuba ndikufanise ne-ACDP.

*English*:

You know, ACDP has got an element of confusion if you listened here. Right through the ACDP has been supporting all along then at the end of the day, they said they do not support the Bill. That is confusion. I listened to them yesterday from the Newsroom TV Channel, confusing issues there but I do not want to venture into their confusion about vaccination. I want to appeal to South Africans to go all out to vaccinate. The President was very clear ...

*IsiXhosa*:

... xa ebesithi uMongameli akukho cebo limbi lokuqubisana nalento isihlaselayo.

*English*:

Let us all go and vaccinate.

*IsiXhosa*:

Umntu obekade egula apha, ehlaselwe yena kuqala yiCovid-19 ngoku usixelela izinto esingazaziyo ubanga ukuba akafuni kugonywa.

*English*:

Who has a guarantee that indeed he or she is not vaccinated. You are called to order, hon members.

*IsiXhosa*:

Masihambeni siye kuthetha inyaniso ebantwini phandl’apha.

Bendithe, xa ndiza kuniyeka, xa kuthethwa ngemali ...

*English*:

... I am not a racist but I am sensitive ...

*IsiXhosa*:

...kwaba bantu bathanda ukukhetha abantu ndifuna ukuthi kuni, nabantu bethu bayakwazi ukuxoxa ngemali. Musani ukuba mhlophe nodwa xa kuxoxwa ngemali. Enkosi, Sekela Somlomo.

The DEPUTY SPEAKER: Hon the Minister of Finance, hon Enoch Godongwane, welcome to your job and welcome to this debate. I haven’t said so to you. Go ahead and respond to the debate and close it. [Interjections.]

Hon members, order! We don’t ...

The MINISTER OF FINANCE: Hon Deputy Speaker, I want to take this opportunity to thank you and hon members of this House for this robust and insightful debate on a matter as complicated as this one. This debate takes place against the backdrop of major economic challenges facing our nation.

Statistics SA today has revealed statistics that unemployment continues to grow. We are now sitting at about 34,9%. We are also taking this debate in a significantly constrained fiscal outlook. Coupled with these is the probable resurgence of a fourth wave of the COVID-19 pandemic. These are the challenges facing our nation.

The consequences of this fourth wave, from a fiscal position perspective, are unknown. So, this is a context in which this debate is taking place. Therefore, an appreciation of the task and the crafting of the way forward we are doing is quite imperative.

What is that delicate balance we are trying to achieve? That delicate balance we are trying to achieve is to save lives, protect the vulnerable, grow this economy so that we can make an impact on unemployment, poverty and inequality. We have to do all of these in a manner which is sustainable. That is why we say part of this is pillars we need to be talking about as an element of this structural reform whose main objective is to help the recovery.

An hon member from the DA made a point about South African Airways, SAA. We made a point in this Medium-Term Budget Policy Statement that d we have been deliberately transparent if one reads the book and not only the statement, deliberately being transparent by saying how much over the years from 2013 to date has gone into state owned enterprises, SOEs, and how much has been sacrificed from departments to achieve that objective. We have been transparent that those choices have

not been optive. In this regard I used the word tough love precisely to signal this significant shift.

We would like hon members to travel this journey with us. This challenge belongs to all of us to make sure that we can change the lives of our people. Much has been said about inter-fiscal relations part of the provisional and physical.

Intergovernmental fiscal relation is a challenge worldwide. Even established democracies have issues or challenge in this vertical and horizontal split. Ours is no exception. We will continue to have discussions and debate disagreements. Where the need arises significant changes will be made.

We have made the point that 60% of our budget goes into what is called the social wage. The majority of that takes place in provinces whether it is education and everything like that.

So, the burden of the social wage on provinces is quite critical, and as part of the intergovernmental fiscal relation is the matter that needs to be attended to.

We hear the views that are being expressed by members of this House and we will take that into account. We also take note of some the comments about local government. Clearly, if we make the local government efficient it provides less burden for the

national government. In this regard, those comments about the different spheres of government, including local government, are noted.

As I am about to conclude, key components of this would be the provision of skills to ensure that the resources and efficient use of the resources are provided at all levels of government. That is the challenge that is facing us moving forward.

I want to thank members today, I am not going to be boring you with numbers – numbers have been enthroned in this debate, thank you for your comments. As we finally cut the final budget for February 2022 some of the comments will be taken into account, there is no doubt about that. Once again, Deputy Speaker, thank you very much.

Debate Concluded.

Agreed to

Bill read a second time.

# RATES AND MONETARY AMOUNTS AND AMENDMENT OF REVENUE LAWS BILL

(First Reading debate)

# TAXATION LAWS AMENDMENT BILL

(First Reading debate)

# TAX ADMINISTRATION LAWS AMENDMENT BILL

(Second Reading debate)

Mr M J MASWANGANYI: Thank you, hon Deputy Speaker. Hon members of the House, Ministers present and the members of the National Assembly, I Table the Report of the Standing Committee on Finance on the Rates and Monetary and Amendment of Revenue Laws Bill, B21 of 2021, Tax Administration Laws Amendment Bill, B20 ... [Inaudible.] ... and Tax Laws Amendment Bill, B22 of 2021.

The committee having considered the Rates and Monetary and Amendment of Revenue Laws Bill classified by the Joint Tagging Mechanism, JTM, as a Money Bill, the Tax Administration Laws Amendment Bill classified as section 75 Bill and Tax Laws Amendment Bill classified as section 77 Bill, Report as follows: The three Bills were Tabled in the National Assembly

by the Minister of Finance, hon Godongwana, on 11 November 2021, together with the Medium-Term Budget Policy Statement. The tabling on 11 November was preceded by the publication of the three Bills on 28 July 2021. The Rates Bill gives effect to changes in rates and monetary thresholds to the personal income tax tables and increases of the excise duties on alcohol and tobacco.

The Tax Administration Laws Amendment Bill, TALAB, contains some tax proposals made in Chapter 4 and annexure-c of the 2021 Budget review. The Taxation Laws Amendment Bill, TLAB, contain emergency tax measures in response through the continuing COVID-19 pandemic and the recent July unrest. The committee received a letter from the Minister of Finance to request corrections to clauses four and 56 of this Bill inn line with section 8(4) and section 11(3) of the Money Bills Amendment Procedure and Related Matters Act 2009. The technical amendments correct the effective date for the proposed amendment from 01 January 2022 to 01 January 2023. The committee agreed to the request by the Minister.

The committee conducted public hearings whereby it received written and oral submissions from the stakeholders.

Participatory democracy empowers the public to be actively

involved in decision-making processes such as lawmaking and oversight. The intention of public participation and involvement in democratic processes is primarily to influence decision-making processes that reflects the will of the people. Issues raised by the public were responded to by the National Treasury and SA Revenue Service, Sars. The SA tax revenue has been in decline for many years before COVID-19 pandemic hit our economy in the year 2020. Over the years the corporate income tax has decreased as the percentage of the total tax revenue. The decrease was from 18,1% in 2015-16 to 15,9% in 2019-2020.

On the other hand, personal income tax has continued to grow as the highest contributor towards tax revenue from 36,4% in 2015-16 to 39% in 2019-2020. That remains the second largest tax revenue contributor although with a slight decline over the same period from 26,3% to 25,6%. The small, medium and macro enterprises continue to pay higher taxes due to higher compliance cost or the lack of their capacity to claim tax incentives and allowances. The poor performance of corporate income tax, CIT, over the years is as a result of low economic performance, the abuse of the tax systems and the base erosion and profit shifting, Beps, by multinational enterprises and elicit flows, emerging businesses and business models based on

digitalisation have meant that the current taxes which was created prior to technology advancement era becomes outdated tools to allocating tax rights for digital economic activities, income and profit.

Therefore, multinational companies operating in the digital economy continue to pay lower taxes than they would be paying in conventional business models. The advent of the COVID-19 pandemic and related lockdowns as well as economic restrictions in 2020 and 2021 have led to the closure of many businesses with specific economic sectors affected more than others, for example, tourism and related industries facing a loss of more business activities leading to many shutting down their businesses. The closure of these businesses has led to the loss of tax revenues from all three major tax revenues, personal income, VAT and corporate income tax over this period.

Therefore, the government short term economic recovery plan has to be seen in expenditure and other measures supporting business and other sectors that were affected by COVID-19 pandemic. By doing so, will also support employment and business activities which will lead to the enhancement of personal income tax, VAT and corporate income tax revenues. A

long term recovery plan should thus focus on structural transformation where production sectors such as manufacturing are supported through macro policies.

On the other hand, some sectors have gained more value from the COVID-19 related lockdown, for example, rapid digitalisation led to more technology related business, seeing an increase in businesses and related revenues and profit.

Rapid digitalisation has also meant that the current tax system which is largely based on physical activities – as I have said before – have become more irrelevant to generate tax revenue in digital sectors. This disjuncture will lead to accelerated much needed corporate tax revenues over the past two years of COVID-19 and over the medium term. The mining sector has seen better recovery in 2021 due to commodity boom. This led to more tax revenue collection from the sector.

However, the commodity boom is expected to normalise over the medium-term framework. South Africa has to continue to ensure the developing countries’ needs for both income and consumption tax revenues are taken into account by ensuring that any global deal for reforming the international tax system reach ensures that developing countries like South Africa can benefit better than developed countries. There is

an obvious indication that the 2021 global consensus on the need to reform the international tax system would benefit the developed countries more than developing countries.

Further, taking into account expected compliance ... [Inaudible.] ... new deal ... [Inaudible.] ... developing countries are likely to ... [Inaudible.] ... more tax revenues

... [Inaudible.] ... of developed countries. The above points have set the context for the 2021 tax and revenue proposals. Therefore, this context has to be taken into account within the tax and revenue proposals over the medium term. The 2021-

22 first six months ending in September 2021 tax revenue collection have shown about a 6% increase in collection compared to 2020 in the same period. All the major taxes categories; personal income tax, VAT and corporate income tax increase on a six-month comparison.

However, the fuel levy and custom duties have seen lower increases in their tax revenue collections compared to 2020. The government proposals to any tax incentives have to be based on evidence that the objectives, for example, increase employment or encourage investment are likely to be realised and there are measures to assess the goals, example, employment tax incentives were introduced to incentivise

corporate tax payers to employ young people. Given that this means revenue forgone, government is yet to provide evidence that the objectives being realised or to prove that the abuse of incentives is avoided. The government has to ensure that the small, medium and micro-enterprises, SMMEs, are able to benefit from these kinds of incentives.

The 2021 Budget proposes to increase personal tax bans above inflation rate leading to about R13 billion forgone revenue. The context of incorporable labels of wealth in equality are essential to take concrete steps to consider and implement a progressive net wealth tax if possible. Research indicate that more than R100 billion revenue could be raised from a progressive net wealth tax from 7% even after 30% of wealthy will avoid paying this tax altogether. The 2021-22 Budget proposes to increase excise duty. The government must ensure that the impact of excise duty increases on the value chain is not ultimately absorbed by the poor consumer.

The unintended consequences of excise duty increases include to stimulate the growth in the illicit economy. Therefore, government has to equally increase the effort of enforcement and closing abuse gaps in the system. Government has to put more effort on the productive sectors like mining,

manufacturing and farming. The tax system is geared towards managing and collecting the taxes from those that are compliant or at least semicompliant that is underreporting of income and overstatement of expenses. There is a need to ensure that tax administration is fair for the generally complaint. There is a perception that the current tax system fails to identify noncompliance with the formal economy with particular concerns around illegal foreign-owned businesses.

Government has to work towards closing any loophole that lead to leakages in taxes within the informal economy. In conclusion, the committee welcomes the amendments which are directed at improving SA Revenue Service, Sars, administrative capacity, efficiency and enforcing compliance. The committee notes the illicit trade in alcohol and tobacco is a serious problem and believe more needs to be done in terms of the compliance and law enforcement. I move that the Report be adopted, hon Deputy Speaker.

*Xitsonga:*

Ndza khensa.

*Swahili:*

Asante Sana.

*Portuguese:*

Obrigado.

Dr D T GEORGE: Thank you, House Chairperson, government has an obligation to tax payers. When government mismanages tax collected, the social contracts gets eroded. Our public financial system is riddled with maladministration and corruption and there’s no political will to hold anyone to account. It is little wonder why honest individuals and companies feel unfairly treated when they are subjected to penalty for late payments and submissions while others are literally stealing the money they are paying without any consequence, so as to concentrate on catching the real ... [Inaudible.] ... who don’t pay tax on elicit sales of alcohol and tobacco.

Government mismanagement of the COVID-19 pandemic, included a ban on of alcohol and tobacco sales. This enabled the illicit trade to flourish and legitimate traders are now punished with a higher tax. Tax administration laws clamped evenly, on an already complaint tax payers. While the actual ... [Inaudible.] ... tax payer continues regardless.

The minibus taxi industry is the prime example. The Minister’ recent Medium Term Budget Policy Statement has highlighted a very serious public financial crisis, that our country faces. The crisis caused by a government that has betrayed the public trust. The debt burden out crowds our service delivery resulted from financial mismanagement and there is nothing in the Taxation Law Amendment that seeks to provide any incentives that would stimulate economic growth, facilitate job creation and lift the millions of people living below the poverty line into prosperity overtime. Personal income tax brackets adjustments are below the inflation for over the decade and require a proper adjustment.

Despite hidden taxes such as the fuel levy rising relentlessly. The Road Accident Fund tilts on the brink of total financial collapse. Relentless increase in the tax burden over shrinking tax space is not financial sustainable. Unless government manages its expenditure, especially on the Public Sector Wage Bill, and bail out to hopelessly bankrupt state-owned enterprises. Debt repayments will deprive the most honourable members of our society of the social support they so disparately need.

After locking in retirement of assets of members of financially immigrant, government attempted to impose a withdraw tax anyway, although it was clearly unconstitutional

... [Inaudible.] ... withdrawn, it will lightly be revived and we will continue to oppose it. Former Minster Mboweni promised some progress on retirement reform and Minister Gordhan ... [Inaudible.] ... follow suit, but nothing has happened.

Government plans appear to be its gaining access to Pension Fund Assets to pay for massive infrastructure projects. That is why blocked in pension assets of financial immigrants and is opposed to members leveraging their own pension assets for their own financial benefits.

Having mismanaged its tax revenue, government now seeks to access and mismanage private pension assets. Call it what you like, blocked in pension money is a prescribed asset. The taxation of members will make no difference to the fiscal framework, where indicators are all pointing in the wrong direction. Our economic growth will remain ... [Inaudible.]

... base and with a new round of international travel restrictions, we may well experience recession. Although is strongly condemning the unscientific unnecessary and prejudice international new jab reaction to the new variant that shuts us all from the world. Nothing has changed and in its

incoherent economic policy that shuts down economic opportunities inside South Africa for everyone. That, and not COVID-19 is the real problem.

Taxation law can be an effective instrument to encourage an acceleration in economic growth. There’s no evidence in the laws on the table before us today, that government is even the

... [Inaudible.] ... on how to stimulate the economic growth. We wait with baited breath for the Minister to demonstrate the tough love that is so gladly announced in his Medium Term Budget Policy Statement. Until then, the social contract will continue to erode, we will not support the Bills. Thank you House Chairperson.

Ms H O MKHALIPHI: Thank you very much, House Chairperson, Bills like Rates and Monetary Amounts and Amendment of Revenue Laws Bill, the Taxation Laws Amendment Bill, and Tax Administration Laws amendment Bill are legislations that we consider as Parliament on an annual basis.

We consider these Bills as administrative and mainly technical by nature and must be adjusted to deal with project, government expenditure, cost of living, inflation, and overall administration of taxation. Also, this is the very same

legislation that assist South African Revenue Service, SARS, in collecting revenue, administratively.

While taxation legislations tell us what need to be collected, and how it must be collected, the reality House Chairperson, is that our economy does not grow. That is the main problem that we must face.

The reality is that workers are overtaxed while their wages have remained stagnant, while their cost of living has increased drastically. The haves just announced another increase of petrol price starting tomorrow, while the have nots are sinking into poverty.

These are the realities, House Chairperson, many of our people face today, with no hope that this government will ever come with solution. As the EFF, House Chair, we have always argued that we must deal with extreme levels of aggressive tax avoidance, we must deal with the illicit financial flows that continues take billions of monies that we must allocate to education, to health, to social grants, and backlog of infrastructure.

We must, as a country revisit the discussion of wealth tax because people continue to hold on to apartheid benefits without any efforts to share. People are not going to volunteer redistribution unless there is legislation that imposes redistribution.

As the EFF, House Chair, we have said before that SARS must build capacity to tax e-commerce businesses like Takealot, Amazon, Uber, and other e-commerce platforms. These platforms, House Chairperson, carry billions of transactions that are going out without any tax implications.

Lastly, House Chair, SARS continues to fail with the simple task to build sufficient administrative capacity to maximally collect taxes and we have raised this matter, in this Parliament. There are businesses that continue to trade without paying tax not because they are hiding from SARS. But because SARS simply does not have capacity to collect taxes.

To start building capacity, SARS must have offices that are decentralized and not only be present in cities and central business districts. House Chairperson, we can’t support these Bills. Thank you very much.

Ms L L VAN DER MERWE: House Chairperson, is the hon Van der Merwe, I belief the hon Buthelezi has got connection issues, please, can you go to the next speaker then we will come back. If you don’t mind.

Mr W W WESSELS: Hon House Chairperson, increasing revenue by increasing taxes, levis and duties would not sustainably save our financial woes. Tax incidents have far outgrown their economic viability relative to the inflation rate and that’s of excise tax instruments. The increase in excise duties should be below inflation and not currently on an 8% level.

Illicit trade of tobacco and alcohol are at an all-time high, because of this government ill-informed prohibition during 2020 and earlier this year. The rate of excise should be adjusted to combat this illicit trade.

House Chairperson, the Road Accident Fund, is completely bankrupt and dysfunctional. It is a shame that this government, year in and out does not do anything to really save the situation. Get rid of the Road Accident Fund and get an alternative in place. The tax payer is overburdened with a fuel levy increase, with an increase on the levy that goes to Road Accident Fund and then that Road Accident Fund is

dysfunctional. This does not only have an effect on businesses but also on the tax payer, the consumer and everybody in the value chain. And, this is also the case with excise duty. It’s not only the manufacturers of tobacco and the manufacturers of alcohol that is in trouble due to this increases and above inflation increases but it’s also hundreds of thousands of jobs in the value chain, that is at risk due to this failing industry and government’s lack of assistance.

House Chairperson, whilst wasteful expenditure, looting and corruption is rampant. Can taxpayers be blamed for being hesitant to pay their taxes?

*Afrikaans*:

Hierdie regering moet leer dat belasting verdien moet word en nie net ge-in moet word nie. Die regering moet leer dat daar waarde vir belastinggeld moet wees. Dit help nie om al hierdie tegniese wysigings te maak en te prober om staatsinkomste te verhoog nie terwyl daar nie waarde vir daardie belastinggeld is nie, tewyl paaie nie reggemaak word nie. [Tussenwerpsels.]

1. salaris is die probleem. U Ministers se salarisse is die probleem. Terwyl die mense daar buite ly, gee u om oor u salaris. [Tussenwerpsels.]

Maar dis reg, agb lid.

Die probeem is dat meer verligting gegee moet word aan individue en aan sakeondernemings om die ekonomie aan die gang te kry. Ons kan nie dink ons gaan ekonomiese groei deur belastingverhogings stimuleer nie. Ons moet verligting gee aan die belastingbetaler op die korte duur sodat daar in die lange duur ekonomiese groei kan plaasvind. Dit is a basiese konsep wat die ANC-geleide regering nie wil of kan verstaan nie.

Ekonomiese groei moet die maatstaf wees, die die korttermyn vol van u eie sakke en u kaders se sakke met al die korrupte kontrakte en tenders wat u toeken nie. Dit is die probleem in hierdie land. Dink oor die langtermyn, dink aan die toekoms.

Die toekoms gaan oor ekonomiese groei wat slegs gekry en behaal gaan word deur nou verligting te gee en die regte besluite nou te neem. Ek dank u. [Tussenwerpsels.]

Mr S N SWART: Hon Chairperson, these are very technical tax Bills dealing with a number of tax related issues. The issues raised by the public during the public hearings on the draft Bills covered employment, individuals, savings taxes, general business tax, international tax, value-added tax and common

tax that was in the draft Taxation Laws Amendment Bill. Now, following consultations and workshops held by the National Treasury SA Revenue Service, Sars, and its stakeholders’ public hearings, some initial proposals were modified and changed in the Bill that was tabled on 11 November, that the ACDP welcomes.

However, in my limited time I would like to focus on one issue and that is the Employment Tax Incentive programme which was introduced way back in January 2014, to provide for employment of young workers and make provision for employers to reduce the pay as you earn, tax payment to Sars for the first two years in which they employ qualified employees with a monthly remuneration of less than R6 500 and that of course subject to certain limitations.

Now this the ACDP clearly supports given the high-levels of unemployment in the country. However, the National Treasury then discovered that some unscrupulous taxpayers had devised certain schemes to claim the incentive in respect of individuals who do not work for them, but are rather engaged in training programmes using training institutions with no employment characteristics and therefore failing to meet the criteria as set out in the Act.

The amendments that were proposed in the draft Bill to clarify this aspect and requirements were added that work must be performed in terms of the employment contract. The ACDP supports this amendment to prevent abuse.

Now it is also interesting that the committee recommends that the National Treasury should consider the criticism that this programme is not achieving the goals and this clearly does need to be researched.

Now as other speakers indicated, there is a dilemma with many taxpayers whilst appreciate the need to pay tax, when money that is being collected is being wasted by the fiscus through corruption.

What the ACDP is also concerned about and previous commissioners indicated that there is a slide immorality when it comes to paying tax, almost a reluctance given the wide state capture and corruption that was experienced.

When one also considers the hard lockdown provisions, where South Africa had one of the longest and hardest lockdown provisions then clearly they had a very severe impact on the

amount of tax that was collected for the fiscus. That is something that the ACDP urges the Treasury to look into.

We welcome the tax benefits and the relief schemes that were granted during this time, but we still remain concerned about a number of aspects contained in these Bills. I thank you.

The HOUSE CHAIRPERSON (Ms M G Boroto): The hon Bagraim! The hon Bagraim! The hon Bagraim! The hon Bagraim please! You have been interrupting these proceedings for too long and I am sure you are not aware that your mic is on! Please! The hon Kwankwa!

Not on the platform. Alright! Is the hon Buthelezi from the IFP, ready?

Mrs L L VAN DER MERWE: Hon House Chairperson, the hon Hlengwa will speak on behalf of the hon Buthelezi. However, he says he has a problem to unmute. He is asking that the table staff please, assist him so that he can speak.

The HOUSE CHAIRPERSON (Ms M G Boroto): Alright. I will call the hon Sibisi, but after that and if he is not locked on, he will not be able to participate. The hon Sibisi!

*IsiNdebele*:

Nawe awukho? Kulungile, siyadlula ke.

*English*:

The hon Hlengwa are you coming alright? Is he on the platform anyway or on the mic?

Mrs L L VAN DER MERWE: Hon Chairperson, I sorry, the hon Hlengwa says he is on the platform ready to speak, however the system reads, the host is not allowing him to unmute. So, there is a technical difficulty.

The HOUSE CHAIRPERSON (Ms M G Boroto): The mic is muted from what we can see on the virtual platform. Can he not unmute?

Mrs L L VAN DER MERWE: He says when he tries to unmute it says that it says, the host is not allowing him to unmute. So, it seems it is a technical error on that side.

The HOUSE CHAIRPERSON (Ms M G Boroto): Unfortunately, once we call on the DA they will not be able to participate so I am going to pass.

Alright. Let me call the AIC. Are you there? Aljama-ah! Are you there?

Mr M G E HENDRICKS: Hon Chair, Aljama-ah supports these Bills. Thank you very much.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Hlengwa, are you there?

*Afrikaans*:

Nee, ons gaan maar aan. Agb Sarupen!

*English*:

Mrs L L VAN DER MERWE: Hon House Chairperson, I am sorry. On a point of order. The hon Hlengwa is adamant that the problem is on your side and that he is trying to unmute and it still says the host is not allowing him to unmute.

[Interjections.]

Is there anything that can be done? I am sorry.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, the information and communication technology, ICT, is with us and they are also listening. I believe that if there is a problem

they would inform us. For other members are able to speak from the platform.

Mrs L L VAN DER MERWE: Alright, Chairperson. Noted. Thank you.

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you, I cannot wait; I have to allow the DA to proceed. Thank you.

Mr A N SARUPEN: Madam Chair, the battery of tax legislation that we are dealing with here today needs to be considered, in light of the fact that there is no such thing as government money. There is only money from citizens which the government then takes to fund its operations.

Let me repeat this, the state only funds itself with other people’s money. And so the state should now treat taxpayers with contempt or carelessness. For taxation to maintain social legitimacy, the state has to deliver value for money. It has to have a positive relationship with taxpayers. That is why it is both puzzling and wrong that these Bills contain provisions that when you do a deeper assessment off or can be seen as careless, to citizens and businesses.

Let me start with the first act of carelessness in here. Historically, the DA has never opposed the increase in incentives in taxes as necessary to promote public health. However, this year’s increases do not take into account the fact that the state itself brought damage onto jobs, and the alcohol and tobacco industry. There were upstream and downstream of industries with irrational burns. In these pieces of legislation, the state has not taken any cognisance of the need to assist on these industries, but particularly the ones hit by these irrational regulations.

As other members have indicated, not just alcohol and tobacco industries that were affected. The real victims are the packaging companies, the transporters, the glass and the beverage can suppliers, the equipment manufacturers and providers and the dozens of others. All these jobs have been affected. The state in these Bills have chosen not to provide any breathing room for economic recovery in these sectors.

However, we can hardly be surprised of the situation, when you consider that some petty authoritarian government decided that the best way to prevent the spread of the corona virus was to burn the purchase of the resottori chicken.

We are the only country in the world to have tried that. Surprise, surprise it did not have any impact on the spread of the virus.

However, a second show of carelessness, is that despite rampant economic hardship, and a record hike of fuel prices, are about to reach R20 a litre, if you live inland like I do, the state is increasing the general fuel levy, by 15 cents a litre and the Road Accident Fund levy, by 11 cents a litre.

For citizens, fuel is not a luxury, it is an essential good to go to work, but here the state is being careless and abusive towards the taxpayers with these increases.

Brent crude is currently around 70 dollars a barrel.

When the pandemic ends and it gets to be a 130 dollars a barrel we are going to have about R30 a litre of fuel. So, this is the second act of carelessness.

We have more and a third act of carelessness, and that is in the Taxation Administrative Laws Amendment Bill further complicates an already complicated set of tax laws as well as it seeks to allow Sars to become even more abusive and punitive towards taxpayers.

The Sars was once a world class entity, has been broken down through the state capture project. Quite frankly, what this country needs are simplified system of taxation with easy compliance, not more complications and not burdensome compliance requirements.

So, the government can pat itself on the back and tell themselves what a great job they are doing and how great these Bills are. However, outside of these Chambers, the taxpayers are feeling as though they are being treated carelessly by the state. Tax is one of these critical areas.

If the state refuses to provide the necessary, space for firms and for households to recover from the economic impact of lockdowns it will continue to erode very fragile trust it has with taxpayers.

So, for this reason, the reasons of the three carelessnesses, the DA rejects these careless Bills and will not be voting for them. Thank you, very, very much. [Applause.]

The HOUSE CHAIRPERSON (Ms M G Boroto): The ICT please assist me by removing the hon Bagraim from the platform! The hon Hlengwa your hand is up. Are you able to speak to me?

All of them.

The ICT, members who wish to speak are unable to unmute. I do not know if you can assist?

Mrs L L VAN DER MERWE: Hon House Chairperson, the message that the hon Hlengwa is having on his side is that the host is not allowing participants to unmute themselves.

The HOUSE CHAIRPERSON (Ms M G Boroto: But how are you able to speak?

Mrs L L VAN DER MERWE: I do not know, hon House Chairperson. I am just conveying the message to you. I am really not the information technology, IT, expert here. I am just conveying the message. Thank you.

An HON MALE MEMBER: No, that is not true.

The HOUSE CHAIRPERSON (Ms M G Boroto: No. We did not ask for your opinion. [Laughter.]

The hon Hlengwa, may I apologies, unless if you could give or you should have send the speech to the hon Van der Merwe,

because once I call the ANC really I do not think I will be able to allow you to participate again.

Mrs Van der Merwe, what do you suggest we do?

Mrs L L VAN DER MERWE: Hon House Chairperson, I currently do not have the speech. I cannot delay you anymore. I understand that you have to proceed. I am sorry.

The HOUSE CHAIRPERSON (Ms M G Boroto): Alright. For today, we will be very patient and I will allow the ANC to speak, but hoping that you will have the speech after the ANC, because it is not your fault.

[Interjections.]

No, no, no, colleagues, I can make that discretion here, it is not their fault.

*IsiNdebele*:

Jali, ithuba ngelakho.

[Iwahlo.]

*IsiNdebele*:

Nom G J SKOSANA: Ngiyathokoza Sihlalo ohloniphekileko, malunga ahloniphekileko, weNdlu le yesiBethamthetho seNarha, nabahlali boke beSewula Afrika, lotjhani.

*English:*

Today’s debate for the ANC is the opportunity to once again reinstate that our policy and philosophical orientation towards taxation and amendments to the revenue laws is predicated upon the principle of cross subsidisation of the poor by the wealthier, and that any amendment to taxation legislation and revenue proposals must result in the ongoing struggle to bring about a more equitable society, in which each contributes according to their ability set against regulatory framework.

Hon House Chair, clearly the taxation and revenue legislation needs to respond towards will on the balance of the evidence provide for the greatest prospect of growth. Increases and decreases are framed within a wider context and seeks to address the problem statement, what may stimulate and what may result in a counter effect and have the opposite result to what was intended. So, the debate should engage to what is the balance we are seeking to achieve by financing our revenue

needs, and also, attracting both the domestic and foreign direct investment in the productive sectors of the economy.

So, the debate is not a subjective knee-jerk reaction that you get from some political parties who see any tax increase, be it personal or company, as being inherently a disincentive.

This unscientific approach does not help, hon members of the DA. Hon members, another key part of the debate, is a matter of broadening the tax base. This is obviously necessary, but understanding what we mean and what should be done, is not well understood by other members of this House, particularly, those of the opposition.

Broadening the tax base is not just about the numbers of tax contributors, as some have tried to make us believe, rather, it is also about introducing tax measures that effectively tax those major roleplayers in the economy, who have had the ability to avoid paying the appropriate tax through well- established profit shifting mechanism. I heard the hon Wessel saying that, it is not a problem and we cannot blame taxpayers who are paying tax. Well, I know, hon Wessels that you can be reckless at times, but I did not expect that from you. I think that’s too much coming from you.

So, broadening the base is about plugging the debts that have been created to avoid paying the proportional amount of tax required. Equally, we have to create the climate that seriously addresses the fact that major players in the financial sector of our economy are not investing in the projective sectors of our economy, but rather, are banking money, financing debt and drawing the benefits all of it leads to a picture of noninvest to the real economy, and this does not help economic growth.

*IsiNdebele:*

Sihlalo ohloniphekileko, ...

*English:*

Clearly, what we are considering here today in the amendments both to the tax and revenue laws, is to address the laws of critical revenue that is needed for developmental purposes and dealing with profit shifting in the context of illicit money flows. This leads the debate to deal with the question that most in the opposition parties argue for, with some exceptions that increased taxation is inherently bad, and any increase must be revisited, hon Sarupen. So, let us examine the facts, hon members.

The question whether South Africans can be taxed more, has to be discussed beyond superficial opinions about the level of taxes, as a percentage of Gross Domestic Product, GDP, that by default, treat the taxpaying population as homogeneous, when in fact, they live in one of the most unequal societies in the world. The ANC has a responsibility to ensure that we build a more equitable society, and therefore, how you amend and restructure the tax regime has everything to do with this. So, you need to understand this, hon members, cheers. I am taking you through members, please be patient.

So, hon members, whilst we all agree that infrastructure spend must take place, and that, deindustrialisation is bad for the economy, few are prepared to place this debate in the context of what is the appropriate taxation regime that will enable this to be done. Therefore, what we find in our public hearings on the taxation legislation, are the advancement of sectional interests. The negative impact of the extra ordinarily, high levels of inequality and poverty on the economic stability of the country, is less of a consideration, whereas for the ANC, this must be a primary consideration.

Hon members, the balance that we seek to achieve affirms that, part of the solutions to inequality do lie on moving forward

with the progressive taxation system of cross subsidisation and ensures that, the greater honours and responsibility lies with the wealthy. Our tax system, therefore, has to focus not only on raising tax revenues, but also regulating and reducing rent-seeking, undue political influencing and lobbying, and other behaviours that are recognised as socially destructive.

It is a fact that the wealthy do have far more levels of disposable income, and therefore, each year when we hear the cry that Personal Income Tax must not be changed, what are these voices really telling us should happen? That’s a million-dollar question. Hon House Chair, what confronts government each year, is to continue a project that will bring about greater equity and thereby, social cohesion, whilst being confronted with interest groups, often configured along social strata lines who seek to protect as a group their overall share of income, while the top 10% is bent on enlarging its share at the expense of other strata.

The ANC tax policy seeks to drive redistribution and restructuring in South Africa where less than 5% of the population own 95% of the wealth. Based upon these facts, there have been many calls for wealth taxes. Hon Chair, the

ANC supports the two Tax Amendment Bills and Amendment to the Revenue Bill.

*IsiNdebele:*

Ngiyathokoza.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon members, I have seen what is on the screen. So, those that are on virtual, it really confirms that they are not allowed to unmute. It says that participants can’t unmute. Hon Hlengwa, have they assisted you now. Are you able to speak?

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

The HOUSE CHAIRPERSON (Ms M G Boroto): Yes, can you proceed?

Mr N SINGH: Thank you very much, hon Chairperson, for your indulgence. Hon Chairperson, the people of this country are well aware of the financial crisis that South Africa is facing. The Finance Minister, by his own admission, warned on the catastrophe that would result if we don’t manage the ballooning debts of these payments. With the acknowledgement of the looming crisis in South Africa, government intends to find new and creative ways of taxing the people of our

country. This approach is not only dangerous for economic investment and growth, but it is done at the same time when government is riddled with corruption.

It is pointless to increase the collection of revenue if leakages of money due to corruption have been not addressed. What becomes clear, hon Chairperson, is that National Treasury and government seem not to be interested in addressing corruption. Our economy is already under attack due to corruption and mismanagement, yet, the burden is simply shifted to the people of our country, especially the poor. In 2018, the Minister increased our Value-Added Tax, VAT, which did not only affect the wealthy, as much as it was a blow to the poorest people when daily living costs begin to rise.

This year government once again dealt an unapologetic blow to all, when it eagerly awaiting the end of the election campaign to increase the fuel levy. The increase of the price of fuel, together with the 34,9% unemployment rate in South Africa, means that many poor and destitute people will go to bed hungry, while some in the governing party continue to line their pockets. Hon Chairperson, the IFP has called for an urgent debate for the national importance on the increasing fuel prices, in particular, that portion which relates to

general fuel levy and the Road Accident Fund, RAF, and I know that the Minister will not have time to respond to that in detail.

But hopefully, the hon Speaker will allow that debate so that South Africa can know, what is exactly happening with the fuel prices, and how can government assist, because there have been plans since 2019 to look at price tapping, but these plans have not borne a fruit yet. We also see that perhaps next year, some analysts are saying that, the price of brand hood oil would rise to $120 a barrel, and whilst we understand strenuous factors that are related to the price of fuels, one third of the price of fuel is related to the taxes involved by this government.

So, we would like to see the Minister doing something about it, we want the investor confidence to be increased, the poorest of the poor are going to suffer because they pay taxi fare, bus fare, the price of food will increase, and we want the Minister to create an investment friendly environment and that is not via in posing additional taxes. It is for that reason, hon Chairperson that firstly, I want to thank you again for your indulgence and indicate that the IFP will reject this Taxation Bill. Thank you very much.

The DEPUTY MINISTER OF FINANCE: Thank you, hon House Chair, I hope you can hear me and from my side I don’t have challenges. Thank you once more, Chair, and hon members thank you for debating the 2021 Tax Bills. Therefore, I really want to express my gratitude to the committee led by its Chairperson, hon Joe Maswanganyi, and the taxpayers for their patriotism, dedication and willingness to interact with the 2021 tax proposals in a difficult year that compressed the timelines for responding. Allowing this Tax Bills through Parliament is important as they contain proposals to provide personal income tax relief of R2 billion and raise R2 billion in revenue through a higher than inflationary adjustment to excise duties on alcohol and tobacco.

Of course, we don’t expect the committee to simply accept everything we propose. As the National Treasury we value public input and rigorous debate as we strive for good tax policy design that is in the interest of all South Africans. This does not mean that some taxpayers may be better off as a result of the tax proposals while others are worst off. The overall objective is to aim for a tax policy system based on important principles of equity, efficiency simplicity, certainty, transparency and revenue sustainability.

Hon members, you will agree with me that this is a tricky balance, but the various tax instrument in place have an important role to play in instilling one or more of these principles. In respect of this year’s Tax Bills we’ve listened to concerns raised by taxpayers and as a result we’ve delayed some of the proposals such as the corporate tax to allow for further consultation. Let me say a few words on specific proposals where the most concerns were raised. The Rates and Monetary Amount and Amendment of Revenue Laws Bill included an inflation linked increase in medical tax credits. The proposed increase in excise duties on tobacco was met with a lot of resistance with commentators highlighting that the illicit trade of tobacco is the biggest challenge government should be tackling.

We understand that an increase in the excise duty could mean enhance profit margins for illicit traders, but I want to emphasise that SA Revenue Service, Sars, is doing its best and a lot of work to remove illegal cigarettes from the streets and the system. Furthermore, excise duties are an important tool to help reduce consumption of tobacco and improve health outcomes of our people. With respect to the Taxation Laws and Amendment Bill the 2021 budget announcement to restructure the corporate income tax system was included. The objective is to

enhance the efficiency of the corporate tax system by broadening the tax-base and lowering the tax rates ... [Inaudible.] ... is important in the current system and in our current environment as it ensures revenue neutrality which means it does not reduce government revenues. I think hon Skosana has well-articulated the logic behind the broadening proposals which is to strengthen our rules that limit deduction for excessive interest expenses and illicit financial flows. This is an important step to protect our tax base and align our rules with the recommendations from the Organisation for Economic Co-operation and Development Group of Twenty, OECD G20, base erosion and profit shifting project.

The second was to restrict the amount of assessed losses businesses can use to reduce the following year taxable profits. A number of concerns were raised in respect of proposal for collateral lending arrangements and controlled foreign company rules. The proposals have been amended and their introductions have been delayed. Besides new tax proposal the Bill also included extension and or expansion to two of the temporary coronavirus disease, Covid, measures that were introduced in response to the pandemic in an attempt to eliminate its effect on the economy. This included the employment tax incentive which will allow tax compliant small,

medium and micro enterprises, SMMEs, to defer employees tax liability for a further three months.

Hon House Chair, sustainable growth is a precondition for sustainable revenue generation. It is for this reason that government has been undertaking structural reforms and other measures to grow our economy. The second key condition for tax revenue is a start capacity to extract revenue because it’s one thing for the economy to grow, but is another for the state to have a capacity to extract revenue from society. It is for this reason that we have allocated R3 billion over the next three years to enable Sars to build its capacity to make it easier for taxpayers and make it difficult for those who avoid paying tax. Therefore, I must also indicate that Sars continues to build its capacity to extract revenue in different ways, including reaching the deep rural areas using the mobile tax units in rural areas.

In conclusion, House Chair, let me say that this has been a difficult year for any party involved in this process whether due to the global pandemic, the unrest experience in our country or the parliamentary schedule changes as a result of the local government elections. It has been a very difficult year, indeed. I want to thank each one of you for your time

and commitment in helping us strive for the most appropriate tax policy design for our country and the challenges we face. I thank you.

Debate Concluded

Mr M Bargraim having disregarded the authority of the Chair was ordered by House Chairperson Ms M G Boroto to withdraw from the virtual platform for the remainder of the day’s sitting.

The member was thereupon withdrawn from the sitting.

Debate concluded.

Rates and Monetary Amounts and Amendment of Revenue Laws Bill read a first time (Democratic Alliance, Economic Freedom Fighters, Freedom Front Plus, African Christian Democratic Party and Inkatha Freedom Party dissenting).

Taxation Laws Amendment Bill read a first time.

Tax Administration Laws Amendment Bill read a second time (Democratic Alliance, Economic Freedom Fighters, Freedom Front

Plus, African Christian Democratic Party and Inkatha Freedom Party dissenting).

# RATES AND MONETARY AMOUNTS AND AMENDMENT OF REVENUE LAWS BILL

(Second Reading debate)

There was no debate.

Question put.

Bill read a second time (Democratic Alliance, Economic Freedom Fighters, Freedom Front Plus, African Christian Democratic Party and Inkatha Freedom Party dissenting)

# TAXATION LAWS AMENDMENT BILL

(Second Reading debate)

There was no debate.

Question put.

Bill read a second time (Democratic Alliance, Economic Freedom Fighters, Freedom Front Plus, African Christian Democratic Party and Inkatha Freedom Party dissenting).

# CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON HOME AFFAIRS ON OVERSIGHT VISIT TO GOVERNMENT PRINTING WORKS

Mr M S CHABANE: Thank you House Chair. Members of the House, the Portfolio Committee on Home Affairs is presenting the report before the National Assembly the Report on Oversight Visit to Government Printing Works for consideration and approval by the House. The oversight visit took place on 26 May 2021.

The portfolio committee received a letter from organised labour Public Servants Association of South Africa, PSA and Nehawu which are recognised unions by Government Printing Works. This letter was also sent to government entity including the Office of the President that, an investigation must be instituted against the executive management of Government printing works for maladministration and elements of corruption. The committee deliberated on the contents of the correspondence on 11 May 2021 and the resolved to conduct an oversight visit on 26 May 2021 as highlighted earlier. The

House should not that, during the visit the entire labour force was picketing to demonstrate their grievances to the committee.

House Chair, the purpose of the visit by the committee was to establish issues raised by the organised labour which includes allegations that, the executive management pay themselves large amounts of money as COVID-19 allowances disguised as leave credits. Security guards not having uniform, system failures and loss of financial data. The toxic relationship between organised labour and management which impacts negatively on the performance of the staff component.

The committee conducted a tour at the Government Printing Works facilities and later met with the organised labour, the executive management, the Minister of Home Affairs and the Director-General of Home Affairs. House Chair during the tour, the committee also noticed that the staff working at the control cold environment, does not have personal protective equipment and uniform. The committee deliberated with all stakeholders and outlined timelines to the Minister on areas which require short and long-term for implementation.

With regard to the allegations of leave payment, the committee was satisfied with the executive management’s explanation which is contrary to the allegation laid by the organised labour. With regards to security uniform and protective equipment of workers at control cold environment, the committee agreed with organised labour’s concerns and resolved that management must procure these services. We can report today that labour force located as security control cold environment site have uniform and protective equipment.

House Chair, the committee urged the Government Printing Work’s executive and labour, to earnestly work towards improving their working relationship to ensure conducive work environment within the recognised labour framework. We can report today, that the improvement or working relationship between the labour has been observed. Government Printing Works is one of the entities that we must guard and collectively continue to strengthen its capacity through our legislative tools to improve its governance.

However, the committee’s concern about its financial challenges particularly on the outcome of the Auditor- General’s report. The committee has directed the Minister to pay more attention on the recommendations of the Auditor-

General and where wrongdoing has been identified, effective consequence management must be implemented against anyone who committed acts of malfeasance.

We welcome the Minister’s intervention of appointing a task team which include the law enforcement agency to investigate the loss of financial data which contributed negatively to the financial position of Government Printing Works. Subsequent to our oversight visit, it must be noted House Chair that, Government Printing Works made progress in implementing the recommendations of the portfolio committee. I request that this House accept this report. Thank you very much.

*Declarations of vote:*

Mr A C ROOS: House Chair, I will never forget the first oversight visit to the Government Printing Works, GPW. Some of the workers showing such pride in their job and they were so animated in talking about what was possible at the GPW. Unfortunately, since then, an oversight visit to the GPW is becoming an annual event.

In May 2020, on the basis of complaints from whistle blowers, in May 2021, on the basis of complaints from both unions. So, it is fitting that these oversight meetings were held in May,

as Mayday is the word that comes to mind when considering the GPW. An entity in deeper and deeper distress. More stakeholders from different sectors are sounding the alarm.

It has taken SA Police Service, SAPS, over a year to investigate substantiated act of criminal actions against the then acting chief executive officer, CEO, of the GPW. The situation got so bad in producing the Government Gazette which is critical for the functioning of courts. In July the High Court in Pretoria had to order the GPW to print it every Friday without interruption or delay.

There are too many voices calling for consequence management to GPW, and it includes the Auditor-General. The GPW obtained unqualified with findings audit opinions from 2016-2018. Since the current accounting officer was involved, in 2019, it got qualified audit opinion and last submission, in 2020, disclaimer with findings. The lowest of the five levels, late submission. In 2021, they managed to go even lower, and achieved an outstanding audit. For the benefit of deployed cadres in the House, when they say outstanding that does not mean well done. Because it can be confusing.

In the 2020 Annual Report presentation, the GPW CEO, stated that they had made progress during the 2020 Financial Year. Perhaps she was referring to progress on collecting voyager miles. In betrayal of the promise, how South Africa has been stolen, Professor Haroon Bhorat founded that the first step in state capture or entity is to chronically weaken governance, and operational structures. In this regard, the Minister and CEO have indeed done an outstanding job.

The latest Mayday meeting took place after the Public, Servants Association of South Africa, PSA, and Nehawu wrote a letter to the committee calling for action against the GPW executive for maladministration and elements of corruption. We were greeted by a picket of workers and empty workshop of floor. It is interesting that ... [Inaudible.] ... every oversight visit of offices or entities under the Department of Home Affairs, the offices are always empty. No people on the floor, no awkward questions for officials to answer.

The unions alleged that the GPW executive paid themselves exorbitant amounts of money as allowances. And disguised it as “Leave Credits.” The GPW executives made use of legal representation at the cost of the taxpayer to defend themselves against complaints from frontline employees.

The committee rightly expressed concern with a number of ... [Inaudible.] ... contracts at GPW. These are contracts that automatically renewed on or after the expiry date, and in perpetuity bypassing the regular tender processes. But the most alarming example of brazening incompetence of the GPW executive was the loss of audit and financial data, dating back to 2019, until 4 February 2021, and without adequate backup which is unforgivable. That data needs to be recreated at a cost of millions of rands. Worst of all, this was only revealed to the portfolio committee in response to a question from the DA. Without this question there is no indication that this would have been revealed.

What happened to the officials that participated in the so called picket? They were issued with contemplation letters to discipline the officials who participated. What happened to the accounting officer, the acting CEO? Did the acting CEO undergo a disciplinary? Did the Minister of Home Affairs Dr Aaron Motsoaledi rush in and suspend the acting CEO pending an investigation? Did he put the entity under administration? No. after all of this, he lowers the qualification requirements for the position and appoints the acting CEO fulltime.

This is the new inequality in South Africa involving ever enriched ANC insiders and every impoverished outsiders, and people are tired of it. But the good news for the dedicated workers at GPW and throughout the rest of South Africa is that 2024 is around the corner. And we have seen that South Africans are rejecting the corruption and maladministration of the ANC as we do. In a DA open opportunity society for all, workers and service providers will be given fair access to opportunities, not just a connected few. Minister, it’s time to get up from the couch and take decisive action to save the GPW from collapse. Thank you, House Chair.

Ms L F TITO: House Chairperson, last year, we were part of the oversight visit to the Government Printing Works, GPW, following allegations of impropriety against the acting chief executive officer, CEO of the GPW, Ms Alinah Fosi. This time around we went there found workers protesting because of alleged mismanagement of the entity.

As it was last year, we found from the outset that it seems to us that the rival trade unions Public Servant Association of South Africa, PSA, and Nehawu are using the acting CEO as a political football for their own narrow interest. Most of the accusations that the unions have been peddling have been

without substance. We know for the fact that in this country, female leaders who are strong weight and do not get easily pushed around by men are always accused of being difficult to work with. This may very well be the case with the issues the unions have against, the female leadership of the entity.

However, we cannot run away from the fact that there is a serious lack of leadership in this entity. The lack of political intervention by the Minister may be exacerbating this problem. Political leadership must step in and deal with the politicisation of the functions of the entity by political beholden unions. We, as the EFF reject this report. Thank you, Chairperson.

Mrs L L VAN DER MERWE: Chairperson, the government printing works is the custodian if a hoist of government publications including tender bulletins, exam papers, passports and legal notices. It therefore performs a critical function in distributing information efficiently.

This entity was once a shining example of competence but it has recently been plagued by allegations of maladministration and corruption, since the appointment of a new CEO. Instead of

dealing with these issues, the Minister have sought to protect the new CEO.

It is against this background that the Auditor-General was scathing in his report on the Government Printing Works, GPW this year, the entity achieving an outstanding audit. It is clear that this entity is far sinking deeper and deeper into trouble.

To make matters worse, the GPW also suffered a critical loss of data recently after its systems crashed. Which brought the entity to its knees and also pointed once more to the fact that all is not well at the GPW. The situation worsened in July this year when the High Court in Pretoria had to compel the entity to continue publishing legal Gazettes without delay as these delays were seriously compromising the work of many legal professionals.

The committee’s oversight visit which this report deals with today, was largely driven by allegations that the executive management of the GPW was guilty of running the place in an unethical and unprofessional manner. It was clear upon arriving at the head offices of the GPW that there was a deep mistrust between staff and the executive.

The committee was met by picketing staff. And in the meeting with the organised labour many serious allegations were labelled. Ranging from the failure to pay staff overtime, the abuse by the executive management of legal services and disciplinary hearings. And that the human resources unit were not supportive to the staff but took the role of defending management at all cost.

Just as alarming it was the fact that it was alleged that management were running side hassles of businesses from their offices. While it was also alleged that basic necessities like ink and paper were not being ordered on time, resulting in machines being down and therefore valuable business and contracts being lost. During our visit these issues were discussed in detail. Management denied the allegations and the committee recommended that an urgent solution be found to the deadlock between staff and management.

The IFP remains concerned that this once well-oiled government machine is being compromised daily. We remain concerned that if toxic environment at the entity prevails, it will completely erode its credibility.

The IFP therefore once more calls for an independent human resources and management audit of this by an independent body of experts for the GPW. There is just too much rot at this entity which has not been uncovered. We need to act decisively to stop the corruption and mismanagement of this captured entity. I thank you, Chairperson.

Mr M G E HENDRICKS: Hon House Chair, I feel that this House must acknowledge the good work that the portfolio committee has done. They have raised issues quite a few times. AL JAMA- AH support the ... [Inaudible.] ... of the IFP that that seems to be the way forward. Despite all the good work of the portfolio committee, we cannot allow this state of affairs to continue, and I hope that the Minister and the chair of the portfolio committee will take note of the presentations made by members of the opposition parties and really do something about it. Thank you very much, hon House Chair.

Ms T I LEGWASE: Hon House Chair, compatriots and members of the House, allow me as I join the compatriots and the world in large to commemorate the 16 Days of Activism for No Violence against Women and Children Campaign. Allow me also to take an extract from the Women’s Charter of 1994 and I quote:

At the heart of women’s marginalisation is the patriarchal order that confines women to the domestic arena and reserves for men the arena where political power and authority reside. Conventionally, democracy and human rights have been defined and interpreted in terms of men’s experiences. Society has been organised and its institutions structured for the primary benefit of men.

As the National Assembly, we have a constitutional duty as outlined in section 65 subsection 2(b)(i) and (ii) of the Constitution to maintain oversight over the national executive and any organ of the state. Government Printing Works, GPW, is a critical independent revenue generating entity which is responsible for printing security documents such as passports and ID smart cards as well as printing services for various government department at provincial and national level.

In line with this constitutional duty, the portfolio committee conducted an oversight visit at the head office of the Government Printing Works in Gauteng. The oversight visit was as a result of the portfolio committee receiving a letter from the Public Servants Association of South Africa, PSA, and the National Education, Health and Allied Workers’ Union, Nehawu. The letter was also sent to previous government institutions

as well as the President, as the committee chairperson has already outlined. It may be recalled that last year the portfolio committee conducted an oversight visit to GPW because of complaints received regarding allegations of corruption.

The portfolio committee indeed told the GPW facility and met with two labour unions, the executive manager, the Minister, the Director-General of Home Affairs and got an appreciation of some of the challenges at the entity. The committee deliberated on those matters and made recommendations. Between the time of the oversight visit to date, positive interventions have been made by the department. The chairperson of the portfolio committee has outlined some of these, which include the procurement of uniform to security and officials and the delivery of personal protective equipment.

Last year, the committee recommended that cordial working relations between the management officials and labour unions be fostered. To date, much work has been done. We applaud organised labour for interacting with the committee. We appreciate the relations between labour unions that have

improved. We applaud the Minister for responding to the portfolio committee and instituting the investigation team.

Chairperson, with regard to the issue of insourcing legal services function, it was reported that GPW sought approval from the Minister and the Department of Public Service and Administration of the structure for Directorate: Legal Services because there were no posts allocated on the existing approved blueprint structure. Approval was granted and GWP advertised posts attached to this directorate. It was also reported that the panel for shortlisting prospective incumbents has already been approved.

With regards to the issue of the systems failure and procurement of the new Enterprise Resource Planning, ERP, system, it was reported that GPW had appointed CSSI as a service provider with expertise on data retrieval to conduct data recovery directly from the damaged Enterprise Virtual Array. Government Printing Works has been receiving daily reported on progress made by CSSI in the daily war room meetings. The recovery data project has been concluded but it was discovered that more sophisticated equipments needed to be acquired to extract the data as the company could not retrieve the required information.

Furthermore, the GPW had already internally put together a project plan on the rebuilding of organisational data while the data recovery process was underway so that the two processes run parallel. These interventions are indeed welcomed. Government Printing Works needs to develop a strategy so as to respond to the issues raised by the Auditor- General. And as the ANC, we call on all the law enforcement agencies to follow up on issues raised and leave no stone unturned to deal with everybody that is contributing negatively to the day-to-day operations of the GPW. We wish the GPW and department well. We urge them not to relax their efforts in executing their respective mandates. We will continue providing support to it and conducting oversight in line with the dictates of the Constitution. The ANC therefore supports this report. [Interjections.]

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

Question put.

Motion agreed to.

Report accordingly adopted.

# CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON POLICE ON OVERSIGHT VISIT TO CENTRAL FIREARM REGISTRY, CFR, AND FORENSIC SCIENCE LABORATORY, FSL, BIOLOGY SECTION, PRETORIA, GAUTENG PROVINCE, ON 15 MAY 2021

Ms N P PEACOCK: Hon House Chair, hon members of the House, it is my pleasure to introduce the report of the Portfolio Committee on Police on its oversight visit conducted in May to the Central Firearm Registry and the Forensic Science Laboratory in Pretoria. What we saw at the Veritas building housing the Central Firearm Registry was shocking beyond, and that is putting it mildly. We saw piles of firearm applications stacked in corridors, boardrooms, and offices. We saw the unbearable working conditions of the men and women working in a building that can only be described as not in good condition. Thinking back now, I still cannot believe what we witnessed. As a result, the committee recommends that the Central Firearm Registry personnel working in the Veritas building must be relocated to another building as a matter of urgency. We went as far as to suspect a serious case of corruption with the lease being continuously renewed, despite the building being declared unfit for human occupation and recommends that the SA Police Service, SAPS, must conduct an investigation into possible corruption associated with the

continual renewal of the Veritas lease and that the SAPS should institute disciplinary procedures for individuals for signing off on the lease.

It came to light that the Veritas building is one of many facilities that are in dire need of upgrading as it shows that the space that they've been making use of was not suitable at all. The committee recommends that the SAPS should address the efficiency of their facility management strategy and should appear before the committee to explain the challenges faced with co-operation with the Department of Public Works and Infrastructure. In addition, the committee recommends a ministerial intervention to address the challenges between the SAPS and the Department of Public Works and Infrastructure with regard to facility management. The firearm license and competency certificate application system of the SAPS must be modernised. The paper war being fought by the SAPS in this regard is truly untenable. It is not working. It is inefficient, ineffective and outdated. [Interjections.]

*Afrikaans*:

Julle luister nie; julle raas!

*English*:

We are in the Fourth Industrial Revolution yet the SAPS is stuck in the previous revolution, maybe in the second. As a result, the committee recommends that the SAPS should fast- track the modernisation of the Central Firearm Registry into a digital system, allowing online application and renewal of firearm-related licenses.

It is well-known that the SAPS has a massive backlog in DNA analysis, and this poses a significant threat to the criminal justice system. During the oversight visit to the Forensic Science Laboratory, we noticed that the automated equipment used in the reference index laboratory has not been operational for the past six months because there was no maintenance contract in place for the machine, which means that the machine cannot be calibrated and thus the evidence was unattainable in court.

As a result, the committee recommends that all maintenance contracts for the DNA analysis machine should be completed as a matter of agency. And that all procurement contracts for the DNA consumables must be effectively managed to avoid the repeat of significant shortages that led to the current DNA analysis back backlog.

*Afrikaans*:

Agb Voorsitter, die verdere ontwikkeling en implimentering van die forensiese uitstaande besteding moet geprioritiseer en vinnig opgespoor word. Dit is ’n noodsaaklike stelsel om die spoor en die spoorvermoë van die SAPD onmiddelik te maak.

Die samewerking tussen die polisie en Sita moet versterk word om die sukses van hierdie projek te verseker.

*English*:

We are receiving monthly reports of the progress made with the clearing of the backlog in the firearm applications, as well as the DNA analysis. We are monitoring it closely and we are committed to resolving these issues. We are pleased that significant strides have been already been made to address these challenges. And we encourage the department and the Minister to build on these successes and to lead us forward.

Hon House Chair, I thank you. [Applause.]

Mr A G WHITFIELD: House Chairperson, on the 15th of May the Portfolio Committee on Police conducted an oversight visit to the Central Firearms Registry, CFR, and the National Forensic Science Laboratory to see for ourselves what a state they were in. Arriving at the Central Firearms Registry, it was

immediately clear that this has become a neglected division of the SA Police Service left largely to its own devices and without any meaningful leadership to ensure the smooth processing of firearm license applications.

The building which houses the CFR has been declared unsafe yet the lease is consistently renewed by the Department of Public Works in what is no doubt a shady deal reminiscent of the Roux Shabangu days. The SAPS has been crying out for years to be moved to a more suitable building, yet they remain captured in a wholly unsuitable and dysfunctional work environment. The lack of basic management or adherence to any coherent administrative process was evident in every corridor and every room with papers piled high up more than six feet in some instances. In one room, piles of applications for competency certificates formed a labyrinth with no apparent beginning and no end. The amnesty applications in another room piled up high by province demonstrated the enormity of the task before the CFR and highlighted the complete inefficiency of the process which administers the regulation of firearms in South Africa.

When asked how they process the amnesty applications, the response was that they simply take the applications from the top of the six-foot-high pile and work from top to bottom. So

this means that if your application was one of the first to arrive, it's likely to be at the very bottom and will likely be one of the last to be processed.

The CFR has become infested with corruption and from our visit, it was clear to see how basic safeguards to prevent corruption are simply nonexistent. We know of the infamous Colonel Prinsloo, who was arrested on corruption charges of the trade of illegal firearms who used his knowledge of the central firearms system to loot, steal and distribute illegal firearms to the ganglands in the Western Cape. And we now know that the assassination of late Colonel Charl Kinnear is linked to his investigation into the CFR, demonstrating just how critical it is to overhaul this entity with extreme urgency.

The scourge of illegal firearms in our streets is a direct result of the failure of the Central Firearms Registry and the SAPS, in general, to regulate firearms in the country and to prevent corruption. The next step, last week, the Portfolio Committee on Police agreed to postpone the Firearms Control Amendment Bill and this must be welcomed. The next step must be for the Minister to withdraw the Bill entirely so that he can give his undivided intention to the real problem with

firearm regulation in South Africa, the Central Firearms Registry.

Later, on the very same day during the committee’s visit to the National Forensic Science Laboratory, I was simply blown away by the professional and modern working environment and the highly skilled scientists who are performing the critical task of ultimately ensuring that violent criminals face the full might of the law. Meeting these hardworking scientists made the situation regarding the DNA backlog even more heart- breaking. The system should be supporting the skills and talent of our best and brightest yet it is failing them. The SAPS forensics division has for years been a rudderless, leaderless entity, which has failed to maintain the consistent procurement of critical consumables to analyse DNA samples and even to keep critical contracts in place to maintain highly sensitive equipment. The first sign that things were going wrong was in the SAPS quarterly report presented to the committee in 2019, which indicated that the SAPS’s capability to finalise DNA case exhibits had almost collapsed. In Quarter 1, of that financial year, the SAPS was finalising over 90% of DNA case exhibits within the targeted 90-day period. By Quarter 2, they dropped to 74%. And by Quarter 3, it had all

but collapsed with only 19% of DNA case exhibits being finalised against the requirement of 80% within 90 days.

Now, this is where the backlog started to accumulate. And this is when the bright red flag was raised with the Minister of Police. We are now two years down the line and we are still facing an unacceptable backlog in DNA case exhibits. The Forensic Science Laboratories have still not implemented the shift system and they are not working 24-7 as agreed to.

The nearly three-year-long vacancy for the head of the biology section has still not been filled and no overtime has been given to the biology section in November. I welcome the fact that most contracts for consumables and the maintenance of equipment after a very, very long and projected battle by the committee have finally been put in place. The situation is starting to turn around but the battle is far from won. I further welcome the committee's successful efforts to fight the Minister to bring the DNA Amendment Bill to Parliament.

And I look forward to dealing with that Bill with the committee to ensure that we never have to look back on the failures of the SAPS forensics division ever again. The DA supports this Bill. [Applause.]

Mr H A SHEMBENI: Chairperson, South Africa has an abnormally high murder rate, one of the highest in the world for a country not at war. The proliferation of illegal guns in our society makes the commission of these guns difficult to control. It is estimated that there are over 60 000 firearms that are not accounted for in South Africa. These firearms are the cause of much pain in society and we need to put an end to this.

Taking into account our policing record, one of the most effective ways of dealing with gun violence is to remove these floating guns from society. The Central Firearms Register, the CFR, is in a huge mess with no proper management and few consequences for those who have neglected to do their jobs.

The same is true for the Forensic Science Laboratory of the SA Police Service which is currently dealing with huge backlogs in DNA samples. This has compromised the ability of the police and the National Prosecuting Authority, the NPA, to successfully prosecute cases of rape, murder and burglary.

That the forensic laboratory has been allowed to deteriorate to this level is an indictment of the kind of leadership we have at the SA Police Service, the SAPS. The institution is directionless, without any vision and has no plan for fighting

crime in the country. We condemn the incompetence of these institutions and the inability of Mr Cele to stop the rot at the SAPS. We therefore reject this report. Thank you, Chair.

Mr Z MAJOZI: Hon Chairperson, the oversight visit to the Central Firearms Register and Forensic Science Laboratory biology section reflects on the failure of the criminal justice system across the entire country.

The IFP has spoken out against the backlog of the CFR in the past. In our recommendations on the matter according to the report, we advocated for the modernisation of the firearms licensing application system. In light of the application backlog reported earlier this year at the CFR, we are saddened by the lack of progress in addressing the matter to date.

The findings on the continued use of the Veritas Building are equally concerning. Despite recommendations from various safety, health and environment units that have disqualified this building for human occupation, it is unacceptable that such warnings were ignored. The Department of Public Works and Infrastructure needs to justify how they continue to renew the lease for the building after they were made aware of its unsustainability. This matter needs urgent attention.

The IFP also expresses its concern on the lack of urgency in addressing issues surrounding the DNA analysis backlog of the Forensic Science Laboratory biology section. The consequences of this backlog negatively impact the victims of crime who are awaiting justice. On this matter the IFP identifies strongly with the survivors of gender-based violence who are affected by the DNA backlog. As we commemorate the 16 Days of Activism Against Gender-Based Violence, these delays reflect badly on the country’s justice system.

We also understand that the budget cuts in the criminal justice system by National Treasury have contributed towards these backlogs. Our concern, however, lies with the cases that might not get resolved as a result of compromised DNA samples resulting from long delays.

The IFP strongly recommends that there be adherence to safety, health and environment recommendations and that the Central Firearms Register, housed in the Veritas Building in Tshwane, be shut down. We are also in support of the recommendations from the committee to investigate the continued renewals of the Veritas lease for the SAPS. The IFP supports this report. Thank you, Chair.

Mr W W WESSELS: Hon House Chairperson, the chaotic and disorderly state of the Central Firearms Register is the reason for the severe backlog in applications for firearm licences and competency certificates.

The backlog stands at more than 250 000 applications. This is unacceptable. The site visit found that there was no functional filing system in place. The problem is also exacerbated by the facility. There is a lack of maintenance, there are structural problems and there is even a rat infestation. It is clear that this building should be evacuated due to the safety risks and to the fact that the building is not suitable for the purpose of the Central Firearms Register.

Since the site visit, a new facility, Telkom Towers, was identified. Preparations were already done and packing was already in place for the move to the new building. It was, however, then found that the new building was also not suitable for this purpose. Absolutely shocking. It is thus not only the SAPS which is to blame for this completely dysfunctional department, but also the Department of Public Works and Infrastructure which should be held accountable.

Without functional forensic services, the fight against crime will never ever succeed. The DNA backlog is unacceptable.

These matters call for urgent attention, leadership and intervention. I thank you.

Mr W M THRING: Hon House Chair, the committee’s report highlights several challenges relating to the Central Firearms Register and the Forensic Science Laboratory biology section. The ACDP notes with alarm and dismay that, despite several interventions, including a 2010 ministerial task team and a turnaround strategy, the challenges identified with the CFR remain unchanged.

The findings included in the committee’s report reflect a state of affairs that inhibit and postpone, if not deny altogether, the right of South Africans to self-defence and the exercise of justice in an already increasingly lawless society.

The ACDP supports the recommendations made in this report. However, we would also like to encourage the committee in its work and to ask that these oversight visits be conducted on a regular basis. Furthermore, although the ACDP recognises and agrees with the need for urgent action to be taken on the

Veritas Building, we do not agree that the SAPS should develop a similar structure to that of the Defence Works Formation.

The reports of investigations and the lived reality on South African streets suggest that the SAPS is in a mess.

This organisation, which has an integral role to play in South Africa’s safety and security, should therefore focus on renewing and stabilising its core mandate, which is to serve and protect South African citizens against crime. This is the objective that the SAPS leadership ought to pursue, rather than looking into adding a function to its structures that, in the view of the ACDP, should be outsourced to competitors operating in a free market.

As a country, we should be aiming to create an ethically grounded and dignified free market that co-operates with an ethically grounded government. We need to aim for the scaling down of our currently bloated and, in many instances, incompetent and corrupt government institutions that have come to serve as unaccountable enclaves for cadre deployment.

In any event, in terms of the accounting and committee’s report, the solution to working in a building that has been disqualified for human occupation has already been found. The

SAPS noted that they were meant to relocate to the Telkom Towers, but this has not been realised. The ACDP agrees therefore with the recommendation in the report that an investigation into corruption must be undertaken and that disciplinary action should be taken against those who persist in the renewal of the Veritas Building lease.

The ACDP agrees with calls to urgently digitise the services conducted at the Central Firearms Register and looks forward to receiving news of what became of the tender process that looked into finding a suitable service provider and that closed at the end of May this year.

Something not highlighted in the report and which the ACDP is concerned about is the budget allocation of R30 million per year to the CFR, given the other numbers detailed in the report. We request, as the ACDP, further investigation into the budget allocated to the CFR in light of its staffing and its outputs. The DNA analysis backlog at the Forensic Science Laboratory biology section, as is the case with other challenges cited in this report, is simply unacceptable. Thank you, hon House Chair. [Time expired.]

Mr M G E HENDRICKS: Hon House Chair, I would like to congratulate the ANC for presenting a comprehensive report and not defending or holding anything back. This is the kind of honest reports that Parliament needs because after listening to the report, it is clear that Parliament has failed the people of South Africa, that Parliament has failed women, that Parliament has failed to assist in the many crimes that are not properly investigated because of improper oversight over the last one or two Parliaments. Parliament must therefore hang its head in shame that it has allowed this state of affairs to continue.

Al Jama-ah must support this report because it is honest. I cannot understand why any party would want to reject this report. Thank you.

Ms L N MOSS: Hon Chairperson, the oversight report tabled in the House today for the consideration provides detailed information about the oversight visit by the Portfolio Committee on Police conducted in the Gauteng Province on 15 May 2021, to assess the status of the Central Firearm Registry and the Forensic Science Laboratory, both located in Pretoria.

1. like what the hon member was saying before I started my speech. We are just giving the honest report on the oversight; we don’t come to tell lies here, because we were there physically.

*Afrikaans*:

Dis nie stories wat ons êrens in ’n report [verslag] gelees

het nie. Ons was fisies daar.

*English*:

The ANC notes and appreciates the progress made at the Central Firearm Registry at the time of the visits. The members witnessed the piles of applications in the building, even in the corridors. However, there was a systematic way of storing these documents.

The other issue that came up was the fact that there was a shortage of staff or workers and the Covid-19 lockdown regulations contributed to this shortage of staff in the office. However, it is clear that irrespective of the piling documents and in the event of fire, there is a backup system for the work that is being processed and that is a good initiative that is proactive and we commend SAPS for the

initiative. We cannot just always put SAPS down. We must build up people.

In the Forensic Science laboratory in Pretoria, the members established that there was a hospital that was converted to become a laboratory in process of addressing the DNA backlog and this is was a good initiative. However, the conversion did not really fully suit the need of the laboratory. Therefore, there is a need to ensure that the converted hospital become a fully functional laboratory.

This issue of the DNA backlog has been one of the issues that is of serious concern in the fight against gender-based violence. Maintenance of equipment has been one of the challenges. The department assured that there is a clear plan to address the DNA backlog, which included the corporate renewal strategy that was going to be implemented. However, there was a need to extend the maintenance contract of equipment that will ensure that the plan to address the backlog is not delayed by technical things like faulty equipment.

The members of the committee further went to the SAPS Police Academy. The Central Firearms Registry backlog remains

unchanged for the longest period and there is a need to address this issue. The members believe that there is a need to have a system that will address both new applications and the renewal process that will ensure that it is effective and efficient, especially now that we are in the times when the use of technology is vital.

SAPS indicated that, according to its budget, which amounts to R30 million, half of it will be spent on printing firearms licenses and this seeks to address the crisis of the backlog and we commend the police for that initiative.

The provincial overview of the Gauteng province gave hope and it has an effective crime combatting initiative that was an integrated project with the Metro Police and the Provincial Department of Community Safety. It must be noted that combatting crime is not merely the responsibility of the police. However, it is a collective effort and all other provinces should learn from the Gauteng province about this provincial initiative. Provinces must not work in silos like in the Western Cape.

The SAPS was tasked with the responsibility to investigate car hijacking that is increasing, organised crimes and all other

criminal activities that happen in the province. The portfolio committee further made recommendations on a number of issues and how they could be improved and what need to be done at different levels.

In conclusion, as the ANC, we are supporting this presented oversight report of Gauteng. I thank you very much.

The HOUSE CHAIPERSON (Mr C T Frolick): Order, hon members. You argue now about something that all of you agree on.

There was no debate.

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

Declarations of vote made on behalf of the Democratic Alliance, Economic Freedom Fighters, Inkatha Freedom Party, Freedom Front Plus, African Christian Democratic Party, Al’ Jama-ah and African National Congress.

Motion agreed to.

Report accordingly adopted.



The House adjourned at 17:40.