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***PROCEEDINGS OF THE NATIONAL ASSEMBLY***

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The House met at 14:00.

The Deputy Speaker took the Chair and requested members to

observe a moment of silence for prayer or meditation.

The DEPUTY SPEAKER: Thank you. Please be seated. Hon members,

the usual ... Please settle down and stay in the seat that you

have been allocated. Also, keep your masks on. The first item

on the Order Paper is a motion in the name of the Chief Whip

of the Majority Party. Chief Whip?

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

Deputy Speaker and hon members. I move that the 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



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today on the Division of Revenue Bill, which is known as Dora.

I so move.

The DEPUTY SPEAKER: I now put the motion. Are there any

objections? Yes, hon Chief Whip of the Opposition?

The CHIEF WHIP OF THE OPPOSITION: Deputy Speaker, I rise to

say that in consultation with the Chief Whip, she has

consulted with all the other Whips and we have come to the

agreement that we agree with her decision and we have no

problem with the lapsing of the Rule.

Agreed to.

**DIVISION OF REVENUE BILL**

(Consideration of Report of Standing Committee on

Appropriations)

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker and this

august House, I move that the Report be adopted. Thank you.



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Question put.

Motion agreed to (Democratic Alliance, Economic Freedom

Fighters, African Christian Democratic Party and Freedom Front

Plus dissenting).

Report accordingly adopted.

**DIVISION OF REVENUE BILL**

(Second Reading debate)

Mr S N BUTHELEZI: Hon Deputy Speaker, hon members, hon

Ministers and Deputy Ministers, ladies and gentlemen, the ANC

supports the Division of Revenue Bill [B6 — 2022]. At this

stage I would also like to thank all those who participated in

ensuring that today we can stand in front of you to debate

this Bill.

The Division of Revenue Bill is redistributive. About 59,4%

which is about R3,3 trillion over the Medium-Term Expenditure

Framework, MTEF, of the nationally raised revenue goes towards

the social wage, which is education, health, social

development and employment creation. This is meant to provide



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the much-needed safety net for the most vulnerable sections of

our people, that are mostly black, women, children, rural,

township residents and people living with disabilities.

Also, rural provinces receive more funding per capita. For

example, the per capita allocation in the Northern Cape is

about 1,7 times ... when compared to Gauteng. Over the MTEF,

after budgeting for debt service costs, the contingency

reserve and provisional allocation, national government

receives 48,8%, provinces 41,4% and local government 9,8% of

nationally raised revenues.

In 2022-23, the three spheres of government will share

R1,66 trillion, R1,60 trillion in 2023-24 and R1,67 trillion

in 2024-25. This is close to R5 trillion in the MTEF. This is

the money which must ensure that the much-needed services are

delivered to our people. Every cent of this money must be

directed at enhancing inclusive economic growth, and reducing

poverty, unemployment and inequality.

We agree with Comrade Kenny Morolong when he argues:

“Parliament should move towards an outcome and impact

assessment model of oversight, qualitatively different to how

we are currently conducting oversight”.



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This Bill provides resources to the marching orders given by

the President, His Excellency hon Ramaphosa during the state

of the nation address. The objectives include defeating COVID-

19, infrastructure build, job creation and expanding energy

generation capacity. The Bill gives financial resources to the

three spheres of government to obtain these objectives. The

President enjoins the nation to get into a social compact to

work for the attainment of these objectives. We agree with the

hon President that no individual, class or stratum of society,

working in silos, will be able to achieve these national

imperatives.

COVID-19 has ravaged the lives of our people. Fathers and

mothers have died, leaving thousands of orphans. This

Parliament has not been spared. Many businesses have closed.

No wonder the high rates of unemployment, not just in our

country but all over the world.

The introduction of the special COVID-19 Social Relief of

Distress, SRD, Grant was initially meant as a relief for a few

months. It was subsequently extended to the end of March 2022.

However, the beneficiaries of this grant, through their

organisations and individually, spoke to the government about

the need to extend it. The ANC, whose mandate is based on the



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will of the people, listens. This Bill also extends the SRD

Grant for the next 12 months until the end of March 2023. This

will come at a cost of R44 billion.

The multiplied impact of this grant is bigger than

R44 billion. Our people who receive this grant have a high

propensity to spend. This money is not stashed under beds or

in banks. This will protect farmers, bakeries, butcheries, etc

because more mealie-meal ... many bags of flour will be

bought. This will protect and create more jobs. This talks to

the connection between firms and households.

An amount of R21,1 billion is added to support provinces’

ongoing response to the COVID-19 pandemic, mainly for the

appointment of medical interns and community service doctors.

Relative to the 2021 Budget, direct provincial allocations

increase by R74,1 billion over the medium term.

Local government allocations over the same period increase by

a total of R30,7 billion. I am mentioning these interventions

to demonstrate that, despite the economic and fiscal

challenges, this ANC government will never forsake those who

are vulnerable and victims of 350 years of apartheid and white

minority misrule of our country.



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We should applaud the fact that all these increases and

allocations were effected without compromising our fiscal

position. For instance, the budget deficit decreased by

R135,7 billion relative to the 2021 Budget estimate. This

means that we will borrow less than initially anticipated.

Gross debt to the gross domestic product, GDP, ratio is

expected to stabilise at 75,1% in 2024-25. The consolidated

budget deficit decreases from 6,6% in 2022-23 to 4,2% in 2024-

25. Indeed, our fiscus has shown a lot of resilience.

In our attempt to get consensus and a social compact, this

government has also given some relief to businesses. Through

the Temporary Employee/Employer Relief Scheme, TERS, the

Unemployment Insurance Fund, UIF, has disbursed over

R65 billion to both employers and employees. Comrade Zanele

Nkomo stressed the point in her debate when she said:

“Reduction of corporate income tax, CIT, from 28% to 27%

should provide gross fixed capital formation by the private

sector”. This is important because, over the years fixed

investment has been on the decline. However, the hon President

speaks of trade-offs by everyone. He also says:



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We have been taking extraordinary measures to enable

businesses to grow and create jobs alongside expanded

public employment and social protection.

We are therefore calling on the private sector to reinvest

their profits and desist from retrenchments, especially in a

climate where there is a high rate of unemployment. The

continued retrenchment of workers has a negative multiplier

effect. Apart from decreasing disposable income, it also

reduces the tax base, resulting in less revenue for the SA

Revenue Service, Sars. Can we see quid pro quo from business?

... also calling on banks to be empathetic. Can they find a

way of avoiding repossessing the houses and cars of people who

are temporarily out of employment? I still cannot understand

why someone who has been religious in his or her bond

repayments is easily evicted when he is temporarily out of a

job. I guess this is the type of trade-offs that the President

is talking about.

What does not supporting this Bill mean? It means that members

will be saying no to the employment of medical interns, no

infrastructure build, no R350 SRD Grant, among others. That’s

what this means. Thank you. [Applause.]



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The DEPUTY SPEAKER: Thank you. Hon members, I do wish to draw

your attention to what we know. On my list here are three

columns that I want to focus on. It’s the name of the party,

the time allocated, the speaker and then the language. Now

surely we can’t only be speaking English in the House. I do

wish to draw your attention to ... notify the Table that

you’ll speak in whichever other language, except for the FF

Plus ...

*Afrikaans*:

.. wat dit baie duidelik maak dat hulle in Afrikaans en in

Engels praat. Dit is goed. Jy kan ook so doen.

*English*:

So, let’s do that please. It’s appropriate that we be

exemplary in the House because it’s contained in our laws and

our own provisions for ... [Inaudible.] Please proceed, hon

member.

Mr J N DE VILLIERS: Thank you Deputy Speaker. Deputy Speaker,

two years after the pandemic started, South Africans are

poorer, more unemployed and more unequal than ever before. The

tide against poverty, unemployment and inequality can only be

turned when governments starts creating the right economic



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conditions for businesses to grow and therefore employment

opportunities will to increase but to create this claimant of

economic growth, all three spheres of government need to work

and this starts when the government spends and manages its

share of the national revenue responsibly.

The DA supports budget 2022’s commitment to provide support

for the pandemic, job creation and social protection. We also

welcome government’s decision to use a portion of the

unplanned revenue windfall to lower government debt and get

South Africa out of our debt spiral. An urge that government

debt stabilisation must remain a priority.

The DA would however like to caution against the budgeting for

access revenue windfalls as these increases were probably

temporary. We therefore advice the department to be proactive

in terms of future budgeting and not fund commitments created

the allocation of this windfall.

Deputy Speaker, if we want to get the economy moving again, it

is critical that provincial and municipal governments improve

their efficiency of spending and value for money for tax

payers.



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Although this year’s Division of Revenue Bill allocates more

money to provinces and municipalities than last year, we must

not forget that these allocations were severely cut last year

to help national government during the pandemic.

The provincial and municipal spheres of government are

responsible for the critical services and management of

hospitals, the up keeping of our roads, waste management and

the redistribution of electricity and water.

Deputy Speaker, no small business can grow and employ more

people if the local municipality and province in which they

reside can’t maintain the hospitals, roads or other basic

services that every business and employer and employee in a

business needs to grow.

It is therefore also critical that we monitor, report and

evaluate what and how government choses to spend its revenue

especially as municipal Eskom debt plagues local

municipalities.

Deputy Speaker, Eskom municipal debt is now at R35,3 billion

which is a year on year rise of 26%. Local municipalities that

owe Eskom money contribute to the national energy crisis and



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should not be considered for any grants or national special

funding.

Fraud, corruption and fiscal mismanagement remain rampant. The

government must take decisive and prompt action against the

criminals in all spheres of government that robs the tax payer

and ultimately contributes to making South Africans poorer,

more unemployed and more unequal.

We again call on government to send a clear message that

corruption and theft of state money and resources will not be

tolerated. But not by making more speeches and threats but by

effective prosecution and sentencing of corrupt state

officials.

Deputy Speaker, South African can only recover and South

Africans reach their true potential where government works and

services are delivered. I thank you.

Ms E N NTLANGWINI: Thank you very much Deputy Speaker. Deputy

Speaker, the EFF rejects the Division of Revenue Bill. The

Division of Revenue Bill is a [Interjections.]



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The DEPUTY SPEAKER: Sorry...sorry hon member. Hon members,

please, we can’t go on like that. Surely you won’t expect that

when you are speaking that all of us engage in conversations

as if you are not speaking. It’s inappropriate hon members.

Thank you very much. Go ahead hon Ntlangwini.

Ms E N NTLANGWINI: Thank you sir. I hope you will add that

minute to my minutes that you just took.

The Division of Revenue Bill is one of the most important

pieces of the legislation in South Africa and it’s tabled by

the Minister of Finance every year. The Division of Revenue

Bill seeks to allocate money across all spheres of government.

The Bill takes the money that is collected by Sars and

allocates it between national, provincial and local government

and includes the kind form and character of conditional

grants.

On Paper, the Bill is supposed to allocate money between

spheres of government between provinces and municipalities in

an equitable manner, however the new liberal framework

Division of Revenue Bill is based on a falsehood. The Bill is

based on an idea that municipalities must collect the majority



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of their own revenue to deliver services and equitable share

is only meant to supplement municipalities.

Municipalities are supposed to charge for water, electricity

and collection of waste and also charge residents for sewerage

infrastructure. Well this is true for eight metro

municipalities that are able to raise more than 80% of their

income from their own revenues.

The majority of local and district municipalities are in

financial distress and bankrupt and do not deliver any

services to our people. The National Treasury must provide an

assessment that the municipalities currently charge less than

the cost of services that create the revenue gap is informed

by a new liberal believe that government must operate like a

commercial market basis.

The idea that municipalities must operate like businesses is a

defund believe that is used to guide the National Treasury

overall fiscall policy. There is no evidence to suggest that

there is any effort to rethink the Division of Revenue Bill to

fit South Africa’s material conditions Mr Buthelezi. What are

these conditions?



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Half of the adult population lives in poverty. More than 46%

of adults working population is willing, ready and able to

work and cannot find work regardless of how desperately they

look. We live in the most unequal society that continues to

resemble to the shape of apartheid.

Deputy Speaker, allow us to deal with some of the features of

the Bill before the House. The proposed Division of Revenue

Bill allocates 49,7% to national departments with 1,2% to

provinces and only 9,1% to municipalities. This is a misguided

allocation of resources. We must change the allocation of

formula and do away with the idea that municipalities must

operate like companies and treat citizens like customers.

We must position municipalities, all municipalities as

industrial sites. Municipalities must build industrial hubs

and take dilapidated buildings in Dimbaza, Buffalo City,

Seshego, Polokwane and Botshabelo in the Free State to Rebuild

these industries.

Municipalities must set up their own abattoirs to help and buy

food from local and black owned livestock farmers. We must

develop clear procurement guidelines to ensure that

municipalities buy the majority of goods they use from local



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producers. Municipalities must build internal capacity to

deliver services.

The time has arrived to abolish tender systems and insource

cleaners, security guards and other outsourced municipal

workers Mr Buthelezi. Municipalities must establish

construction companies, buy and manage their own vehicles to

collect waste and enforce bylaws and fix potholes.

Municipalities must build trading spaces, Shoprite, Spar, Pick

n Pay, Cashbuild, you name it and other big retailers continue

to deny our people retail space. Municipalities must have a

town planning programme based on a land audit, a clear

municipal and land reform plan and a practical plan to

formalize all informal settlements.

Finally, municipalities must provide basic services to the

poor families even when it does not depend on the ability to

pay these services. There are subsidies for each indigent

household that is supposed to ensure that our people receive

free electricity water and sanitation and waste removal. But

there is no research that is showing that this model is

failing. There must be...



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The DEPUTY SPEAKER: Hon member your time has expired. Thank

you very much.

Ms E N NTLANGWINI: But you took some of my minutes.

The DEPUTY SPEAKER: No, no hon member, you don’t debate that.

You don’t! You don’t debate that. Your time has expired.

Ms O M MAOTWE: Deputy Speaker?

The DEPUTY SPEAKER: Yes, hon Maotwe?

Ms O M MAOTWE: I just wanted to check if you added that

minute?

The DEPUTY SPEAKER: There was no minute available for saving

and giving to you afterwards. When I speak as a presiding

officer the timer is stopped. Please don’t raise that issue

again

Ms E N NTLANGWINI: You like to do it. You like to do it.

The DEPUTY SPEAKER: Just go away hon members, you are wasting

time. Hon Buthelezi are you able to connect?



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Ms E N NTLANGWINI: But hon Buthelezi already spoke.

The DEPUTY SPEAKER: Hon Buthelezi? Hon member please go ahead

and speak on behalf of the member.

Ms Z MAJOZI: Thank you hon...

The DEPUTY SPEAKER: No, no hon Cebekhulu, I gave you a chance

to speak.

Prince R N CEBEKHULU: Deputy Speaker and members, the Minister

of Finance has yet again failed to address the most urgent

needs of our people. This is outlined in the report of the

Standing Committee on Appropriations on the Division of

Revenue Bill for 2022. Considering the report by the standing

committee the Minister of Finance has missed an opportunity to

make a political statement that the National Treasury is

willing to afford local government greater financial

assistance. It seems that our appeals not just as the IFP, but

as all parties who make up the opposition benches in this

House simply fell on deaf ears.

Indeed, we are mindful of government’s over financial

constraints as revenue collected mostly goes to servicing our



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debt. However, sizable amounts of thousand billion continue to

go to the failing state-owned enterprises and redundant

national government departments which merely serve an

administrative role. When we say that government neglects

local government is because every year the Division of Revenue

Act, Dora or after Dora we sit with same situation where

provinces and national departments take the biggest slice of

the cake. Local government remains under capitalised and

underfunded. The Division of Revenue simply flies in the face

of the principle of co-operative governance and is not a just

fair and equitable distribution of finances.

It is not a secret that local government is the sphere of

government that most South Africans engage with it daily. It

is therefore imperative that we ensure that local governments

are empowered to deliver beyond their basic mandate of

providing water and electricity to residents.

Chairperson, local government is the best place to encourage

entrepreneuring activities and to focus on co-operatives

whether they be agricultural, textile, women-led or for youth

empowerment.



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Furthermore, the IFP calls on all departments to ensure that

proper checks and balances are in place. In doing so it will

stop the leakages and the system that drain our hard-earned

tax and monies. The impact of al allocations as outlined in

the Division of Revenue Bill should be seen in people’s lives

and it should be changing their lives for better. We want

tangible results which provide the best value for money.

In closing, we want to see perpetrators, colluders, criminals

and corrupt officials behind bars. South Africans are

desperate and are getting increasingly anxious that nothing is

being done. A strong message must be sent that stealing from

the state will be dealt with using the full might of the law.

We therefore welcome the increase in allocations for justice

improving policy and all our law enforcement agencies. We hope

that government will consider our appeals. With that said the

IFP supports this report. I thank you.

*Afrikaans*:

Me T BREEDT: Dankie, agb Adjunkspeaker.

*English*:

The Division of Revenue Bill has always been a highly debated

topic with multiple opinions. In the years leading to this a



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number of factors have raised concerned and many more

arguments have been heard. The most notorious is that of the

formula that calculates the division of conditional grants.

Ring-fencing remains subjects for discussion. But the greatest

concern is the state of our municipalities when taking all of

these into account.

Furthermore, the problems do not end there. The problem with

the Division of Revenue is that due to its concurrencies

proper oversight and consequence management is never done.

Indeed, monitoring and evaluation does not take place and this

allows municipalities to get away with murder, so to speak. It

merely becomes a blame shifting competition between the

different spheres of government.

During the 2020-21 financial year, there was a significant

increase in the number of municipalities with funded budgets

due to the Treasury withholding transfers and less budgets

were funded. What has now really even been hurting is

municipalities that choose not to take the Treasury’s advice

into consideration. Half of all municipalities in South Africa

have adopted unfunded budgets. This is worse than in prior

years. What this means is that these municipalities’

expenditure - the money they use - is expected to exceed their



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projected revenue - the money they receive. This is also in

direct contravention of the Municipal Finance Management Act.

But it gets worse still. Even though municipalities adopted

regulatory frameworks they were still struggling to satisfy

basic service needs.

What I have seen in the Free State, one of the provinces with

the highest number of municipalities with unfunded budgets, is

the way that municipalities ... [Recording stopped] ... in tax

collection rates above 63% yet they budget for rates of 75%.

It doesn’t end there. In the Frees State particularly, but not

limited to the province, the ruling party, which is also the

ruling party in this House, has no regard for laws. These

budgets are merely pushed through by the majority. We cannot

continue like this. A positive is the change that the formula

has made whether these are the correct changes or whether we

will see positive change in our provinces remains to be seen.

The early childhood development, ECDs, are finally being moved

back to the Basic Education, a process that has been years in

the making. Targets are claimed and funds allocated, but never

are the real questions being asked. I can preach the

importance of early childhood development as myself and as

colleagues have done multiple times. We all know that these



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are the most critical years in the child’s development and are

seriously lacking in South Africa. Do we give early childhood

development the attention and money it needs and deserves? I

think not.

*Afrikaans*:

In Afrikaans is daar ’n gesegde. Al dra ’n aap ’n goue ring,

dit is en bly ’n lelike ding.

*English:*

To rename the provincial disaster relief grant to the

provincial disaster response grant to align it to the

municipal disaster management system, MDMS process will not

change what is fundamentally wrong with this grant. It will

not certainly make the problems experienced magically

disappear. We need to have an entire rethink on how disaster

relief grants work, how they are applied for and what is best

way to see change effected on the ground. I can continue with

the Expanded Public Works Programme, EPWP, allocations to name

but one.

Chairperson, the fact of the matter is, we can allocate to the

different programmes whatever we want, but unless we take

responsibility, ensure proper oversight, monitoring and



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evaluation and follow that up with harsh consequence

management all these is a government wish list that will never

be anything more than a wish. I thank you.

Mr S N SWART: Deputy Speaker, the ACDP notes the additional

allocation to provinces and municipalities R74,1 billion and

R30,7 billion over the medium-term. This followed the sharp

decreases last year. We share concerns expressed by other

speakers about the poor governance, financial mismanagement

and insufficient capacity in many municipalities. It is

estimated that a staggering R232 billion is owed to

municipalities by consumers and this is up from R165 billion

two years ago. The number of municipalities in financial

distress has risen alarmingly from 86 in 2013-14 to a

staggering 175 in 2019-20. Now there never to a consequence is

potholes, broken water and sewage works, electrical breakdown,

scrambling municipal clinics and other service delivery

failures. The committee expresses its concerns in the report

in this regard, reiterating the lack of consequence management

within local government - an issue it says it has raised many

times with Salga. The ACDP cannot in good conscience support

this additional allocation given the shocking state of many

municipalities until there is good stewardship and a

substantial improvement in these municipalities.



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As far as provinces are concerned, the ACDP notes the proposed

R15,6 billion to the provincial equitable share to support

provincial departments of health. To quote, continue

responding to the COVID-19 pandemic and to reduce the impact

of budget reduction on essential medical goods and services.

Now we all know that public health care is in a shocking state

in many provinces and on this World Tuberculosis Day, the ADCP

remains concerns that life threatening diseases such as

tuberculosis, HIV and Aids, chronic heart disease and other

illnesses which are largely treatable have not received the

same attention or funding as that in dealing with COVID-19. We

are not detracting from a seriousness of COVID-19. Yesterday,

there were thankfully no COVID-19 related deaths. This is to

be celebrated. Yet on average, more than 1 000 people would

have died of these largely treatable other diseases that is

largely due to new immunity which up to 80% of South Africa

have

The DEPUTY SPEAKER: Hon members, don’t scream back at a

member. Allow him to finish. You will make your point to him

outside. No, no, outside not here. Don’t scream.

Mr W M THRING: On the point of order, Chair. That’s member

Wayne Thring here, Chai. There’s one of the members from the



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ANC who shouted out at our member hon Swart that he is a

hypocrite. That member needs to withdraw because if anything

he is a man who speaks the truth. I think the truth hurts when

it is spoken from the podium, Chair.

The DEPUTY SPEAKER: Hon member, please this is why I am

suggesting to stop screaming at each other. We are going to

slide into using rich vocabulary that is not allowed in the

House but that one is not one of them. Please don’t do that.

Hon member, please go ahead.

Mr S N SWART: Thank you, to contextualise this further the

world organisation states that 61 000 people died of

tuberculosis in 2020 and if one assumes that same figure for

last year 2021 that would mean approximately 122 000 people

died of tuberculosis in those two years far higher than the

number of COVID-19 related deaths. The ACDP whilst looking

into this Division of Revenue Bill will also call on the

government of this World tuberculosis day to give equal

attention if not more attention and funding to other diseases

as well. I thank you.

Mr N L S KWANKWA: Deputy Speaker, I am sure you will be

pleased to hear that I have left my rich vocabulary at home.



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Section 214 of the Constitution requires that a Division of

Revenue determines the equitable division of national raise

revenue among these three spheres of government. Colleagues, I

regret to inform you that despite what the Constitution

requires of this House, there is nothing equitable about South

Africa ‘s Division of Revenue. We have been harping on this

point since I became a Member of Parliament that nowhere is

more evident than in the fact that municipalities continue to

get a ... percent of the total revenue. Despite municipalities

being at a coalface of service delivery. We are afraid that we

cannot celebrate the amelioration, such as the 10,3% which you

have cited as an increase in the local government’ share,

because it does not take away the problem. To make matters

worse former Minister of Finance, Tito Mboweni ...

*IsiXhosa*:

... lo wePilchard wenu ...

*English*:

... according to him out of 278 municipalities, South Africa

163 were in financial distress, 40 were battling to deliver

basic services, 102 had adopted budget for 2021-22 that they

could not fund. He also said and I quote:



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A growing number of municipalities around the country are

also failing to collect revenue from businesses and

residents for water, electricity, property taxes and so

on.

Meaning there are serious capacity and challenges at local

government level which have to be addressed, but also the

funding model is a problem.

*IsiXhosa*:

Usihlalo apha ufike wathetha isiNgesi esithi ...

*English*:

... per capita.

*IsiXhosa*:

Simnandi ke esa siNgesi sithi ...

*English*:

... per capita, it means per head.

*IsiXhosa*:

Ithi loo nto abantu bamaphondo asemaphandleni bafumana imali

eyongezelelweyo ngentloko. Ewe, hayi ndiyazibona iimpukane.



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*English*:

Now the problem is because of urbanisation. That is why people

have left rural provinces ...

*IsiXhosa*:

... basuka beza kungena apha ...

*English:*

... because the rural provinces and the economies have

completely collapsed because of your government. The other

issue is the reduction of corporate income tax, which is a

problem - you can defend it here as the ANC – a party that

once used to be a social democratic party. Even the Minister

of Finance responding to my question said at one point. If you

take and reduce that by one per cent you lose R30 billion, but

he could not demonstrate or provide a critical evidence of how

much revenue will increase South Africa revenue if you reduce

income corporate tax. No one has actually indicated to us that

how much revenue are we also going to lose.

*IsiXhosa*:

Nifuna nje ukusiqhatha ngokumana nisibonisa iimpukane

ezingekhoyo.



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*English*:

The other issue is this Social Relief of Distress Grant ...

*IsiXhosa*:

... yenu eniyinika abantu abangayilungelanga. Naba abanye

banamashishishini ...

*English*:

... in the informal sector ...

*IsiXhosa*:

... kodwa bafumana le mali ...

*English*:

... whereas they are earning more because you do not do due

diligence ...

*IsiXhosa*:

... kuba kaloku inikwa nabani na apha phandle, nimana nisithi

ninceda abantu. Amasela!

Mr B A RADEBE: Hon Speaker, is it that not a creative

language?



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The DEPUTY SPEAKER: The hon member is persistent, he does it

every day and we have spoken to him about it. It will be

addressed appropriately. Hon members, the clock here on your

left, hon Kwankwa is designed for you. It is in big letters;

you cannot claim that you didn’t see that your time has

expired. If you proceed in spite of the clock telling you that

your time has expired, you are defying your own rules. It’s

not good. You are not exemplary. I am not inviting you to

speak, hon member.

Mr N L S KWANKWA: Please, I want to apologise I didn’t hear

you, Deputy Speaker.

The DEPUTY SPEAKER: You mustn’t do that again, please. Anyone

who may want to appoint herself. There is only one timekeeper

at a time in the House.

Ms E N NTLANGWINI: On a point of order, Deputy Speaker.

The DEPUTY SPEAKER: What’s the point of order?

Ms E N NTLANGWINI: Deputy Speaker, there must be a timekeeper

also for the virtual platform. We don’t know whether you are

misleading us or what because you called the point of order to



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calm the members of the ANC down. ... [Inaudible.] I have

practice my speech and its within my five minutes and you took

my minute from my speech. You need to do it on Virtual

platform, Sir.

The DEPUTY SPEAKER: Hon Ntlangwini.

*IsiXhosa:*

Nksz E N NTLANGWINI: Ewe, Tata.

The DEPUTY SPEAKER: I am afraid that your trust problems are

not going to advance.

Ms E N NTLANGWINI: I have trust issues with you.

The DEPUTY SPEAKER: Hon member!

Ms E N NTLANGWINI: I have trust issues with you.

The DEPUTY SPEAKER: Hon member, stop talking when the

presiding officer is talking. What’s wrong with you? Why do

you guys assume that you have authority to speak as well while

you are being addressed? The rules are explicit even for you

in the House.



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*IsiZulu:*

Yini le eniyixoxayo kukhulunywa lapha eNdlini. Kanti ninjani

nibadala kangaka? Niyaxoxa. Umehluko ukuphi kini nabantu

abangenamthetho laphaya ngaphandle.

*English:*

No, please, can you be respectful of your rules all of you,

members. Please, don’t assume that we enjoy what we are doing

right now. It’s not okay, please.

Mr B N HERRON: Deputy Speaker, our number one priority must be

to address the pervasive and pernicious poverty that is

endemic across our country. We will address this poverty by

growing our economy in the right sectors, creating jobs, and

providing social security for those without an income.

Balancing our budget, reducing our deficit and turning our

anaemic growth projections around are crucial.

We will not create enough jobs to make a meaningful impact on

unemployment unless we get our economic growth up to at least

3% per annum. The projected growth rates for the medium term –

hovering just below 2% – are not acceptable and our government

should not settle for that level of growth.



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If Russia’s war on Ukraine is not resolved quickly, our

economic growth could fall to below 1% per annum in the medium

term. Our government has a duty to ensure that this does not

happen.

If our government sees its role in this conflict as that of

mediator, then we need our government to act quickly in that

role.

We welcome the emphasis on infrastructure-led economic growth.

All spheres of government, including provincial and local,

should be focussing on the historical under-development of

infrastructure in some communities and the infrastructure

deficits and backlogs that have grown as we have urbanised and

developed. [Interjections.]

Rolling out a large-scale infrastructure programme ...

[Interjections.]

Deputy Speaker, is someone else speaking?

The DEPUTY SPEAKER: Yes, and I told her to switch off her mic.

Go ahead, hon Herron.



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Mr B N HERRON: Thank you, Deputy Speaker.

All spheres of our government, including provincial and local,

should be focussing on the historical under-development of

infrastructure in some communities and the infrastructure

deficits and backlogs that have grown as we have urbanised and

developed.

Rolling out a large-scale infrastructure programme is an

investment in our economy, an investment in our people’s lived

experiences and an opportunity to create significant numbers

of jobs.

Small business and self-employment presents the greatest

opportunity for us to reduce unemployment. Some analyses

conclude that we can halve our unemployment rate if we were to

achieve the same levels of self-employment as our peer

countries.

The bounce-back financing scheme appears to prioritise

existing businesses whose revenue and cash flows were affected

by the pandemic. We need funding for those who have the idea,

the passion and the courage to start their own business. The



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greatest obstacle to self-employment and small business growth

is not red-tape. It is access to start-up funding.

Finally, we cannot ignore the third cog in the wheel of

addressing poverty: the provision of some income to those who

have no income because they cannot find a job, cannot create a

job, and don’t qualify for any of the current social security

cash transfers.

We have to be honest with ourselves. We are not extending the

R350 per month social relief grant for 12 months. That grant

can never be taken away. We have 10 million people who are

currently relying on it. We will not easily survive the socio-

economic shock of cancelling access to that grant.

We support the Bill but we urge Treasury to stop planning for

this allocation as temporary – it is not. Thank you. (Time

expired.)

Mr A M SHAIK EMAM: Deputy Speaker, let me at the outset say

that the NFP supports the Division of Revenue Amendment Bill

tabled here today.



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However, allow me to raise a serious concern. We all know that

SA Airways, SAA, was the pride and joy of South Africa. The

secrecy around the disposal of the 51% of SAA is deeply

concerning. More importantly, the fact that National Treasury

– the actual custodians of our financial resources and assets

– has not been consulted is a matter that we really need to

address.

Many of my colleagues have spoken about the local government

equitable share and I agree with them – a lot more needs to be

done. But the question we also need to ask is, what is local

government giving back to the people.

Let me give you an example of a lack of accountability. When a

municipality can spend R5 million on a breakfast but is not

able to provide water for three years to the people in Igudu

in Zululand, that’s an abuse of power, and an abuse of

taxpayers’ resources!

So, the equitable share that is given to municipalities simply

means that it is being abused. That’s what is happening.

When there is no accountability measures in place ... where a

municipality, without any authority, with no need whatsoever



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to interfere in internal battles in political parties, decides

to spend hundreds of thousands of rands in legal costs when it

does not involve you whatsoever ... wasteful expenditure of

taxpayers’ money. That is the reason you cannot provide water

to people for three years. That’s the reason for it.

Now, if you want to know where ... I am talking about the

Zululand District Municipality. That’s what I am talking

about.

Let us welcome the decision by the President to acknowledge

our latest King MisuZulu and the R66 million that has been

released to the kingdom.

The NFP has made some submissions and the chairperson of the

Standing Committee on Appropriations is here to acknowledge

that.

We need greater accountability. We need a more transparent and

credible process, particularly where procurement is concerned.

We need to ensure an equitable distribution of the work that

is allocated to the private sector, not just for a few people

that must benefit at local, provincial and national level.



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We are asking National Treasury to give us a report every

quarter ...

The NFP supports the report tabled here today. Thank you.

(Time expired.)

Ms M C DIKGALE: Hon Deputy Speaker, hon members, hon Ministers

and Deputy Ministers, fellow South Africans, let me start by

wishing you a belated happy Human Rights Day. In the same

breath, I remind you that with the high rate of poverty,

unemployment and inequality, human rights will remain elusive

for the majority of people of this country, especially the

victims of centuries of oppression and repression of black

people by successive white minority government.

It is thus incumbent upon us to work tirelessly to reverse

these man-made hardships of our people, amongst others,

ensuring that our people have affordable access to water,

electricity, housing, health and education. We should avoid at

all costs to normalise what it abnormal – which is poverty.

Before I proceed, let me state that the ANC supports the

Division of Revenue Bill because it is pro-poor attempts to

roll back the frontiers of poverty, inequality, homelessness

and unemployment.



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The Bill allocates 9,1% of nationally raised revenue to local

government. This is a huge increase when you compare it with

allocation of 7,5% in 2008-09. This number will increase to

9,8% in 2024-25. This shows that the ANC listens and responds

to the issues raised by, amongst others, the SA Local

Government Association, Salga, which has over the years argued

for more allocations to local government. The importance of

this sphere of government cannot be overemphasised.

The President, His Excellency, Mr Ramaphosa, stresses this

point when he says: “Local government is where you can make

the biggest differences in the lives of pour people.” By

providing reliable water supply, sanitation, energy and refuse

services and through road and infrastructure maintenance,

local government enables our economy to grow and create

employment. The local government equitable share and

conditions grants add on the revenue that local governments

are expected to raise them. [Inaudible.]

AN HON MEMBER: Deputy Speaker, can I rise on a point of order?

AN HON MEMBER: We can’t hear on the virtual platform, Deputy

Speaker.



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AN HON MEMBER: Hon members, we are being reconnected to the

Chamber.

Ms C SEOPOSENGWE: Hon Deputy Speaker, we can’t hear.

The DEPUTY MINISTER OF BASIC EDUCATION: There is no sound,

whatsoever. [Interjections.]

AN HON MEMBER: They are aware ... [Interjections.]

The DEPUTY SPEAKER: Hon members, it is being attended to.

Okay.

The DEPUTY MINISTER OF BASIC EDUCATION: Now we can hear,

Deputy Speaker.

The DEPUTY SPEAKER: Are you able to hear, now?

The DEPUTY MINISTER OF BASIC EDUCATION: Yes, Deputy Speaker,

we can hear you. [Interjections.]

AN HON MEMBER: Yes, we can Deputy Speaker. We can.



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The DEPUTY SPEAKER: Thank you very much. go ahead, hon

Dikgale. Please go ahead.

Ms M C DIKGALE: Thank you very much.

*Sepedi:*

Ka Segageṧo re re: Ngwana yo a sa llego o hwela tharing. Ba

letṧe, re ba kwele.

*English:*

We welcome the total of R1 billion that is added to the direct

Regional Bulk Infrastructure Grant for George Local

Municipality to implement water security and remedial works

project. We also urge the municipality to ensure that this

project is completed within allocated budget and timeframes.

This is important for service delivery and provision of jobs

which our people need. KwaZulu-Natal gets an allocation of

R26 million and R321 million in the two financial years

respectively through the Municipal Disaster Recovery Grant to

delay with the effects of the damage to infrastructure and

homes occasioned by the floods.

In this regard we agree with Salga when it says these

responses take a long time. It is calling for more speed and



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agility to respond to these disasters. Let us not be caught in

bureaucracy. We have raised concerns about certain

municipalities which have not been able to use Public

Transport Network Grant, PTNG. These has resulted in National

Treasury withdrawing those funds. In this regard, we are

calling on the Department of Transport, National Treasury and

municipalities concerned to come with implementable plans with

strict timeframes to ensure that these projects are

implemented. This should be done without further delay.

The Department of Planning, Monitoring and Evaluation should

come closer to these grants and ensure that they are

effectively and efficiently utilised and other people receive

the much-needed services. Hon member’s, we also note with

concern the rescheduling of PTNG by the City of Cape Town.

This practice led to the decrease of PTNG by R859 million in

2022-23 and 2023-24 meant for MyCiti project. Although this

makes the books look good, at the end of the day, the people

of Khayelitsha, Nyanga and Bonteheuwel are denied the

services. Job opportunities which must come from the

infrastructure project are also delayed. This is completely

unacceptable. Let us remember that transfers from national

government are meant to subsidise services provided to poor



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households. These transfers are not meant to compensate for

low revenue collection for those who can pay.

We call on municipalities to enforce credit control measures

where revenue is not paid. Municipalities are owed over

R261 billion. National and provincial departments owe

municipalities over R20 billion while businesses owe a

whopping R54,2 billion. This has an unfortunate domino effect.

Municipalities cannot pay their creditors, like water boards

and Eskom. Even more worrying and painful is that this denies

the poorest of the poor the most needed basic services. The

committee therefore implores all departments, first and

foremost to pay their bills.

This Parliament passes budgets which include monies to pay the

bills. We therefore do not understand why they are not paid.

We are also calling on the respective portfolio committees as

it is their oversight responsibilities, to follow up on this

matter. Business should pay their bills on time, as the

failure to pay renders our municipalities dysfunctional.

Allocating resources to municipalities through equitable share

and conditional grants is very important. But even more

important is ensuring that the money is used for what it is

designed to do. The resources which this House makes available



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through the Division of Revenue Act are meant for the people

and nothing else. At the end of the day, the hon members and

people of South Africa want to see the impact of these

resources failure ... [Time expired.] Thank you very much,

Deputy Speaker. [Interjections.]

Mr S M JAFTA: Thank you, Deputy Speaker. The Division of

Revenue Bill gives revenue allocation on equitable balance

between the three spheres of government. The division of

revenue between the three spheres of government take into

account service delivery needs, departmentally shared

mandates, priorities and variety of socioeconomic

considerations. It is perhaps fitting at this point to

highlight that our GDP growth rate has been revised downwards

to less than 2%. The unemployment rate, according to the

expanded definition of unemployment increased by 2,2

percentage points to 46,6% as Statistics SA reported.

This record exposes the limitation of this revenue Bill in the

main because, firstly, local government still receives a small

chunk of budget despite being at the coalface of service

delivery. Secondly, furthermore, given the high rate of ...

[Inaudible.] ... as ratepayers will default on their municipal

bills. Thirdly, the funding of early child development across



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nine provinces remain uneven in terms of parity of payment and

therefore leads to uneven distribution of skills.

Our main concern is that provincial departments are not

meaningfully working with Salga to see to it that the spirit

of district development plan is carried through. The recurring

failure of the departments to submit financial statements must

also be tackled. With the not continuously have rollovers when

basic resources to the poor have not been provided. When there

are rollovers, and when provinces do not spend housing budget,

National Treasury must intervene.

The Public Audit Amendment Act has unfortunately not helped us

to get rid of wasteful unauthorised and fruitless expenditure.

Unless there is consequence management, the allocation of

resources to government departments and their entities will

remain ... [Inaudible.] By the way, we support the Bill. Thank

you.

Mr W M MADISHA: Deputy Speaker, what we are faced with is a

song. Every year we rise, we stand here, clap our hands and

say, the Bill is right, or the Bill is not correct. But what I

want to emphasise is that we must follow the truth and

indicate that the people of South Africa need the necessary.



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They need the necessary. Allow me to use that ... [Inaudible.]

...

The MINISTER OF SOCIAL DEVELOPMENT: They have the necessary!

Mr W M MADISHA: ... they want the necessary. [Interjections.]

Exactly.

The MINISTER OF SOCIAL DEVELOPMENT: They have the necessary!

Mr W M MADISHA: Because you do not know the necessary. That is

why you can rise and say that, okay? They need food. They do

not have food. They need education. They need all the basics.

That is what the people of South Africa want. They need jobs.

There are no jobs. Everything that is being said here is

something that has been said every year. Hence, I say it has

now become a song that we shall come here and sing every year.

The people of South Africa are not happy. Why? Because if you

were to, like you are doing anyway, continue to give them only

R350 every month ...

*IsiZulu*:

UNGQONGQOSHE WEZOKUTHUTHUKISWA KOMPHAKATHI: Uzocula wedwa

wena.



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*English*:

Mr W M MADISHA: ... they cannot survive. They cannot survive

because they cannot buy food for a month using that amount of

money. We have, in South Africa, more than 700 SOEs. Most of

which are not important, but all those particular SOEs are

getting lots and lots of money from these Bills that you are

talking about, and it is just extremely useless.

We are going to be discussing many of them as you go on with

the Bills, budget, etc. But the fact is that many of them are

just useless. Money is getting lost. Even all of us here do

not know even some of those SOEs, but we go on and say they

must get money and the people of South Africa must go on

hungry.

The provinces, you know when we started with the new

government, when we went to the negotiations for those of you

who were not there when we went to the Convention for a

Democratic South Africa, Codesa, we said that the provinces

must be there. Why? Because of there had to be a compromise.

We had to say that there must be a compromise.

[Interjections.] That is why you have at this kind of thing.

Yes, I was there before you came in, for more than 30 years.

We went to there. Now ... [Interjections.] ... there was no



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Cope ... [Interjections.] ... now there is no accountability

be it in the ... [Interjections.] ...

The DEPUTY SPEAKER: Order! Order! Hon Madisha, your teaching

lesson is over, sir. [Interjections.]

Mr W M MADISHA: Thank you. Okay. Thank you.

The DEPUTY SPEAKER: No hon members, you just reminded him of

his position. Yes.

Mr A N SARUPEN: Mr Deputy Speaker, I am very disturbed by what

I have heard from the members of the governing party in this

debate today. And let me start with hon Dikgale She spoke

about the Public Transport Network Grant, PTNG, ...

*IsiZulu*:

UNGQONGQOSHE WEZOKUTHURHUKISWA KOMPHAKATHI: Hhawu! Uhlale

udidekile wena. Wena uhlale udidekile ...

*English*:

... all the time.



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The CHIEF WHIP OF THE MAJORITY PARTY: Hon Deputy Speaker, on a

point of order: I want to appeal that the ICT people look at

the sound because we cannot hear them properly. It is like

they are in a hole.

The DEPUTY SPEAKER: It is being attended to. It is being

attended to. Okay! Go ahead hon Sarupen.

Mr A N SARUPEN: Deputy Speaker, I hope it does not affect my

time. As I said, I was disturbed by what I heard from the

members of ... [Interjections.] ...

The DEPUTY SPEAKER: Please do not worry about the time,

please. Members, all of you, do not talk about the time. We

have got a clock here which we are running. Why do you assume

we do not have a comprehension of such a simple idea? Please,

no man, do not insult us. Just go ahead and speak. We will

give you the time you deserve. Thank you.

Mr A N SARUPEN: ...so, Deputy Speaker, there was a

contradiction between what was said here today and what was

said in the committee on the PTNG grant, the ANC members of

the appropriation committee ...



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The DEPUTY SPEAKER: Just pause! Just pause! ICT, try and ...

hon members, it is okay. Please leave it in our hands. Thank

you for giving us feedback, but you do not have to scream

about it. Kindly do not do that. [Interjections.] Hon Boroto,

if it was that easy we would not be sitting here saying what

we are saying, just switch off ... [Laughter.] Please tell us

to proceed if you are ready. Is that okay? Hon Sarupen, please

try to speak so that we can hear.

Mr A N SARUPEN: Deputy Speaker, I hope you can hear me more

clearly now.

The DEPUTY SPEAKER: Yes, we can hear you now. Please go ahead.

Mr A N SARUPEN: Thank you very much. So there is a

contradiction between what the ANC members say in the

committee and in the House under the PTNG grant. The City of

Cape Town came to the committee and showed us how they saved

money by properly planning and that they were efficient in

meeting their targets, and achieved massive cost savings for

the project. They were praised by the Department of Transport

and National Treasury, and they were even thanked for freeing

money for other municipalities.



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And today we have ANC members condemning the City of Cape Town

for making more money available to other municipalities while

fulfilling their budget targets. And the MyCiTi bus route has

13 stops across Khayelitsha alone. So saying that it does not

stop in Khayelitsha, as I was saying to the debate today, is

completely a fabrication and not aligned with reality. So that

is problem number one. The second problem is that hon

Buthelezi concluded his speech by telling us that if we do not

support this Bill, we do not support infrastructure. We do not

support the R350. We do not support all sorts of other things.

And that's also not true because this Bill is the Division of

Revenue Bill. Those proposals are contained in the

Appropriations Bill. The Division of Revenue Bill slices the

pie for provinces and local municipalities. The EFF member

even made this point. So saying that to vote against this Bill

is to be voting against the R350 Social Relief of Distress

grant is not congruent with reality.

So we must debate the correct Bills when we come to this

House. We can save that debate for the Appropriations Bill in

the next quarter. But not supporting this Bill means you do

not support corruption. It means you are against the collapse

of services and it means that you are against extremist

policies. And this particular Bill ...



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*IsiZulu*:

UNGQONGQOSHE WEZOKUTHUTHUKISWA KOMPHAKATHI: Nangu umuntu

oculayo. Nguwe lo oculayo la.

*English*:

Mr A N SARUPEN: ... has helped in undoing some of the problems

of last year’s Division of Revenue Bill, which I described as

a slash and burn budget because it slashed a lot of frontline

services, health care and education from the provinces. Two-

thirds of the budget spent by the provinces is approximately

on health care and education.

And last year, because the national Ministers did not want the

cuts in their own departments sacrificed services like health

care and education delivered by the provinces. This begins to

correct it and I believe it is because we have got a Finance

Minister who appears to take his job seriously and actually

cares about the state of this country.

When you consider that eight provinces combined have overspent

by an estimated R20 billion last year, it almost totals the

additional amounts of money allocated this year. And so we are

not fixing the fundamental problem and that is we are not



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going to get health care and education back up to where it

should be.

And the allocation to the provinces for health and education

is still below what they would have been in the peak COVID-19

projections, even though the national government’s slice is

higher. And we have seen the long-term trend towards cutting

grants allocated to the provinces and local governments to

fund pet projects by the national Ministers.

As for local governments, 68% of them are in distress. And

services are collapsing. The Free State is illustrative of

this. In Mangaung, one of only two metros still with an ANC

majority government, it has collapsed to the point where for

most of this week the municipality has not had any water and

refuse trucks are set alight and the service delivery protests

as a consequence of that. And now there is no refuse removal.

This is a city of 600 000 people that cannot provide water. It

is a massive disaster. Water is life. And not a single Free

State municipality has achieved a clean or positive audit

outcome since 2016. The biggest debt to Eskom from the

municipalities is from the Free State. And before the change

of the government last year, the Maluti-a-Phofung Municipality

had not paid a cent of its R5,4 billion debts to Eskom.



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Matjhabeng has collapsed the point where it has reverted to

the stone age barter system where it traded R2,5 billion worth

of ... [Time expired.]

Mr X S QAYISO: Thank you very much, Deputy Speaker, hon

Madisha, you should have known better while you were a

president of Cosatu and decided to run away from a democratic

revolutionary movement, taking a detour to a reactionary

organisation and then you come and tell us that there was a

sold out at a Convention for a Democratic SA, CODESA, level.

The ANC unequivocally supports the 2022 Division of Revenue

Bill. This year’s budget waters the seeds for economic renewal

and growth. We are confident that through this budget, the

seeds of renewal and growth will bear the fruits and juices.

The 2022 Division of Revenue Bill demonstrates the caring

nature of government and it is redistributive as it seeks to

protect lives and livelihoods of the most vulnerable. We must

never forget our humanity and we should also put the people

before profit maximisation.

The government’s response to the deadline coronavirus must be

applauded whilst the virus is still with us and will continue



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to be with us in the near future. Government is intelligently

navigating the process of economic recovery and saving lives.

Those who believe that we would not be able to secure

sufficient vaccines for our people should be hanging their

heads in shame. Today, we are not debating whether there are

enough vaccines but are trying to persuade people to get

vaccinated including those who are using religion to abdicate

their responsibility. Credit must be given where it is due.

Anyone who says this is not a caring government would be

dishonest.

We welcome an extension of the R350 social relief of distress

grant - hon Kwankwa ...

*IsiXhosa*:

Naba baphaya ezilalini bayayamkela loo nto, ukuba awuyazi.

*English*:

- for a period of 12 months at an estimated cost of

R44 billion. This stimulus will increase aggregate demands and

contribute towards the growth of our economy. Over and above,

this provides the much-needed relief to the poor and the

unemployed individuals.



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The progressive interventions by the ANC government in

response to the pandemic has shown without doubt the important

role that the state plays and which it should continue playing

in the revitalisation of our economy. We simply cannot leave

everything to the invisible hand of the market as some of the

opposition parties believe. 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

the government in the economy, transformation will forever

remain a pipedream.

The provincial allocations over the Medium-Term Expenditure

Framework, MTEF, increases from 41,2% in 2022-23 to 41,4% as

part of the Presidential Employment Initiative. As proposed, a

total of R12,7 billion is added to the provincial education

departments to continue hiring the assistants in schools as

part of the Presidential Employment Initiative. This will have

a huge mitigating impact on unemployment levels and give

particularly young people work experience.

The R3,3 billion is added to the Human Resources and Training

grant to address funding of shortfalls for medical interns and

community service doctors. A total of R24,6 billion is added



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to the provincial equitable share to support provincial

education departments.

A proposed total of R1 billion for the 2022-23 financial year

to the COVID-19 component of District Health Programme grant

to fund the continuation of COVID-19 vaccine rollout. A

further R398 million in 2022-23 and R475 million over the

2023-24 financial year for Human Settlements Development grant

will contribute to the transformation of the apartheid spatial

development and make our cities more inclusive – not what is

happening here in Cape Town. Four hundred and seventy-one

million to the educational infrastructure grant and

R784 million to the provincial roads maintenance grant. We

must emphasize that the money which is budgeted and supposed

to be used for provincial roads maintenance grant should be

used so that it is not returned to Treasury. I am referring to

roads like one in Wolmaransstad, N12 and N8, which are in a

very bad state. We cannot return money to Treasury while we

have such challenges.

The investment infrastructure is integrated into these

allocations, which is a critical driver to the Economic

Recovery Plan.



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The fact that the DA’s racist policies refuse to extend basic

services to poor people ... [Laughter.] ... in Gugulethu,

Mitchells Plain and Khayelitsha whereas the national

government makes available resources to you, the DA, here in

Cape Town. You continue with racist policies that exclude

black people in the Western Cape. [Interjections.] You are

perfecting your separate development of the herrenvolk in the

Western Cape. We want that situation to come to an end. What

you do in these two cities? One is the privileged, which is

mainly white and provided with all the services and another

for the black majority, which is neglected; living in squalor

and poverty. You even refuse to extend transport services to

black people. You would rather return money to Treasury than

give to the poor what our government offers you. You have

absolutely no shame.

In conclusion, building a developmental state requires the

state of plan, intricate and decisive role in the economy. The

state cannot be a spectator when there are structural

challenges in our economy and when the vast majority of our

people are unemployed and live in poverty.

The intervention in the 2022-23 Division of Revenue Bill are

pro-development and pro-poor. As the ANC, we welcome the



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Division of Revenue Bill. I thank you very much. [Time

expired.] ... [Applause.]

The DEPUTY SPEAKER: Deputy Minister of Finance.

The DEPUTY MINISTER OF FINANCE: Deputy Speaker and hon members

...

The DEPUTY SPEAKER: Order! Order, hon Mazzone. Hon Mazzone ...

[Interjections.]

UNIDENTIFIED MEMBER: Try Sepedi.

The DEPUTY SPEAKER: Please don’t go there!

AN UNIDENTIFIED MEMBER: Try Sepedi. Try speaking in Sepedi.

The DEPUTY SPEAKER: Order, hon members, please!

AN UNIDENTIFIED MEMBER: It can’t be corrected in English. They

must correct African languages well.

The DEPUTY SPEAKER: Hon members, don’t turn this into that.

This is not a platform for what you are doing now. We’ll open



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up some rooms next door. It’s a good place for you to sort

that out, yes.

*IsiXhosa*:

Nifundisane nangesintu.

The DEPUTY SPEAKER: Hon David Masondo, Deputy Minister of

Finance.

The DEPUTY MINISTER OF FINANCE: Deputy Speaker and hon

members, this Debate on the Division of Revenue ...

The DEPUTY SPEAKER: Hon Deputy Minister, oh please! I think I

can say this to you. Can you do something about lighting where

you are sitting? We can’t really see you but okay, I shouldn’t

focus on that. I’m making a mistake but please let’s do

something about it and talk to us so that we hear too. When

you sit back we can’t hear properly as well. Yes, get closer

to your mic or something.

The DEPUTY MINISTER OF FINANCE: I hope it’s better, Deputy

Speaker.



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The DEPUTY SPEAKER: It’s getting better. Thank you very much.

[Interjections.]

The CHIEF WHIP OF THE OPPOSITION: House Chairperson.

The DEPUTY SPEAKER: No, no, no, there’s no House Chairperson

right now! [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: Deputy Speaker, if I may, I

believe that the colour of that is ...

The DEPUTY SPEAKER: No, no, no, hon member! Let’s not discuss

... Hon Mazzone, please I don’t need help on that matter.

[Interjections.]

The CHIEF WHIP OF THE OPPOSITION: ... [Inaudible.] ... can sit

here.

The DEPUTY SPEAKER: No, no, no! The answer is no, hon Mazzone.

The answer is no! Please, no! [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: But we can’t see.



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The DEPUTY SPEAKER: Please, no, hon Mazzone, we are sorting

out the problem. [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: We can’t see.

The DEPUTY SPEAKER: Hon members, I don’t need your help.

*Afrikaans*:

Hoekom maak julle so ’n geraas? Wat gaan aan met julle?

[Tussenwerpsels.]

The CHIEF WHIP OF THE OPPOSITION: They can’t see on the

screen.

The DEPUTY SPEAKER: No, no, no! Hon Masondo, please proceed!

The DEPUTY MINISTER OF FINANCE: Deputy Speaker, I hope I’m

visible. I am at the Investment Conference here in Sandton and

I hope that I’m much more visible. My apologies for that. Hon

members, this Debate on the Division of Revenue takes place in

a context of a very fiscally-constrained environment. Our

public debt is R4 trillion is projected to rise to

R5,4 trillion in the next three years. We will be paying

almost R1 trillion for debt service costs over the next three



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years. Despite these fiscal constraints and the projected low

economic growth, this Division of Revenue Bill is

redistributive and transformative. The total government

expenditure is R2 trillion this financial year.

The Bill before us, Deputy Speaker and the House, does not

only divide our nation’s public funds amongst the three

spheres of government. It also provides for a profound

redistribution of our nation’s resources. Taxes raised

predominantly from better-off citizens mainly in the urban

areas are redistributed to fund services across the country

especially rural areas where they fund schools, clinics and

basic municipal services for poor communities.

A total of 48,8% of the nationally-raised funds are allocated

to national government; 41,4% to provincial government and

9,8% to local government. The Budget is redistributive in

favour of the poor. Fifty-nine per cent of the total non-

interest spending over this period will be allocated to social

wage. Almost all of the grants and programmes in provinces and

municipalities are funded through the Division of Revenue Bill

and are targeted to benefit poor South Africans and this range

from the national School Nutrition Programme which feeds over

nine million learners every day; to the infrastructure grants



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that build schools, roads and houses to those who previously

did not have access these basic services.

Hon members, you’ll recall that our tax revenue estimates are

R182 billion higher than our estimates last year. A portion of

this tax revenue will be used to fund spending pressures in

provinces and municipalities. A total of R78,8 billion is

added to provincial governments to fund spending pressures in

education, health, social development as well as human

settlements. This amount includes allocation for the

continuation of the Presidential Youth Employment Initiatives

for both spheres of government. This additional allocation

reflects the priorities that are put in place by our

government to serve our people.

This Bill is transformative because it facilitates the

transformation of our economy and society by directing scarce

resources towards catalytic investment in physical and human

capital. This includes infrastructure projects being

implemented at Matlosana, Tembisa, amongst other areas to

empower our municipalities to reverse apartheid spatial

development patterns and not only in our Metropolitans but

also in our smaller cities, and measures to respond to job

losses due to the impact of Covid-19.



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Deputy Speaker, several concerns were raised regarding the

conditional grants in relation to, a) the value derived from

these conditional grants; b) the capacity of provinces and

municipalities to spend their allocation; and c) the

proliferation of indirect grants. I would like to assure hon

members and South Africans that we are addressing these

concerns, for example, there’s already a substantial

allocation of resources for capacity-building in the Budget to

enable our municipalities to spend these rants.

In response to several concerns raised regarding the number

and efficacy of these conditional grants, we are reviewing

these conditional grants. Areas of review include the

proliferation of the grants; the performance of direct and

indirect grants; the alignment between relevant provincial

grants and local government grants; departmental oversight

allocation as well as methodologies and classifications that

are being used in allocating these grants; and more

importantly, the link between these grants and their impact on

economic development.

Concerns again have been raised by hon members with respect to

the debt owed by government departments and the private

sector, and are duly noted. But we should note that the



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highest debtors are households. Hon members are reminded that

credit control is squarely in the hands of municipalities. As

part of the revenue management support provided by the

National Treasury, we provide support and advice on

strengthening credit control.

However, implementation of these measures is the

responsibility of municipalities. The disconnection practice

started by Polokwane Municipality a while ago, now carried out

by the City of Tshwane and the City of Johannesburg should be

undertaken by all our municipalities to ensure their financial

viability.

Compensation of employees does continue to account for a

significant share of provincial budgets but this is because

the major sectors by budget and size, i.e. health and

education, are very labour intensive. As noted in the previous

Budget in a bid to reduce the wage bill, several measures are

in place including prioritisation of posts to be filled due to

natural attrition. Next week government will be discussing

some of these issues in the Public Sector Labour Summit.

Hon members ...



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The DEPUTY SPEAKER: Thank you very much. Hon Minister, I’m

afraid your time has expired. You better wrap up in one

sentence, sir. [Interjections.]

AN UNIDENTIFIED MEMBER: Yes.

The DEPUTY MINISTER OF FINANCE: [Inaudible.] ... impact of

allocation will depend on provinces and municipalities and we

hope that the will do the right thing in spending this money

to benefit South Africans. Thank you, Deputy Speaker. [Time

expired.]

Debate concluded.

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

Division demanded.

The House Divided.

The Acting Speaker announced that the Speaker had determined

that, in accordance with the Rules, a manual voting procedure

would be used and that the whips would conduct a headcount of



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members in the chamber and on the virtual platform for the

purpose of ascertaining quorum and voting.

A quorum being present in terms of Rule 98(1), voting

commenced.

Voting:

[TAKE IN FROM MINUTES]

Question agreed to.

Bill accordingly read a second time.

**CONSIDERATION OF RECOMMENDATION OF CANDIDATES TO FILL FOUR**

**VACANCIES ON COUNCIL OF INDEPENDENT COMMUNICATIONS AUTHORITY**

**OF SOUTH AFRICA, ICASA**

**CONSIDERATION OF RECOMMENDATION OF CANDIDATES TO FILL TWO**

**VACANCIES ON MEDIA DEVELOPMENT AND DIVERSITY AGENCY, MDDA,**

**BOARD**

**CONSIDERATION OF RECOMMENDATION OF CANDIDATE TO FILL A VACANCY**

**ON SOUTH AFRICAN BROADCASTING CORPORATION (SABC) BOARD**



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Mr B M MANELI: Hon Chair, hon members, hon Ministers, Deputy

Ministers, committee support staff, fellow South Africans, the

Portfolio Committee on Communications has received the

referrals from the Speaker of the National Assembly in line

with the request from the respective Ministers for the filling

of two vacancies for the Media Development and Diversity

Agency, MDDA board, one vacancy for the SABC board and four

vacancies in the Council Of Independent Communications

Authority Of South Africa, ICASA council and followed all

processes as ... [Inaudible.] ... in Media Development and

Diversity Agency Act, 2002 (Act No 14 of 2002), Broadcasting

Act, 1999 (Act No 4 of 1999) and ICASA of 2000, Act No 13 of

2000 respectively.

In line with the provision of Rule 151 and 172 of the National

Assembly Rules, the committee appointed three subcommittees

proportional to representations of parties in the National

Assembly to shortlist, interview and deliberate on candidates

to be recommended to the committee. The committee received a

report from the subcommittees which reflected consensus

decision reached by three subcommittees on candidates to be

recommended.



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On the 15 March 2022, the committee unanimously agreed to

adopt the detailed report circulated to all hon members of

this House. The committee taking into account both existing

boards and council members and council members and candidates

to be recommended in their respective entities in terms of

skills set, demographics, task attend and the performance of

candidates in the interviews, recommends the following

candidates to be considered for appointment in line with

applicable legislative prescripts as follows: On the MDDA

board, the first one is Ms Martina Della-Togna and the second

one is Ms Carol Mohlala. On the SABC board where there was

vacancy, is Dr Renee Horne. In the ICASA council where there

are four vacancies, they are Adv Dimakatso Qocha, who is a

returning councillor, Ms Nompucuko Nontombana, Ms Dikeledi

Mushi, Ms Thabisa Faye, Ms Ntombiza Sithole, Ms Sesethu Gqomo

and Ms Rossana Gell.

Key observations to making the recommended ... [Inaudible.]

... is that of the seven candidates in the ICASA, instead of

the six minimum requirement from which the Minister will

select the four for appointment. This is informed by the

financial prudency on the side of the committee in case of

declines given the time it has taken to finalize the report as



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well as the committee’s experience with regard to previous

appointments.

The other very important observation is that all candidates

recommended happen to be women. However, their recommendation

is not only about agenda, but their skills and high levels of

performance in the interviews. Hon members, in conclusion,

allow me to quote the late President of the ANC O R Tambo,

when he recognised a leader who happened to be a woman. In his

address to the conference of the Women’s Section of the ANC in

Angola on the 14 September 1991, and I quote:

Women in the ANC should stop behaving as if there was no

place for them above the level of certain categories of

involvement. They have a duty to liberate us men from

antique concepts and attitudes about the place and role

of women in society and the development and direction of

our revolutionary struggle. In fear of being a failure.

Comrade Lindiwe Mabuza cried and sobbed and ultimately

collapsed on top of herself when she learnt she had been

appointed ANC Chief Representative to the Scandinavian

countries. But, looking at the record, could any man have

done-better?



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I am therefore presenting these candidates once more, not just

because they are women, but because on record, they are proper

and fit to serve as leaders in these entities. I therefore,

thank you, House Chairperson. [Applause.]

*Declarations of Votes*:

Ms T BODLANI: House Chair, the DA notes and supports the

process to fill vacancies in the boards of the Media

Development and Diversity Agency and Independent

Communications Authority of South Africa as carried out by the

Portfolio Committee on Communications. Myself and hon Solly

Malatsi, the DA Whip, paused to appreciate the contribution of

our predecessor in this committee, hon Zach Mbhele. His

dedication and participation made it possible for us, as new

appointees to the committee, to ensure that each candidate in

each entity had a fair chance based on the interviews, as we

relied on his insight as well as knowledge and his guidance.

It is worth noting that the various committee discussions that

finalise the recommendations subsequent to the short listing

were refreshingly inclusive of all parties in the subcommittee

and sought to seek consensus to ensure that there is a fair

balance accommodating the different parties’ preferred

candidate based on their skills and expertise. According to



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the MDDA Act, the board consists of nine members, six of which

must be appointed by the President following recommendations

by this House.

Currently, the board consists of seven members due to the term

of former board member, Ms Martina Della-Togna and Dr Nombeko

Mbava. Their term both ended on October 2020 respectively. A

total of 56 nominations were received and 13 candidates were

shortlisted. A subcommittee on communication was tasked to

recommend two candidates from the list of shortlisted

candidates to the President to make the final appointment.

On the 15 March 2022, the committee met to consider the

recommendations of the subcommittee which deliberated in the

interviews and found consensus, recommending that Ms Martina

Della-Togna Ms Carol Mohlala be appointed to fill the two

vacancies on the MDDA board. The DA believes that these two

candidates are arguably the best balance of skills and

expertise in human resources that the MDDA needs at this time.

On the SABC, the vacancy was left by the resignation of Ms

Bernedette Muthien. The DA notes that Dr Renee Horne

demonstrated solid understanding and innovative insight on how

to modernize the SABC, especially liberating newer business



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model, international best practices and its dormant in house

assets. We therefore congratulate and welcome the appointment.

We further note that the appointment to the SABC board is for

the unexpired portion of the period of the vacating member

which will then end on the 26 September 2022.

According to the ICASA Act, the council consists of nine

members appointed by the Minister. Currently, the council

consists of five members. A consensus was reached to ensure

that all candidates who were ranked highest by different

parties are recommended. These are Adv Dimakatso Qocha, Ms

Nompucuko Nontombana, Ms Dikeledi Mushi, Ms Thabisa Faye, Ms

Ms Sesethu Gqomo, Ms Rossana Gell, and Ms Ntombiza Sithole.

The DA is happy for this House to approve the names for

submission to the Minister of Communications and Digital

Technologies in order for her to appoint four from these seven

candidates as ICASA councillors. This is to avoid a situation

where it would be impossible for one candidate or the other to

take up the appointment and then we do not need to reconvene

the appointments.

In closing, the DA wishes to thank all the candidates who had

applied to the different boards and wish the very best to the



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nominated candidates as they continue to build a South Africa

as envisioned by the DA where each citizen enjoys their

freedom in a fair country with ample opportunities. The DA

supports the report.

Mr A MATUMBA: The EFF participated in this process and we are

pleased that overwhelmingly the portfolio has recommended the

appointment of females predominantly for these vacancies. All

candidates are worthy candidates. Dr Renee is an accomplished

academic from Wits, and their track record speaks for itself.

We hope that she will maintain her integrity and independence

in the toxic fire that the SABC board has developed a

reputation for being over the past couple of years.

We need people who are going to work tirelessly to save the

SABC and to position it as the prime news source for the

majority of our people. It must remain independent and not be

the mouth piece of the ruling leaches. We are pleased that the

Media Development and Diversity Agency, MDDA, has decided to

retain outstanding women leaders such as Ms Martina Della-

Togna and Carol Mohlala. We remember the struggles Ms Della-

Togna went through when she demanded accountability from the

MDDA in 2017. We are pleased that she is back in the board

again, and we hope that she and the team will work tirelessly



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to support the community radio stations which are an

invaluable source of news for many of our people.

The appointments at ICASA are also of credible women leaders.

We are proud that this committee has acknowledged women

leadership in this way. We are, however, not pleased that it

has taken this long to fill these vacancies. The SABC and the

MDDA vacancies come from way back in 2020. It has taken almost

two years to fill them. This committee must do better. We are

in support of the recommendations. Thank you, Chairperson.

Ms Z MAJOZI: Hon House Chair, the Independent Communications

Authority of South Africa’s responsibilities are directly

linked to the lifeblood of our economy, with the authority

being responsible for regulating the telecommunication

broadcasting and postal industries in the public’s interest

and ensuring affordable services of a high quality for all

South Africans. This decision taken by the Icasa councillors

therefore has a direct impact on the daily lives of South

Africans. For this reason, they are held to a high standard.

With this in mind, the IFP is pleased to confirm that the

appointment process undertaken by the portfolio committee to

fill four vacancies adhered to all the necessary requirements



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as pertained to openness, transparency and public

participation. Further the committee submitted additional

names to assist the appointment authority in an event that one

of the appointed councillors vacated office a few months after

his or her appointment.

We also take note the importance of the Media Development and

Diversity Agency in providing access to diversified media for

all cannot be overstated. The media is tasked with appointing

the development of a vibrant, innovative, sustainable and

people-centred community media sector through resourcing

knowledge-based search and capacity building in order to give

a voice to the historically disadvantaged. Furthermore, the

MDDA board appointment should be afforded the same importance

and urgency as all other entities that fall under the

department’s preview. Considering the footprint of community

media, one almost feels it appropriate to appoint and make

sure that the MDDA provides the mainstream of local radio

station.

The SABC has an essential role to play in our democracy

ensuring that the public at large is kept up to date on

current affairs so that they can make informed choices about

issues that impact their day to day lives.



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As part of the seven-member subcommittee established to

consider the 69 nominations received, we are confident that

the shortlisting process identified the best candidates, and

further following interviews identified the best candidates to

fill the vacant board seats. We suggest ways to fast track the

appointment process in the case of an unexpected resignation

be explored. It is essential, however, that transparency and

integrity of the appointment process is not compromised. The

IFP accepts all three reports. Thank you, Chair.

Mr W M THRING: Hon House Chair, in considering these three

reports from the Portfolio Committee on Communications the

ACDP is cognisant that these vacancies arose either as a

result of resignations or the term of office expiring in the

entities of Independent Communications Authority of SA, ICASA,

Media Development and Diversity Agency, MDDA, and the SA

Broadcasting Corporation, SABC.

All three reports speak of the establishment of seven-member

multiparty subcommittees to oversee the process of filling the

vacancies where after the subcommittees met to consider the

criteria and skills required to fill these vacancies.



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What was interesting for the ACDP was to observe that in all

three reports there was unanimity in the shortlisting process

as well as in the final selection of the successful

candidates.

Hon House Chair, in the portfolio committees where the ACDP

has representation we have often been critical of the

departments and the entities where critical posts that have

been budgeted for, yet these posts are not filled.

This practice cannot be tolerated, particularly with the high

unemployment rate that South Africa currently has.

The ACDP congratulates the successful candidates and wishes

them well as they fulfil their mandates to serve the best

interests of all South Africans.

The ACDP accepts these reports and supports them. Thank you.

*IsiXhosa*:

Mnu N L S KWANKWA: Sihlalo weNdlu, siyi-UDM sizigqalile,

saziqwalasela, sazihla’mahlongwane zonke ezi ngxelo ngelithi

sibona ukuba bonke abantu abatyunjiweyo apha ukuze bakhokele

la maqumrhu ohlukeneyo banelungelo nesakhono sokulawula.



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Eyona nto sifuna ukuyithetha yile ithi, kudala sisima apha

sincome abantu abantu sisithi ...

*English*:

... they have the credentials and the necessary experience ...

*IsiXhosa*:

... bafike bawamoshe la maqumrhu, sibe thina sikhumshe

kamnandi apha ...

*English:*

... wax and lyrical. It’s important that ...

*IsiXhosa*:

... singahoyi iziqinisekiso (credentials) zabo...

*English*:

... that they must go. The only thing that they’ve been able

to prove so far is that they are fit for purpose. Now, what is

important is that they must go there and do a proper job in

these entities.

All our state-owned enterprises, SOEs, and most of our boards

have been run to the ground by people who were fit for purpose



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and we stood here in these podiums and we waxly re[Inaudible.]

how competent they were.

*IsiXhosa*:

Eyona nto isiyifunayo ...

*English*:

... they must go there like ... you have this Dr Renee; she

must make sure that she’s not captured by the factional

battles in that SABC board, where it becomes a messy political

playground for politicians before elections, they are pulled

in all directions.

Others in MDDA must make sure that media development and

diversity and that they support community radio stations and

small commercial media and ICASA.

Up until they understand the mandate and they make sure that

in the work they do they are true to the mandate of these

entities ...

*IsiXhosa*:

... siza kumana sisithi ...



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*English*:

... they have qualifications and credentials ...

*IsiXhosa*:

... bemosha. Bawamoshile amaqhumrhu karhulumente kwaye baninzi

*English*:

... but is think what is go is that for the first in a very

long time ...

*IsiXhosa*:

... apha enxulumene nathi inamanina. Masithi, malibongwe!

Basebenze kakuhle. Enkosi.

*English*:

We support the report. [Applause.]

Mr S M JAFTA: House Chairperson, this report seems to be the

well-supported report by all political parties who

participated in the processes ...

*IsiXhosa*:

Masiyincome ke loo nto.



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*English*:

As the AIC we also support the report.

Mr W M MADISHA: House Chair and the hon members, I must say

that what the committee did needs to be accepted. When it came

to the identification of the people who are now presented

before yourselves, when it came to that it was professionally

done, all the parties agreed, the interviews were conducted

professionally, it was agreed by all the parties. So, you have

some form of unanimity.

I think it’s the first time and we wish to hope that they will

be able to move forward and do that which they are supposed to

do.

What one can, therefore, say is that they must not do that

which was done by the others in the past of concentrating on

particular people and trying or going on to elevate certain

things which were wrong. We have examples, some of those

particular people who did wrong things have either been kicked

out of those particular institutions like the SABC; some of

those particular people stole a lot and we hope that these

ones that are being presented to you will be able to do that

which they are supposed to do.



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As Cope, therefore, say, please let’s agree. Thank you very

much. [Applause.]

Ms N J KUBHEKA: Hon House Chairperson, hon members and fellow

South Africans, as introduced by the Chairperson of the

Portfolio Committee of Communications and Digital

Technologies, hon Maneli, today we table the committee’s

recommended candidates for the appointment of one candidate to

serve on the SA Broadcasting Corporation, SABC, board, four

councillors out of seven that have been recommended to serve

on the Independent Communications Authority of South Africa,

Icasa, board and two candidates to serve on the Media

Development and Diversity Agency, MDDA. Hon members, not only

this critical for the constitutionality of these respective

structures, it is fundamental to the effective execution of

their mandates. It is the ANC’s firm believe that public

ownership is necessary in critical sectors of the economy and

that the country needs robust state-owned enterprises that are

able to drive economic growth and transformation.

According to the organisation for economic co-operation and

development state-owned enterprises play a vital role in terms

of the direct services they provide to the community,

particularly in the provision of the basic services such as



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access to water, electricity, sanitation and transportation.

State-owned enterprises, SOEs, also contributes to poverty

alleviation and the creation of employment as well as marvel

as the successes of People’s Republic of China which has grown

its economy for the better quality of life of their people. It

is worth reflecting on the contribution of their state-owned

companies into their economy. In the midst of the deadly

coronavirus the spokesperson of the State-Owned Asset

Supervision and Administration Commission, Mr Peng Huagang,

reported that in 2021, the global operating revenue of their

state-owned companies, SOCs, stood at ¥36,33 trillion

reflecting an increase of 19,5% when compared to the previous

year. This is an average by annual growth rate of 8,2%.

Hon House Chairperson, the ANC remains committed to ...

[Inaudible.] our SOEs of corruption and to implementing

reforms that will enable them to function optimally so that

they better serve the needs of our people. The entities we are

discussing today have had their fair share of challenges and

it is still going to take more work and dedication from all

the boards and management to work collectively to get them

into better shape.



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With regard to Icasa, there being said the ANC is happy to

announce that as pronounced by our Excellency hon President

Ramaphosa in his state of the nation address Icasa has,

indeed, concluded a successful auction of high-demand

spectrum. The auction involved six qualified bidders, namely:

Cell C, Liquid Intelligent Technologies, Mobile

Telecommunications Network, MTN, Rain Network, Telkom and

Vodacom. The revenue collected from this auction total more

than R14,4 billion which will go to the national fiscus. This

is a total amount generated from the Opt-In phase auction

which took place on 8 March 2022, and the main auction stage,

which commenced on 10 March 2022 and concluded on the 17 March

2022. We commend Icasa for seeing this process through

following many years of delays and frustrating litigation

processes.

With regard to the SABC, the SABC is slowly but surely

reaching stability with 93% completion of the implementation

of its turnaround strategy. However, we employ the SABC to

effect its strategies to generate more revenue so that it is

self-sustainable. The MDDA is hard at work towards pursuit of

investors to invest in community and small commercial media.

Government funding alone is not enough. Therefore, we welcome

the initiatives that the agency has come up with to attract



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possible investors in the form of the funder breakfast and the

grant funding outreach programme. These are the just some of

the highlights worth noting in the three entities and we are

confident that the candidates as recommended by the portfolio

committee will be up to the task and they will hit the ground

running to enhance the work that is already been done.

The ANC supports Dr Renee Horne to be appointed to fill the

vacancy of the SABC board. We further support the names of

Advocate Dimakatso Qocha, Ms Nompucuko Nontombana, Ms Dikeledi

Mushi, Ms Thabisa Faye, Ms Ntombiza Sithole, Ms Sesethu Gqomo

and Ms Rossana Gell for submission to the Minister of

Communications and Digital Technologies in order for her to

appoint four from the seven candidates as Icasa councillors.

Lastly, we also support that National Assembly approve the

names of Ms Martina Della-Togna and Ms Carol Mohlala for

appointment to the MDDA board for a full four-year term. Hon

House Chair, I thank you.

Question put: That Advocate Dimakatso Qocha, Ms Nompucuko

Nontombana, Ms Dikeledi Mushi, Ms Thabisa Faye, Ms Ntombiza



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Sithole, Ms Sesethu Gqomo and Ms Rossana Gell be recommended

for appointment to the Council of Independent Communications

Authority of South Africa.

Question agreed to.

Advocate Dimakatso Qocha, Ms Nompucuko Nontombana, Ms Dikeledi

Mushi, Ms Thabisa Faye, Ms Ntombiza Sithole, Ms Sesethu Gqomo

and Ms Rossana Gell accordingly recommended for appointment to

the Council of Independent Communications Authority of South

Africa.

Question put: That Ms Martina Della-Togna and Ms Carol Mohlala

be recommended for appointment to the Media Development and

Diversity Agency Board.

Question agreed to.

Ms Martina Della-Tonga and Ms Carol Mohlala accordingly

recommended for appointment to the Media Development and

Diversity Agency Board.

Question put: That Dr Renee Horne be recommended for

appointment to the board of the SA Broadcasting Corporation.



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Question agreed to.

Dr Renee Horne accordingly recommended for appointment to the

board of the SA Broadcasting Corporation.

**CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON PUBLIC**

**ENTERPRISES ON OVERSIGHT VISIT TO TRANSNET**

Mr K E MAGAXA: The Portfolio Committee on Public Enterprises

is presenting before the National Assembly, the Report of the

Portfolio Committee on Public Enterprises on an Oversight

Visit to Transnet. The oversight visit to Transnet Port

Terminals and Transnet National Port Authority at the Port of

Cape Town was to assess capabilities and operations of these

divisions. The oversight visit was undertaken on the 4 May

2021. The Committee also visited the Transnet Engineering and

Transnet Freight Rail at the Bellville Campus and Transnet

Property on the 5 May 2021.

Transnet plays a critical role in the movement of goods and

freight in the country, but the ports are critical

infrastructure for the export and import of goods and

machinery. Transnet is a strategic logistics company in the

economy of the country. In the case of the Western Cape, the



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Port plays a critical role in the export of agricultural

products.

The purpose of the visit by the committee was to familiarise

itself with the nature of the operations and capabilities of

the entity. Furthermore, the committee sought to assess the

developmental impact of infrastructure development as well as

the operations in terms economic benefit for the immediate

communities. This was assessed in relation to job creation,

skills development, promotion of local businesses especially

SMME’s and transformation. These are critical priority areas

for the implementation of Government policy.

The committee received a number of presentations which were

informative on the operations as well as the weaknesses and

challenges experienced by the entity. It is concerning that

Transnet is constrained in the Cape Town port as it only has

two berths out of nine to utilise. This means that the private

sector dominates the use of the berths. It is also critical

that contracts with workers are sorted to create certainty.

The property division should ensure that upgrade of the

different properties occurs to enhance value for the entity.



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The observations and recommendations report highlights a

number of bottlenecks and challenges. It is imperative that

these are resolved as Transnet plays a critical logistics role

in the economy. Transnet has presented a turnaround strategy

which is captured in the report and it is imperative that the

plan is implemented as this will facilitate economic growth

and development in the country.

The report reflects turnaround plans for all divisions which

were part of the oversight visit and these plans identify

challenges and remedies. Therefore, observations and

recommendations of the report must be implemented and the

Committee must be kept abreast on the developments on a

quarterly basis.

The Minister needs to form a stakeholder forum to ensure that

all issues raised in the report are dealt with in order to

improve the efficiency of the functioning of the Port of Cape

Town. Such oversight visits are critical for ensuring

heightened oversight, but more importantly for ensuring

inclusive economic growth and development as part of the

Economic Reconstruction and Recovery Plan, ERRP.



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The portfolio committee will resolutely continue with this

work in conjunction with the key stakeholders to ensure that

the important observations are acted upon and monitor the

implementation of the recommendations of the report. The

portfolio committee approved the report and submits this

report for the consideration of the National Assembly. Thank

you.

The HOUSE CHAIRPERSON (Ms M G BOROTO): Chief Whip of the

Majority Party, ...

*Setswana:*

... re dirang ka pegelo e?

*Sesotho:*

MOTSOKASEPHADI YA KA SEHLOHONG WA MOKGA WA BONGATA: Ha ke o

lebohe, Modulasetulo. Ke sisinya hore re amohele tlaleho ena.

Ke a leboha.

*Setswana:*

MODULASETILO WA NTLO (Mme M G BOROTO): Ke leboge. Pele ga gore

re tsitsinye kamogelo e, a ke dumelele bao ba batlang go dira

dikitsiso.



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*Declarations of Vote:*

Mr G K Y CACHALIA: I wish to make a few brief statements by a

way of declaration here. We were privy to go into Transnet,

and witnessing what they were doing at the ports. We received,

as we usually do, massive *PowerPoint* presentations about what

is going to be done and how it is to be turned around. But,

the reality that we face is considerably different to the

presentations that we are presented with.

Allow me to refer you to a report, to a column, an editorial

in *Business Day*, at the beginning of this month, which

lambasted the CEO of Transnet, specifically in terms of ports,

in terms of the promises that were made as a referenced

against what is actually happening.

The fact is that our ports are at the bottom of the global

competitive rankings - worldwide! The fact is that our moves

of containers are the measure of competitiveness at our ports

is extremely poor. The fact is that we have lost out on

exports in minerals, to the tune of about R30 billion, just

because in the face of rising prices and global shortages,

which we have not been able to take advantage of. One company,

Exxaro, has lost something of the order of R5 billion. This is

the parlour state that we find ourselves in, and all we get



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are nebulous statements about how we are going to make

Transnet great again. I wish it could be great again; the fact

is, it is in a dead spiral, like many of our SOEs.

We are witness to a company which once was a cash cow, that is

now actually costing losses that are going to match losses of

other SOEs over time. The blame is always placed at the door

of Covid-19, the weather, etc. But, nothing – nothing – is

being done to turn it around! All we receive is, as I say,

nebulous statements and blame in terms of the SA Coat of Arms,

which is always that – somebody else!

This has to stop, and we need to address this. I hope Transnet

is listening and I hope... [Interjections.] ... and, I

sincerely hope that we address this, because our economic

future depends on this in no uncertain terms. I thank you!

*Sepedi:*

MODULASETULO WA NTLO: (Moh M G BOROTO): Mma Lubengo! Mma

Lubengo Lorraine! Ke be ke sa nyake go tsena leloko leo le

lego platfomomg ganong.

*English*:



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Could you please mute! You have been disturbing us for a while

now. Please mute! If you come out again, I will ask ICT to

remove you from the platform. We proceed now and call on the

EFF!

Ms R N KOMANE: House Chair, since 2019, the Portfolio

Committee has made repeated oversight visits to Eskom and

Transnet. In fact, these visits to Transnet are even more

frequent than any other entity. So, almost operations, yet we

still fail to make clear and practical interventions with the

potential to improve the situation at Transnet and Eskom.

Instead, there is just an acceleration of privatisation of

ports and harbours.

Vandalism of Transnet infrastructure is continuing. Trucks

continue to queue longer. Workers continue to be subjected to

poor working conditions and exploitation by labour brokers,

and there is no sign that things are getting better.

We cannot continue to visit Transnet as if it is the only

entity under the portfolio committee. There are other entities

that we are responsible for which are facing equally the

difficult structural problems, some worse than Transnet. We

must visit Denel, SA Airways, SA Express, Safcol and Alexco.



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We have raised this yesterday in a committee meeting, and we

are happy that the committee agreed with us.

Lastly, we have noted a couple of communication by Transnet,

informing the public that transport is doing... [Inaudible.]

... We know this is as a result of the... [Inaudible.] ...

This is going to be abused because the Minister of Public

Enterprises, Mr Jabulani Ntaka, will deal with the...

[Inaudible.] ...

The HOUSE CHAIRPERSON (Ms M G BOROTO): I am sorry, Mama

Komane. I am very sorry! I am sorry Ma Komane. Hon Mpumza! Hon

Mpumza! Mr G G Mpumza!

Mr G G MPUMZA: Yes, Chair!

The HOUSE CHAIRPERSON (Ms M G BOROTO): No, no, no, no! You

can’t do that to us.

Mr G G MPUMZA: Sorry, Chair! I am sorry, Chairperson!

The HOUSE CHAIRPERSON (Ms M G Boroto): You can’t do that to

us! You can’t! Yooh! I am sorry, Mama Komane.



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*Sesotho*:

Tswela pele mme!

Ms R KOMANE: I am done. Unless, you say I must start again.

The HOUSE CHAIRPERSON (Ms M G BOROTO): No, no, no! If you were

done, it is fine. I am looking at the time; you still have

time. I thought you are proceeding. We you done?

Ms R KOMANE: Yes! Thank you very much, Chair, I was done.

Inkosi R N CEBEKHULU: Hon House Chairperson, I am doing this

declaration on behalf of my colleague, Inkosi E M Buthelezi.

Job creation, skills development, promotion of local Small,

Medium and Micro enterprises, SMMEs, and transformation must

be the key component of infrastructure development by

government. Small business operators, particularly small-scale

coal miners are however finding themselves being crowded or

out of the market with high prices being charged for

containers.

Transnet port terminals in Cape Town are facing several

challenges; such as traffic congestion, there have been delays

poor operation performance and poor equipment availability



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reliability and poor state of the information technology, IT,

infrastructure. This, when added to an inclement weather of

Cape Town results in serious delays which hamper economic

growth as an industry that is reliant upon supply via shiping

road would experience delays.

The court equipment which has not been refurbished and is in a

poor state due to budgetary constraints, is a serious concern

which could even lead to bigger delays in future if not

urgently addressed.

We are pleased to note that skills development in respect of

artisan training, particularly youth development in respect of

diesel and electrical mechanics are being offered with some

2 747 employees and 181 youth receiving training to date at a

Transnet academy.

Cable theft remains a serious concern and appears without

solution. Alternate strategies must be implemented as the

current ones are simply not effective.

Hon Chairperson, we must do all that is required to enhance

the economy effectively.



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With regard to the effectiveness of our port operations:

Contractors working at the port of Cape Town should be

encouraged to use local suppliers as subcontractors. Port

management must be made to consult and communicate with civil

society, local business and organised labour on a regular

basis. This will only enhance port services and out puts and

thereby drive greater economic growth. The IFP supports this

report. Thank you. [Applause.]

*Afrikaans*:

Mnr P MEY: Huisvoorsitter, die VF Plus het kennis geneem van

die verslag oor die besoek aan Kaapstad-hawe. Dit is algemeen

bekend dat die opeenhoping van vragmotors op die hawe een van

die grootste probleme is. Wagtyd is te lank en kos te duur.

Die Kaapstad-hawe is nege dae agter met die op-en aflaai van

vragskepe en vragskepe moet dikwels langer as 10 dae wag

voordat hulle kan vasmeer. Die Kaapstad-hawe word deur die

Wêreldbank as die swakste hawe in Afrika beskou as gevolg van

hul swak hantering van containers. [houers.]

Hawes is so belangrik vir ’n groeiende ekonomie en daarom mag

daar nooit ’n demper op in-en uitvoer geplaas word nie. Die

beleggers is traag om in Suid-Afrika te belê om rede dat

vertragings op hawes groot finansiële verliese meebring. Dit



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is dus belangrik dat hawes baie goed moet funksioneer om

groeiende ekonomieë te bewerkstellig en sodoende ook nuwe

werkgeleenthede te skep.

Op die gebied van landbou ly die boere miljoene rand se skade

as gevolg van swak paaie wat vrugte kneus, asook die

vertragings op hawes wat eenvoudig nie in staat is om die

volumes te hanteer nie. In baie gevalle kom die vrugte te laat

by die oorsee se markte wat lei tot prysverlagings en in

sekere gevalle word dit afgekeur.

Die infrastruktuur van die hawes is al vir jare verwaarloos en

geen nuwe toerusting is aangekoop nie, wat veroorsaak dat die

uitvoerders daaronder ly. Die redes vir die swak toestande op

die hawes word dikwels toegeskryf aan stormwinde. Dit is nie

net in Kaapstad-hawe nie maar ook in Port Elizabeth. Die

departement het egter sekere planne in gedagte om die probleem

te oorkom met nuwe toerusting wat ’n positiewe stap is.

Dan, die vragmotor-houer terminus by Kaapstad-hawe is hopeloos

ontoereikend en baie finansies sal bestee moet word om dit reg

te stel. Die departement het hom ook skuldig gemaak aan

onderbesteding van kapitaal teen ’n bedrag van R2,3 miljard

oor die afgelope drie jaar. Die vraag is, wanneer gaan die



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agterstand uitgewis word? Volgens AgriSA het die departement

onlangs sekere oplossings voorgestel op groot, medium en lang

termyn waarvan laasgenoemde die belangrikste is deur die

privaat sektor deel van die oplossing te maak. Die

belangrikheid van die privaat sektor moet nooit onderskat word

nie. Die staat kan nie alles self doen nie. Baie dankie.

Die HUISVOORSITTER (Me M G Boroto): Baie dankie, agb lid. Die

ACDP? Agb Thring?

*English*:

Mr W M THRING: Sounds like somebody working for Telkom by

calling my surname. Hon House Chairperson, the ACDP in noting

the report, the Portfolio Committee on Public Enterprises

visits to Transnet operations in Cape Town also acknowledges

the candid observations and recommendations of the portfolio

committee. The Port of Cape Town continues to face multiple

challenges including insufficient infrastructure investment

and poor maintenance. This contributes to the already

substantial delays created by inclement weather. It is often

said that wind brings the terminal to a halt and this has a

knock on effect and causes much frustration both up and down

stream.



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While little can be done about the weather, it is clear that

insufficient infrastructure investment and poor maintenance

has contributed to the challenges at the Port of Cape Town. It

is no secret that Transnet is struggling to operate optimally.

This is due to a myriad of reasons. The truth be told and it

must be asked: Which or what percentage of the over 100 state-

owned enterprises, SOEs, in South Africa is functioning

efficiently?

The concerns of the portfolio committee captured in their

observations and recommendations of this report is best

illustrated in a *News 24* article in the last quarter of 2021

which states and I quote:

As Transnet’s key freight rail divisions continue to

struggle, mining companies depending on it for

transportation bare the brand of its operational challenges.

Exxaro mentioned that export sales, in the first half of the

year ... [Interjections.]

*Afrikaans*:

Die HUISVOORSITTER (Me M G Boroto): Wie is dit?



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*English*:

Mandlenkosi? Mandela? Alright. I am very sorry, hon Thring.

Mr W M THRING: Thank you, hon House Chairperson. Let me

continue.

Exxaro mentioned that export sales in the first half of

the year decreased by 1 821 kilotons, which it largely

attributed to the constraints experienced by Transnet

freight rail.

These challenges, range from inadequate locomotive

availability increase cases of cable theft and vandalism of

rail infrastructure.

The diversified coal producer said South African exports, have

lost about nine million tons of coal exports, during the first

half of 2021 due to capacity constraints faced by Transnet

freight rail.

One can only imagine the cost to the rest of the export

sector. Now, transport holds a monopoly of the country’s key

freight rail infrastructure. Any bottlenecks in its value-



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chain have a knock on impact on operations of mining

companies.

The ACDP calls for acts of vandalism and thefts of key state

infrastructure to be classified as acts of treason. These

criminals to be given the harshest punishment, possible as

their crimes not only has destroyed our economy and increased

unemployment, but could also potentially cause the death of

many innocent South Africans. Hon.

[Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): This is too much. I am

very sorry, hon Thring.

Mr W M THRING: Hon House Chairperson, I certainly think that

those who interfere with speakers while on the podium,

something needs to be done. For it is intolerable.

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

Mr W M THRING: That we have to face such kind of treatment,

while we deliver our speeches. Thank you.



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The HOUSE CHAIRPERSON (Ms M G Boroto): I know. Hon Chief Whips

and Whips of parties! The hon Mabika! Mabika! Please! Hon

Mabika! You cannot switch on your music; we do not need your

music now! We are in the House and in Chamber, please switch

off your music!

You are still on! Please, can hon Mabika’s Chief Whip or the

Whip, speak to him on the side!

I know he is a DA member! Alright. Thank you, Mme.

I am not calling another member until he has switched off. For

now, there will be music! If something happens – yes hon

member.

The CHIEF WHIP OF THE MAJORITY PARTY: Hon House Chairperson,

respecting your ruling, however, we cannot be held at ransom

by a person on virtual platform. Can that person be removed,

so that we can continue with the business of the day.

The HOUSE CHAIRPERSON (Ms M G Boroto): Alright. Let me also

treat everybody the same, but this one I doubt if he is nearer

the gadget. That is why I am saying and I am sorry for that.

Hon members we proceed.



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Mr N E DLAMINI: Thank you, House Chair and hon members. An

impression is being created here that everything is bad at

Transnet. It is further spread and supported by the people who

were not even there when we went for our oversight. It’s a

challenge when people want to say that we seem to be focusing

on Transnet more than other entities. They should be present

when we do this oversight so that they know where we are. We

are given an impression here that no, no, no, there seem to be

a special treatment for Transnet, which is not true. Can we

encourage each other, Members of Parliament, to be present

when we do these oversights. It is part of our work so that we

speak from an informed point of view.

You would have noted, hon members, that the Report is specific

in terms of date. We went to visit Transnet last year in May.

However, we are told of an article that was not there when we

went to Transnet. It is a new article which has no bearing on

our Report. We need to be able to speak to what is necessary

and leave what is not necessary. We understand others are

going to try to the best of their might to create an

impression that we need to privatise. Some have even gone as

far as trying to persuade Transnet to use three-setter

machines that will be fetched from Namibia, which has three

years’ life span remaining so that they try and position



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Transnet in Cape Town has more efficient, which is not the

case.

They will say that we must privatised but already seven banks

out of nine are in the private hands yet there is no

improvement in efficiency. So, let us not mislead ourselves

and Members of Parliament. We need to find practical solutions

to Transnet because Transnet plays a critical role in our

economy. Some might want to believe like hon Cachalia that

COVID-19 is an excuse. COVID-19 is a reality. We have been

under lockdown for two years. When we went there it was under

the same lockdown condition and the reality is well

documented.

There was no movement of goods because of the lockdown

globally. So, in us evaluating Transnet it must be borne in

mind that there was minimum and limited movement of goods and

there was no business happening globally. Learn to shut up,

hon Cachalia. I withdraw, I withdraw “shut up” unreservedly.

Ms S GWARUBE: Yes, House Chair, I would like to raise to your

attention that the hon member on the podium has just used

unparliamentary language. Could you, please, make a ruling on

that.



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The HOUSE CHAIRPERSON (Ms M G BOROTO): Thank you very much,

hon Gwarube. It is true that “shut up” is unparliamentary.

Would you, please, withdraw.

Mr N E DLAMINI: ... [Interjections.] ... it is true, Madam

Chair, that I have already withdrawn. Unreservedly withdrawn.

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

You may proceed. Hon Gwarube, may you switch off your

microphone, please.

Mr N E DLAMINI: As I proceed, we do have challenges at

Transnet which were very much presented to us, including cable

theft and what everything that you know, but we also have

another challenge which was also presented to us and it has

been presented in other visits as well, that of capacity in

our railway lines. As a person who wants to smuggle things in

where they don’t belong, you would realise that there’s a new

article as well which is not part of our oversight but it is

an article nonetheless, that we do not have more capacity to

move minerals like manganese and iron ore on our line from

Northern Cape to Saldanha. That is a fact.



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This has a direct impact on our economic growth but it is not

part of our oversight Report. We are here to present a Report

and we want to plead with Parliament to accept and adopt this

Report. This is the business of the day. The rest of the

things that you can discuss, you can discuss till from now

till Jesus comes back if he will come back. However, the co-

business of the day let’s discuss and go through the Report.

No one is saying the Report, doesn’t report that which

transpired. It reflects everything that happened and it

reflects the work that was done.

Let us encourage each other to be part and parcel of oversight

visits. It is part of our job. Let us not translate hearsays

and speak with authority on things that are not factual. Let

us be present, this is what we get paid for and make noise

later, but let us do our work first. I thank you, Chairperson.

There was no debate.

Question put.

Motion agreed to (Economic Freedom Fighters dissenting).

Report accordingly adopted.



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**UNPARLIAMENTARY LANGUAGE**

(Ruling)

The HOUSE CHAIRPERSON (Ms M G Boroto): Before the hon Dyantyi

takes over the Chair ... yes, it is hon Dyantyi, I said so.

Hon members on the ... order! order! hon members. On 01 March

2022 during notices of motion, the hon G E Hendricks of Al-

Jama-Ah introduced a notice of a motion that, the House

debates and investigation into the integrity of the SA Human

Rights Commission, SAHRC, board based on the commission,

taking the matter of the South African Jewish Board of

deputies to court on the anti-Zionism comments made by former

Congress of South Africa Trade Unions, Cosatu, official Mr

Bongani Masuku.

In addition, the hon Hendricks moved that a new commission

should be elected. A point of order was raised by the hon

Swart from the African Christian Democratic party concerning

the notice of a motion by hon Hendricks contending that the

hon member had cast aspersions on members of the SA Human

Rights Commission, who are appointed by this House. At the

time I undertook to study at the recording and revert back to

the House with a Ruling. Hon members, it is clearly stated in



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Rule 88 that states that in part, in fact, no member may

reflect upon the competence or integrity of a holder of public

office in a state institution supporting constitutional

democracy referred to in section 194 of the Constitution.

Clearly, hon Hendricks’ notice offends against Rule 88 and it

is therefore out of order. It will not be put on the Order

Paper. Thank you very much.

**CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON PUBLIC**

**ENTERPRISES ON OVERSIGHT VISIT TO ESKOM - MEDUPI AND KUSILE**

**POWER STATIONS - AND SAFCOL**

Ms S GWARUBE: House Chairperson, on a point of order: Minister

Zulu is repeatedly an interruption in this House. And, she

once again has her mic unmuted now. And, so I ask you please,

to please make a ruling on her disrupted behaviour.

The HOUSE CHAIRPERSON (Mr Q R Dyantyi): Hon Gwarube, the point

is duly noted, trust that I would be able to attend to the

issues. Thank you very much.

Mr K E MAGAXA: House Chair, the Portfolio Committee on Public

Enterprises is presenting before the National Assembly, the



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report of the oversight visit to Electricity Supply

Commission, Eskom and South African Forestry Company SOC

Limited, SAFCOL, for consideration. The oversight visit to

Eskom and SAFCOL occurred from 21-24 June 2021. The report was

approved by the portfolio committee. Eskom ‘situation is its

roots in among other things the long lee times of building and

completing coal fire power plants and the rampage corruption

during the hey days of the state capture.

The ANC-led government to Eskom has undertaken a massive build

programme to build Medupi and Kusile coal fire power plants to

increase the generation capacity and address issues of the

electricity security supply in the country. Despite its

effort, Eskom had to implement sever loadsheddings due to

breakdowns and lack of maintenance related issues in the

2020-2021, and this has impacted negatively on how ...

[Inaudible.] ... and the economy.

The oversight to Kusile and Medupi coal fire plants were

necessitated by Eskom’s declining energy availability factor

and particularly the issue that the massive investment

channelled towards the construction of these two coal fire

power plants has not yet responded to the declining energy

availability factor, EAF. The intention of the oversight was

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to observe and monitor the progress made in terms of

completing the Kusile and Medupi fire power plants, as well as

social, economic contribution of these projects in the

surrounding areas.

The committee has noticed some positive progress with regards

to Medupi coal fire power plant was 100% complete and this had

brought some stability to the grid. Moreover, there was

relative positive progress, since three out of six of these

coal fire power plants were completed and the remaining three

units were scheduled to completion towards the end of 2023.

Kusile and Medupi continue to face numerous challenges

regardless of progress made. For instance, one of the sighted

common findings reported by the committee with regard to

Kusile and Medupi were defects which led to unplanned ...

[Inaudible.] ... contractors that were involved with irregular

contracts, inflated prices in both coal fire power plants.

Another finding especially in the context of Kusile was the

liquidity of contractors that install the completion of the

remaining three units of the coal fire power plants.



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The committee has made several recommendations concerning

these findings. Aside from the abovementioned challenges, the

committee has noticed the investment that Eskom and some

colliery pursued aggressively in order to improve the

socioeconomic outlook of Liphalale and Witbank. This is

something that is commendable as it ensures improvement of the

living conditions of the marginalised people.

The oversight visits to SAFCOL has been necessitated by the

pressing issue that the entity has a potential to diversify

and expand its production and yet the entity has not done so,

that’s far. The stumbling block to SAFCOL diversification and

expansion of its production was access to plantable land that

was under land claims.

Moreover, SAFCOL’ s attempting to advance the ANC-led

government its beneficiation policy call, of improving its

machinery and technology and to develop downstream industries.

These were some of the many findings that were observed by the

committee.

However, SAFCOL was already putting measures in place to

tackle these findings head-on. Going further, SAFCOL plays a

critical role in improving the social, economic conditions of



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the surrounding areas of these plantations and operation in

Mpumalanga, through its investment on social infrastructure

and the enterprise development initiative.

The committee has applauded the work of SAFCOL and encouraged

the entity to expand its investment and include more young

people, women, people with disabilities. The committee will

continue monitoring in collaboration with the relevant the

stakeholders, the implementation of these reconditions in this

report.

The committee has approved this report and submit it to the

House for consideration. House Chairperson thank you.

The CHIEF WHIP OF THE MAJORITY PARTY: House Chair, I move that

the report be adopted. Thank you very much.

*Declarations of Votes:*

Mr G K Y CACHALIA: House Chairperson, I was unable to attend

the oversight visits due to unavoidable circumstances this

one - which were communicated to the chair and accepted by the

chair. But I have been comprehensively briefed by my colleague

who now serves on another committee.



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Now, let’s attend to the positives first, few as they are. The

South African Forestry Company SOC Limited, SAFCOL, is one of

the least problematic state-owned entities, SOEs, having

received a clean audit and is holding its head above water

unlike the rest of the sorry bunch. It is bedding down its

current offering and has plans to diversify, and we will

follow this with keen interest. One area however that requires

attention are the plethora of land claims – some outstanding

for 20 years. I trust these will receive urgent attention.

This is highlighted in the report.

With regard to Medupi and Kusile, it is relatively easy to

showcase newly built power stations and their sheer size and

potential power output is impressive but as we all know the

reality, the cost, the actual output and the cumulative effect

on the utility’s energy availability factor, EAF is shocking,

to use a favourite word of the president.

Perhaps you’re unaware that Medupi and Kusile are capable,

when running at full capacity, of cumulatively providing 25%

of our generation needs. Of course, the reality is lamentably

different.

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The use of local contractors, while not an outlandish idea,

needs to be measured against their financial and operational

capacity and their competence to deliver. Sadly, this has very

often not been the case – a consequence of preferential

procurement, cadre deployment, crony contracts enabled by

black economic empowerment, BEE, and other insane practices

and policies which have got us into this mess.

Then there are smaller issues, well, not so small, like the

construction of 336 units at Kusile, the Wilge township by the

Liviero Group that cost of some R620 million – these units

have never been occupied and remain a decaying ghost land.

Runaway and hugely excessive costs, feeding crony arrangements

with the ANC at these two power stations, commissioned with

much fanfare, have actually underperformed and remain unable

to generate a full load with ongoing and frequent planned and

unplanned outages.

So, the real question is why are we unable to get to a real

understanding of the problems at these power stations? Why are

we fed platitudes in committee when we suffer a death by

thousands of power point pricks that obfuscate the real issues

and shield the culprits from culpability? Why are we presented



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on oversight with a fraction of the real problems that beset

the utility’s capacity to provide affordable and available

electricity to residents, businesses and industry?

Given the effect on our economy, it poised to grow at a paltry

1,8% this year and the increased demand that will have on

electricity availability. We need to have more robust

oversight that answers questions in a full and transparent

manner, enabling the interrogation of plans and proffered

solutions. Where are the gaps, the costings and the timelines?

Where is the transparency around contracts and costs?

Without these we can continue the charade in committee and on

oversight junkets and the country which we are paid to serve

will be no wiser. Enough of this command and control. Let’s

get to heart of the problem.

Now, let me share to you why I am wearing one of my favourite

fray ties today. It has little pigs on it and the reason that

I wore it today, to demonstrate the point that you can’t put

lipstick on a pig. You’ve got to tell the truth in the

transparent and proper fashion. I thank you.



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Ms R KOMANE: Thank you very much, Chair. Let us acknowledge

the report by the SA Forestry Company SOC Limited, Safcol.

However, we want to put it on record that we are not impressed

by the failure of the Minister of Public Enterprises to engage

with other departments on the land beneficiation of people

that should place the people and assist them in terms of

development.

There is no dispute that the construction of Medupi and Kusile

as mega infrastructure ... was undertaken by ... [Inaudible.]

... ask themselves how can we eat, instead of asking

themselves what can we do to ensure that our people have

affordable and reliable electricity? The project took longer

than it should have. We spent more money than we should have.

The work was compromised by poor workmanship, corruption and

the lack of political oversight and accountability because

everyone was busy eating.

It has become a tradition that every year the portfolio

committee goes to Medupi and Kusile, comes back and writes the

same report. It has now turned into a fanfare event for

Members of Parliament.



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We must complete the Medupi and Kusile programme and soon all

units must come on line, the sooner the better. Although these

power stations may not perform at the planned level, they are

still an essential part of South Africa’s generation capacity.

We must do away with the idea that South Africa is going to

move away from coal because some guy called Biden in America,

bought by American imperialist finance monopolists, think they

have the right to decide policies for the rest of the world

when they themselves continue to rely heavily on fossil fuels.

At our own pace, with our own security, technology, research

and political will, we must find a balanced mix between

renewable sources of energy, nuclear and clean technology for

coal. We know that the ruling party does not have the capacity

or political will to stand for this because they continue to

harass our people and the environment in Xolobene. Therefore,

the EFF rejects this report.

Inkosi R N CEBEKHULU: Thanks, hon Chairperson. The opportunity

cost of Medupi and Kusile power stations is beyond all stretch

of the imagination. South Africa is heavily dependent on these

two coal-fired power stations. This in an age when South

Africa should be investing heavily in renewable energy supply,

not only to stave off climate change, reduce our dependency on



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fossil fuels and to fall in step with what we have agreed on

internationally, but most importantly, to create sustainable

green energy and literally keep the lights on for current and

future generations.

A decade ago the rand value of the opportunity cost was

estimated to be between R6,3 billion and R10,7 billion per

year. Through you, Chairperson to the hon Minister, what are

the current figures? Have the surrounding communities and

small, medium and micro enterprises, SMMEs, benefitted in

terms of job creation, skills development and transformation

in general? Why are we still importing parts required? Why are

these not being manufactured locally? Why are substandard

boilers being used which is reducing productivity and

efficiency at the power stations? Why are standard operating

procedures not being followed?

Redesigning at this stage only indicates poor planning and

design faults that should have been identified when the

project was started. Who will be held to account for this?

Another question is with regard to the amount of graft that is

at best painstakingly slow; at worst, not being investigated

and prosecuted at all.



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Medupi and Kusile are concrete examples of how this government

conducts its infrastructure build. Scenarios like this play

out time and again with government build projects. They remain

a burden on the taxpayer and act against the best

socioeconomic interests of the citizens of South Africa. The

IFP will support the report, subject to all concerns and

recommendations being actioned.

*Afrikaans*:

Dr W J BOSHOFF: Agb Voorsitter, ’n mens moet nou nie ’n

verslag verwerp net omdat dit die naam Eskom, Medupi of Kusile

bevat nie, want dit kan dalk ’n goeie verslag wees en dan moet

’n mens dit ondersteun.

Ongelukkig is hierdie nie ’n goeie verslag nie, want ’n goeie

verslag behoort op sy eie bene te kan staan en vir die

waarnemer of die leser te sê wat gesien is, wat gebeur het,

wat daaragter lê.

*English*:

Sadly, this report does not do that. In the first place, the

report is really very old news. A little less than two years

ago, the committee visited Medupi and Kusile, and only now do

we consider the report.



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*Afrikaans*:

Dit is reg. Dit bly baie ou nuus. Die kwessie van wat agter

hierdie probleem lê word glad nie verduidelik nie. Kom ons vat

onsself terug na 2007 toe. Ons het net ons eerste ervaring met

beurtkrag gehad en toe kom ’n nuwe getransformeerde Eskom met

nuwe tegnologie en nuwe kragstasies, en hulle gaan die wêreld

wys hoe krag met meer doeltreffende stoomketels en meer

doeltreffende turbines opgewek kan word, want die klomp gemors

wat die ou Eskom altyd gebruik het kan nou met nuwe, goeie

Japanese tegnologie vervang word.

Maar toe werk dit nie want toe dit in 2015 klaar moet wees was

dit nog lank nie klaar nie. In 2019 het die vorige direkteur

van tegnologie by Eskom ’n ope brief geskryf en gesê dat sy

kennis van die steenkool van Suid-Afrika en die gehalte van

Suid-Afrikaanse steenkool laat hom dink — hy het geen kontak

met Eskom, Kusile of Medupi nie — dat die probleem x, y en z

is. Dit gaan daaroor dat ons steenkool eintlik baie stadig is

en baie moeilik brand, en dit beteken dat buitelandse

tegnologie nie geskik is om ons steenkool te verbrand en

daarmee krag op te wek nie.

*English*:



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Now back to the report. We get a whole list of things which

are worked on. [Interjections.]

Mr M A TSEKI: Chairperson, we are disadvantaged in terms of

the language ... the interpreters ... probably the virtual

interpretation is not possible or what? I don’t know.

The ACTING CHAIRPERSON (Mr Q R Dyantyi): Just pause, hon

member. Just sit. Can the Information Technology, IT, ...

attend to that urgently? Interpretation please.

[Interjections.] Thank you. Let’s proceed.

Dr W J BOSHOFF: I’ll even try to use some English because I

only have 40 seconds left and I think I have enough English

for 40 seconds. [Laughter.]

When we see this report, it lists a few things which are

reworked, which are repurposed in these power stations, and

that is exactly the list that the ex-director of technology

suggested should be done. Now we have two power stations which

should’ve been completed by 2015 but in 2021 it was nearly

completed, and then it exploded after the report. It should’ve

cost 160 billion dollars but it does ... R450 billion. It



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should’ve worked at 80% capacity but now it is at 70%. And

sadly, my time and my English is gone.

Mr S N SWART: Hon House Chair I must say Mr Boshoff makes some

very interest as well. I think when one has regard to this

report, it does raise a number of very interesting aspects.

One does bear in mind that the report was tabled on 29

November 2021 and that is an interesting time because three

years prior to that on 28th November 2018, the Public

Enterprises Committee of the previous Parliament tabled its

extensive oversight report into Eskom. I represented the ACDP

in that inquiry, and a lot of the evidence that we heard of

malfeasance, corruption was then referred to the Zondo

Commission which has been dealt with by it.

Now, what is good news arising from the report and arising

from subsequent developments yesterday, I’m reporting from a

Justice Committee perspective, the National Prosecuting

Authority arising from state capture took a preservation order

against Optimum Coal Mine and the Optimum Coal Terminal. That

was at the heart of the problems at Eskom and it cannot be

ignored. This is the biggest success in the National

Prosecuting Authority, NPA’s history, R3,4 billion

preservation order of a Gupta company Tegeta. If you read the



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research and will come out in the findings, this is to be

commended.

However, getting back to this report, which is to a large

degree very useful in as much as it refers to a number of

aspects related to cost overruns and yes Mr Boshoff, those

issues have been raised previously. I think what is

highlighted here is that cost overruns have resulted in

increased load shedding which is implicated and referred to in

this committee report.

What is also very interesting is when it comes to the report

on the Kusile issue, the committee states categorically that

it is appalled by wasteful expenditure that was incurred in

various aspects, including the costs of the project for the

artisans escalate from R260 million to R800 million. That it

appreciates the steps that have been taken to blacklist

companies to recover funds that have been lost, and that

example I gave of the Tegeta preservation order is an attempt

to recover those funds.

What is amazing and I think the committee also highlights this

is that, Eskom has not got a water use license for Kusile. How

can you have a power station of that size without the water



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use license? Then, the focus on the conveyor belt is to be

welcomed as opposed to trucks riding the coal. From the ACDP’s

perspective, we will support the support I thank you House

Chair.

Mr N L S KWANKWA: House Chair, thank you very much.

*IsiXhosa*:

Namhlanje ingathi ...

*English*:

... I am Father Christmas. The UDM supports the report.

*IsiXhosa*:

Naku ukwenzeka ...

*English:*

... Chairperson, I think there are several issues that require

serious consideration and attention. The first one obviously

has to do with the fact that, I don't think - I think managers

would be conflicted somewhat when they’re expected to

investigate cost escalations in projects, as some of them

might have benefited from that. We need to broader -yes, we

need a broader investigation to check because the cost



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escalations as we know if we are saying we had a problem with

the state capture in the past, I am sure there are people who

benefited from those cost escalations. The other issue is: I

don’t understand why for an example here in South Africa when

...

*IsiXhosa*:

... umbane ubucima namagosa ayintloko olawulo emnyama

besingxola, kude kupapashwe neziqinisekiso zabo zemfundo

abantu bethandabuza nokuba bayakwazi ukuthetha isiNgesi. Xa

eli igosa eliyintloko lolawulo likhoyo limhlophe, kufuneka

kwenziwe ntoni kuba umzekelo andithi nokuba ...

*English*:

... we come across as being very condescending at times and

patronizing on TV when explaining the issue of load shedding,

he gets away with it.

*IsiXhosa*:

Sayenza loo nto naseposini, laa mlungu wayephethe phaya de

yatshona kuba emhlophe ndimnyama mna, wamana ukunconywa.

Andithi kunjalo? Kutheni? Andonqeni nto mna.

*English*:



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The other issue here has to do with local contractors. Over

the past couple of years, I have dealt with many complaints

...

*IsiXhosa*:

... apho abantu besithi bayacalulwa abantu abasuka kwezinye

iindawo ...

*English*:

... by the subcontractors in particular.

*IsiXhosa*:

Ukuba basuka kwaZulu-Natal okanye eMpuma Koloni kwaye

bathethat iilwimi ezingezizo ezaphaya ... [Uwele-wele.]

Ndithetha nabantu bethu kakolu ngoku, andithethi nani. Bamane

besithi abantu bakuthi xa besifa phaya umntu esithi ndithetha

isiXhosa, axelelwe ukuba awunguye owalapha awukwazi

ukuphangela apha. Umntu athi uthetha isiZulu akhutshwe

emsebenzini kufakwe umntu wasenantsikeni ngokungathi abangabo

abantu baseMzantsi Afrika. Kuyafuneka ukuba siziphendulise

ngakumbi ezi nantsika.

*English*:



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The other issue here has to do with the arrogance of the Eskom

Board all the time. You will recall Chairperson of the

Standing Committee on Appropriations that even when we went to

them, they did not come to one of our meetings. We had to

postpone it because they were not present. But, when we had to

give them a special appropriation, they were all present here

in Parliament.

*IsiXhosa*:

Bafika begilana ngamadolo apha besesenza ngathi singooThixo

basemhlabeni, befuna imali. Xa imali ingekho baphinda

bangasiboni njengeenkokeli zabo.

*English*:

It is an issue most of these entities take us seriously...

*IsiXhosa*:

... xa kufuneka imali kuzo.

*English*:

Obviously if we don’t consider the impact in the long run of

these independent power producers, IPPs on the financial

sustainability of Eskom, we will have a problem because the



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taxpayers made a lot of investment on these coal powered power

stations.

*IsiXhosa*:

La nto ithethwa nguMphathiswa uMantashe yinyaniso ...

*English*:

... whether they like it or not. It is a just and a slow

transition because the country invested money there, unless

...

*IsiXhosa*:

... nifuna ukuqhathwa ngabantu baphesheya …

*English*:

... with their agendas. Thank you.

The ACTING CHAIRPERSON (Mr Q R Dyantyi): Thank you. The ATM!

GOOD!

Mr B HERRON: House Chair, we have no declaration. Thank you.

Mr C M H SIBISI: House Chair, the NFP notes the report of the

portfolio committee and welcomes its recommendations. House



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Chair these two power stations have legacy issues that have

paralysed this country over the years. It is frustrating that

there is hardly anything positive to say about Eskom, words

like incompetence, incapacity, corruption, irregular

expenditure, fruitless and wasteful expenditure, deeply

associated with this entity and its power station. One is

almost certain that we are sounding like a broken record who

had the public when we shed light on these issues in this

house.

The NFP shares the sentiments of the portfolio committee on

wasteful expenditure that occurred the incomplete projects to

build flats to artisans. The construction of the flats did not

serve the purpose and have seen costs escalating from

R260 million to R800 million. The contractor involved in the

construction of the flats was Liviero Group (Pty)Ltd. It is

really disturbing that there are companies awarded contracts

worth millions to billions but cannot deliver yet monies have

been paid, but our people and businesses are suffering greatly

from high electricity tariffs and load shedding.

House Chair, have you noticed how companies that end up being

incompetent to deliver are often paid within the prescribed

period? But, those that do the work and deliver are always at



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the back of the queue to receive their payment from state-

owned entities, SOEs and departments. South Africa needs to

start having an honest and open conversation about its

direction. Let us not leave this up to the government anymore.

Let us stand up ...

*IsiZulu*:

... sizwe sakithi, silwele ikusasa lethu nelezwe lethu.

Asibonge, Sihlalo weNdlu.

Ms J TSHABALALA: Good afternoon, hon House Chair. Let me

acknowledge the Chief Whip of the Majority Party, hon Pammy

Majodina. Quickly, DA, you can keep your time meneer (sir), I

don’t think it’s a problem. What becomes a problem is not when

you are here in the oversight and the next thing you come and

rehearse other speeches. Here it’s about a report that we did

an oversight last year.

However, all those things that were mentioned here bears no

reference to this debate. But it’s fine, it’s allowed. - You

might have issues with the skin colour or what a view. I am

sure you can find a better way where you can put it. And, next

time say it in English so that others can also hear it. I

think it’s quite important, I heard you I don’t have a problem



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but I think it’s quite important to do that. Just speak in

English.

By the way, the Eskom Board does not have a problem. They

would always come to the Portfolio Committee of Public

Enterprise, and its Minister and Deputy Minister. If you need

them, call us, we can really give them to you. They have never

given us an attitude that you relate. So it’s unfortunate.

I think what is important for me is what the IFP says. Inkosi

said something about the issue of land claims. It’s quite

important, hon Sikwatsha is here. It is there in our committee

in so far as our report, it’s something that you really have

to look into in terms of your department collaboration. This

matter must be attended to with the urgency it deserves. I

think that is something positive, I gather. The rest, hello!

As public enterprise, we want to table to you our oversight

visit that we did for Eskom Kusile, Medupi power stations and

SAFCOL, highveld in Mpumalanga operations. The oversight visit

to Eskom occurred from 21/22 June 2021. And the one for SAFCOL

happened on 23/24 June 2021 respectively.



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Since 2007, the ANC-led government has incurred investment

costs aimed at addressing power infrastructure needs a new

generation capacity to meet the increasing electricity demands

in South Africa. Kusile and Medupi, the third and the fourth

largest coal fire power plants in the world with a combined

capacity of around 9,6 gigawatts, will add a value to Eskom,

install generation capacity once all the units of this coal

fire power plants are brought in line and subsequently

increased the supply electricity.

Although government investments and private funding which has

led to Eskom increase debt. And, debt to equity ratio was made

available for the development of Kusile and Medupi. Due to

delays, both coal fired power plants took longer to complete

at the time when there was a strong demand for electricity

from the millions of previously marginalised South Africans

who are now connected on the national grid.

The oversight visits to Kusile and Medupi were undertaken with

the aim of ascertaining the causes of delays in the completion

of coal fired plants as well as the socio economic

contribution ... [Inaudible.] ... Particularly transformative

initiatives such as support to small and medium enterprises,



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skills development and job creation of this project in the

area where they are located.

With regard to Medupi, the building of coal fired plants was

100% complete and the estimated cost was R145,6 billion. But

the actually money spent was R123,0 billion, and it something

that we also noted as the portfolio committee as of May 2021.

In June 2021, the headcount of Medupi was constituted by 2 499

contractor employees and 301 Eskom employees. This was a

significant decline from 16 797 employees in 2013. Whilst

Medupi was 100% complete, there was outstanding work to be

done inside and outside the coal fired power plant including

but not limited to the rectification of the boiler defects

resolving the AVR’s faults and the completion Ash Disposal

Facility and Coal Stockyard facilities which were partly

responsible for the persistent decline in the performance of

Medupi.

I want to quickly respond to the issue around the number of

buildings that really took place with regards to Medupi. With

regards to Kusile, 1 - 3, were completed between August 2017

and May 2021. Whereas the remaining units 4 – 6 were expected

to be completed between June 2022. So, you can wait, we are



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still going to June 2022, FF Plus, just look forward to it.

With reference to unit 4 - 6, you will see. So check it in

June if it’s there.

Ascertain that the three main courses of delays because of

COVID-19, and it is a reality. It took us two years and it

really took the department aback. The impact of contractors

going into liquidation and business rescue and the delays in

the turnaround time for procurement cycle. However, progress

on the ongoing units was above 90%. And, this serves as an

indication that Kusile will reach its full potential and

probably reduce Eskom costs on running the diesel dependent

open cycle gas turbines in 2023.

I want to quickly say about South African Forestry Company

SAFCOL, we have really noted the progress SAFCOL has done.

Indeed, it has become a very stable entity at this point. It

has recorded over a quarter R4 million and R7,3 million a

year. SAFCOL adds 68% shareholder compact target that have

been reached to date. And 80% targets record about R166

million profit that we have ... [Inaudible.] ... in with

SAFCOL, due to favourable number of market share. I think that

is something that we need to commend SAFCOL. We can clap hands

SAFCOL come on. They keep on saying something everything is



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wrong with state-owned enterprise, SOEs. SAFCOL is a good

story that we are dealing with.

At this point, with regards to it, the committee has visited

the entity plantations such as Belfast Plantation. And, the

key take away from this was that SAFCOL has not yet advanced

the ANC-led government beneficiation policy goal, in the sense

that there was limited investments in the manufacturing and

exporting of finished products going further

SAFCOL also struggles to get to access to plantable land to

expand its production and create more job opportunities.

Hence, we are saying that this is one of the areas that we

would want to employ Department of Public Enterprise, DPE, to

work with the rural development to ensure this becomes a

reality.

SAFCOL was committed to the investment in Samuel’s Plants and

the committee engage land owners claimants including Mapulane

Tribe, to respond to the beneficiation and land access

challenges. Apart from these challenges, SAFCOL has

contributed towards socioeconomic development in the

surrounding communities of its plantations and operations in

Mpumalanga. For an example, SAFCOL has built Harmony Hill



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Clinic for the community. The committee supports the report

and I table it. Thank you.

**CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON TRANSPORT ON**

**2021-22 FIRST QUARTER EXPENDITURE OF DEPARTMENT OF TRANSPORT**

Mr M J ZWANE: Thank you Chair for allowing me to introduce the

report of the Portfolio Committee on Transport on 2020-21

first quarter expenditure of the Department of Transport,

dated 17 August 2021. The report on the department 2020-21

first quarter expenditure was adopted by the portfolio

committee on 17 August 2021. In 2021, the main allocation of

the Department of Transport stood at R62 billion, which was

subsequently reduced to R57,4 billion during the supplementary

budget.

During the same period the department underspend by

R291,9 million of the allocated budget. The underspending can

be attributed to the following factors: Covid-19 pandemic,

non-filling of vacancy funded posts ...

The TEMPORARY HOUSE CHAIRPERSON (Mr Q R Dyantyi): Take a

pause, hon Zwane. Just take a seat, hon Zwane. Hon members, we

cannot hear the member introducing this report. You are not



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heckling or interjecting, you are speaking aloud which is not

allowed. We will not repeat that. Hon Zwane, please continue.

Mr M ZWANE: ... less travelling and less legal advisory

services to mention just but the few factors. Whilst we all

can understand that little could be done to mitigate the

effects of Covid-19 pandemic, the committee believes a lot

could have been done to fill the funded critical posts as this

is a matter emanating from a few years. The matter hand has a

negative effect if left unattended by the Department of

Transport as it does not only have a negative impact on

spending but the direct impact on service delivery also.

The department has scored high in terms of its key performance

areas though the committee felt that the department could have

done more as a number of critical projects in different

programmes could not be implemented. This will include, but

not limited to projects that would have improved the state of

our roads, especially rural roads.

The committee further noted that the above score although much

appreciated did not translate to the actual delivery on the

ground as part of the deliverables wherein set by criminals,

especially in the rail sector. The department has to deal with



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the next to non-security existence in all our sector and avoid

a further loss of infrastructure in the rail sector. While the

SA National Roads Agency, Sanral, has done well in maintaining

roads under its jurisdiction the committee acknowledges.

Things cannot be said about most of the provincial roads,

which are not falling under Sanral. A lot of work has to be

done by the department in this regard.

This report therefore, seeks accountability from an oversight

over the department and therefore makes important

recommendations, like the department needs to report on a

quarterly basis on the progress made in addressing vacancies.

It also seeks the key performance areas to be linked to social

delivery and the result must be seen in improvement in the

transport system on the ground.

While the department has done much progress under difficult

conditions with the transport sector dysfunctional during the

Covid-19 pandemic this report reflects that there is still

much work to be done by the department in ensuring efficiency

and effectiveness thereby creating an affordable transport

system.



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The committee seeks for such progress constantly as that is

what our people voted for in the first place, a better life

for all. The committee hopes that this report will also be

adopted by the National Assembly, including the committee’s

observations. Thank you, Chair. [Applause.]

The CHIEF WHIP OF THE MAJORITY PARTY: House Chairperson, I

move that the Report be adopted. Thank you.

*Declarations of vote:*

Mr C H H HUNSINGER: House Chair, inside of what transpired in

the budget cycle since quarter one until now provides the

unique opportunity to evaluate and comment on whether this

start-up of the 2021-22 transport budget cycle was impactful

or not.

This year also marks 10 years since the launched of the

National Development Plan, NDP, and nine years before the date

line of the commitment of this ANC government to effectively

address poverty and reduce inequality - 2022 being the half

way mark towards realising vision 2030 in creating a decent

standard of living for all.



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In this quest, transport has been earmarked as the crucial

enabler and vital gain changer. Each budget cycle and expense

evaluation, therefore, should be measured as a building block

of vision 2030.

In addition, the portfolio committee is entrusted with not

only budget but also considerations of Strategic and Annual

Performance Plans, including all the entities that fall within

the control of the Department of Transport.

Fixing roads should be central in the aspiration to improve

people’s life, given the fact that unlocking opportunities are

closely related to mobility. Budget allocations to the three

spheres of government will therefore be core in for example,

fixing surfaces and potholes.

While most budget and expense report would show 100% spend and

100% of Kyoto Protocol, KP, targets achieved, a huge underline

discrepancy has been created. The Sanral looks after 21 000

kilometres of road and in five years their budget increase

with the staggering R12 billion. On the other hand, our nine

provinces combined looked after 273 000 kilometres of road.



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Yet, they combined budget to fix roads increase by a mere

R4 billion.

The Sanral is favoured put differently. In the last five years

Sanral available budget to fix roads has increased by R600 000

per kilometre while the budget increase budget for the

combined provinces enlarge by only R18 000 per kilometre both

over the same last five years.

Minister Mbalula, you and your department cannot be serious

about fixing roads, poverty and inequality when it is clear

that you are favouring Sanral and treating the only vehicle

users. You cannot be serious about creating an enabling

economic environment when truckers need to drive next to the

road to safe a tyer and struggle to be on time within the

delivery. The ANC has deserted road users.

Minister, you get irritated with me when I say you sleep up in

renewing the security contracts and protection services to

guard our railway infrastructure around August 2019. This

being months before Covid and lockdown when most trains were

running and the rail infrastructure functional.



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The TEMPORARY HOUSE CHAIRPERSON (Mr Q R Dyantyi): Take a

pause. Please, pause. Take a seat. Please, take a seat.

Serjeant-at-arms at and ICT, please remove hon Anastasia

Motaung. Please remove him. Thank you very much. Go ahead, hon

member. [Applause.]

Mr C H H HUNSINGER: Thank you, House Chair. Without protection

billions of rail and infrastructure was stolen and vandalised

to gloom. The fact is that this has forced millions of people

to use much more of their expenses to the public transport. On

average, 40% more of disposable households’ income now goes

towards traveling cost. Before this was spent on family,

children, nutrition and making a home of a house. It was not

only the Passenger Rail Agency of South Africa, Prasa,

employees without transport as a means to get to work.

Shamefully, Prasa currently operates with seven roads vehicles

for every moving train. The ANC has deserted the passengers

and the rail commuters.

Similar and more examples can be made about aviation, maritime

and general public transport. Any statement therefore by the

ANC of transport being the backbone of the economy should be

measured by the spineless manner which it is managed.

Transport as the potential can only be realised and fixed by



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the DA in government and in control of budget and all

expenses. I thank you. [Applause.]

Mr M M CHABANGU: Thank you, Chairperson. Chairperson, the

failure of the Department of Transport to fill vacancies has

become the norm. It is no wonder that out of the 35 targets

that the department has set for themselves only 26 were

achieved. How does the Department of Transport or any other

department for that matter function with 173 vacant posts? The

department is comically handicapped and cannot even meet the

targets they have set for themselves.

The Shova Kalula bicycle programme ordered, was rolled-out on

print 2001, with the aim to ... [Interjections.] ...

Ms J TSHABALALA: Thank you so much, hon House Chair ... I did

raise my hand my darling, thank you ... yes, my hon, yes

Deputy Chief Whip. House Chair, I was just raising this on a

point of order that the member of the EFF, if he can switch

off his microphone. I think his camera is a bit disturbing in

terms of following, but we can see that he is using transport.

If he can switch off the microphone so that we can

concentrate, the video rather.



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The ACTING HOUSE CHAIRPERSON (Mr Q R Dyantyi): Thank you, hon

Tshabalala. Please, reposition yourself and your camera. You

may go ahead.

Mr M M CHABANGU: The Shova Kalula bicycle programme was

rolled-out in 2001 with an aim to deliver 1 million bicycle by

2030. It is 21 years later, only 100 000 bicycles have been

delivered so far. It means that by the time the ruling party

delivers the last bicycle to the deserving recipients of this

program many would have gotten married, raised families or

dead. The ANC government boost about having introduced scholar

transport, but thousands of school children in the rural area

of KwaZulu-Natal and the Eastern Cape, let alone the Free

State, are still walking long distance to school.

The taxi industry was promised by the Minister of Transport

that subsidies for the for the minibus taxis will be

implemented by the 2021 April, but there is no mention of the

formalisation of the taxi industry in the Report. The failure

of the ANC government to provide; a safe, reliable, accessible

and affordable public transport, is once again evident as

there are areas where the most affordable and mover of

millions of commuters are not functioning.



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Poor South Africans are spending a bigger portion of their

hard-earned income on expensive transport. We know that the

blame will be shifted to looters or rail tracks. Before the

ruling party does that, they must tell us as to how much

Passenger Rail Agency of South Africa, Prasa, spends on

security and why the looting of rail tracks continues and

unabatedly despite the security measures that are in place.

The EFF therefore, reject the Report with intent. Thank you.

Mr K P SITHOLE: Thank you, hon Chairperson. This department

need to address the main shortcomings of our transport sectors

in South Africa. Recently, the Minister informed Standing

Committee on Finance**,** Scopa, of the 3 000 ghost employees that

Passenger Rail Agency of South Africa was paying another

government and grant corruption schemes. This Report deal with

the period in which all South Africans were suffering due to

extended period of lockdown. Our economy was in decline and

expenditure by government was reprioritised.

The high volume of ghost employees cannot be swept under the

carpet. We therefore call for a full investigation of all

implicated parties with the full application of law. The poor

people of this country cannot continue any longer under this

administration and department due to lack of will in dealing



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with corruption. The cost of transportation is rising the

point where all South Africans are being shot by high

associated cost as well as the generally increase in cost of

living as a result.

If there were no corruptions government could be able to ease

the burden of poor consumers and businesses. They would be

able to subsidise fuel, transportation costs and transport

taxes and they would not have to spend such large amounts of

our income on transport. The government would also be able to

provide some relief of toll road fees which also had added to

the high cost of living. While we are discussing all toll

roads we must mention the promises made by the Minister and

Premier of Gauteng that they will find a model of scrapping e-

tolls entirely.

Again, with corruptions programmes such as these could not be

paid for by the government. The Minister must commit to a date

now and tell us what he intends to do about the e-tolls before

the public is becoming frustrated and force him into answers

on their terms. Finally, the issues of nonpayment of

successful claims to Road Accident Fund need to be resolved

with immediate effect. There are a number of complaints by

people who have been notified on their successful claims yet



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still to be paid out. Once again, the Minister must brief us

on reason as to why these claims have not been settled. The

IFP do support the Report. Thank you.

Mr P MEY: Thank you, Chairperson. I have a connection problem

so I will not use the video.

*Afrikaans*:

Gedurende die 2021-22 Begroting is ’n bedrag van R66,7 biljoen

aan die Departement van Vervoer toegeken. Die Departement van

Vervoer is verantwoordelik vir verskeie entiteite en as gevolg

van die verval sal ... [Onhoorbaar.] ... bedrag op die stadium

nie genoeg wees ... [Onhoorbaar.] ... jammer, vir die

funksionering van die ... [Onhoorbaar.] ... entiteite nie. Die

rede is dat infrastruktuur verouderd en vernietig is, en dat

onderhoud nie op ’n gereelde basis geskied het nie. In baie

gevalle is poste nie eers gevul nie, wat ’n belangrike rol kon

speel om beter beheer toe te pas. Die fondse is beskikbaar

maar die departement sleep voete met die aanstellings. Dit is

wel bekend dat lande met ’n goeie vervoerstelsel ook van die

rykste lande ter wêreld is. Ons vervoerstelsel het die

afgelope jare so verswak dat dit moeilik sal wees om dit weer

in ’n goeie werkende toestand te kry.



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’n Goeie vervoerstelsel is die slagaar van ’n groeiende

ekonomie en dra by tot verskeie ontwikkelings, om maar net

toerisme wat een van die grootste werkgewers in Suid-Afrika

is, as voorbeeld te noem.

Wat padvervoer betref is die SA National Roads Agency, Sanral,

[SA Nasionale Padagentskap] werklik ’n uitsondering en ligpunt

deurdat hulle die nasionale paaie in ’n goeie toestand hou. Op

’n provinsiale vlak is die meeste paaie in ’n swak toestand en

word die fondse wat aan provinsies toegeken is nie vir daardie

doel aangewend nie. Dit sal goed wees as Sanral ook daardie

funksie kan oorneem.

Swak paaie belemmer ekonomiese groei en op die gebied van

landbou ly die boere miljoene rand se skade as gevolg van swak

infrastruktuur. Duisende rand word aan die herstel van

voertuie bestee wat boere eenvoudig nie kan beskostig nie.

Vrugteboere ly ook miljoene rand se skade met die kneusing van

hul vrugte op die swak paaie. Dié geld kon landbouers eerder

gebruik het om meer werk te verskaf.

Die goedkoopste manier van reis in Suid-Afrika is per trein

maar weens die swak omstandighede waarin die treinstelsel hom

bevind, skakel passasiers oor na padvervoer, wat Suid-Afrika



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juis nie wil hê nie. Die grootste oorsake vir dié swak

toestand is diefstal, verouderde infrastruktuur en beheer.

Elektriese kabels word daagliks gesteel en daar word nie

genoeg gedoen om dit te verhoed nie, wat dan veroorsaak dat al

hoe minder treine beskikbaar is. Dié tendens word dus oor

Suid-Afrika waargeneem. Sekuriteitsbeamptes is nie die

oplossing nie en die VF Plus het al verskeie kere in die

portefeuljekomitee daarop gewys dat daar na die

spoorwegpolisie teruggekeer moet word.

Op ’n besoek aan Mamelodi is daar gevind dat daar onder

normale omstandighede 45 treine per dag beskikbaar is. Tydens

ons besoek het slegs ... [Onhoorbaar.] ... diesel treine per

dag geloop as gevolg van die feit dat elektriese treine weens

kabeldiefstal nie gebruik kon word nie. Dit plaas net meer

finansiële druk op die armes in ons land.

Indien die regering ernstig is om weg te beweeg van padvervoer

na spoor, sal daar dringend opgetree moet word. Die verval van

spoorwegstasies is skokkend en is maar net ’n bewys dat

sekuriteitsbeamptes nie die antwoord ... [Tyd verstreke.]

Mr C M H SIBISI: House Chair, the NFP welcomes and notes the

report of the portfolio committee. We want to find out what



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the department is doing about the striking E-hailing drivers.

In Pretoria a firearm believed to belong to a police officer

who was not on duty at the time was discharged, fortunately no

one was hurt. House Chair we want to shed light on more

important issues around the E-hailing services offered by

Bolt. We have received so many complaints and allegations from

women all over the country, who have been attacked, robbed,

raped and killed while using Bolt services. There may be

others but the quantity and the quality of allegations have

come from Bolt users are disturbing, yet the country is silent

on this matter. A female Bolt user shared her experience on

her social media recently you saying, I quote:

A Bolt driver and raped my friend last night. Strangled

her half to death and took her virginity. Bolt doesn’t

care about our safety. Their Instagram page is filled

with people complaining about assault. and they have done

nothing about it.

Miss Anele Mdoda requested to have the Chief Executive

Officer, CEO of Bolt on her morning radio show to discuss

these many allegations. We as Parliament need to start taking

this matter seriously and do something about it. We can share

so many of these allegations with the House. But more



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importantly, Bolt must be summoned to Parliament to account

for these allegations and what it is doing about them. All

relevant stakeholders must be part of this engagement. This is

a matter of utmost importance and we are calling on the

Department of Transport in partnership with SA Police Service,

SAPS to begin a process to look into this, otherwise another

protest may be coming. I thank you House Chair.

Mr L N MANGCU: House Chairperson ...

*IsiXhosa*:

... okwangumtshana wasemaMfeneni, ...

*English*:

... Chief Whip, Ministers, Deputy Ministers, hon members,

colleagues, Tasha, fellow South Africans. Thank you for the

opportunity House Chair to stand before this august House. On

behalf of the ANC, we support this report that has been tabled

here in this House.

This report is a report that has been presented to the

portfolio committee which is a 2021-22 first quarter report.

It is not what many of my colleagues stood here and spoke

about. Whilst they were raising a couple of important issues,



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but I think it’s important that colleagues understand what we

are here for. It is a first quarter report of the 2021-22

financial year. I think hon Tasha on my left will help in

doing some induction of what we are supposed to do.

My colleague in the NFP, I think the first thing you should do

is to attend committee meetings. It will really assist you

because you will not come here and tell us about E-hailing

service, strikes and everything because that is not the matter

we are debating. Are we not concerned about what is happening?

Yes, we are, but maybe you should propose a debate that all of

us can go and debate the similar things, so that you don’t

talk about E-hailing while we are talking about a quarter

report. [Applause.] So, we truly appreciate the things you are

raising today, but they are irrelevant for the debate today or

here.

My colleague in the FF Plus hon Mey, I think that I think, yes

a couple of things he has been very passionate about what is

happening there. And again, to my colleague I think maybe out

of frustration those issues should not be raised in the

quarter report that is here. I am sure there is ample time at

least you attend portfolio committee, and you raise all these

things. To my colleague hon Sithole and I think my colleague



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hon Hunsinger, raised the issue of costs of transport which I

think all of us agree about, and it's something that the

portfolio committee is seized with, and in this report it is

some of the things that are highlighted as concerns that the

department should be addressing.

To my colleague hon Shabangu, who I really like, he loves

transport because even when he comes to make a declaration, he

is in a mode of transport ...[Inaudible] ... a question than

that one to show that you are really in a Portfolio Committee

of Transport. I think he raises some fundamental issue of

scholar transport. Once more, the report deals with that.

House Chair, the report really or the department has got seven

programmes, which is where we should have been talking to as

colleagues. The issue of the administration, the filling of

positions the chairperson has highlighted, we implore the

department to really fast track the issue of feeling of

positions. The issue of integrated transport planning, which

many know is the Bus Rapid Transit, BRT also has been a

concern in that year. The spending was in that quarter 12,5%

lower than projected. What is of concern is that these

projections are projections set by the department. Nobody sets

projections for them. So, we expect them to adhere to the



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projections that they’ve set for themselves. We continue to

monitor that.

On rail transport, a lot has been said about rail and we

remain concerned about what’s happening within the space of

the Passenger Rail Agency of South Africa, Prasa and the move

from rail as my colleague hon Mey said, from road to rail is

something that we implore the department to seriously take to

heart. On the issue of road transport once more, there was a

1,1% lower expenditure than projected and amongst others, we

were told that there is slow spending in the Road Traffic

Infringement Agency or Administrative Adjudication of Road

Traffic Offences, Aarto. We call on the department to look

into allegations of board members who are paying themselves

huge amounts of money by uncalled for board meetings.

Civil aviation has been hit by COVID-19, but we are impressed

that there is quite a good move, although they spent 18,1%

less than projected, and the story goes on, maritime 56% under

spending which is quite a lot whilst there are no jobs and we

need to revive the economy. Public transport once more 13,9 of

underspending in this quarter. It is something that we need to

attend to. [Interjections].



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In conclusion Chair, we will have noted as the portfolio

committee that the department spent ...[Interjections.]

The TEMPORARY HOUSE CHAIRPERSON (Mr Q R Dyantyi): Hon Mangcu

...

*IsiXhosa*:

... khawuchophe malume. [Uwele-wele.]

*English*:

Serjeant-at-arms and information, communication and

technology, ICT please remove hon Lindiwe Zulu.

*IsiXhosa*:

Qhuba malume.

Mnu L N MANGCU: Ndiyabulela mtshana.

*English*:

In conclusion Chairperson, the Portfolio Committee on

Transport ... [Interjections.]

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The DEPUTY MINISTER OF RURAL DEVELOPMENT AND LAND REFORM: On a

point of order Chair! Is it parliamentary to promote nepotism

in the House? [Laughter]

The TEMPORARY HOUSE CHAIRPERSON (Mr Q R Dyantyi): Thank you,

hon Skwatsha. Go ahead hon Mangcu.

Mr L N MANGCU: In conclusion House Chair, the Portfolio

Committee on Transport having considered the first quarter

report of 2021-22, noted regrettably that, the department did

not spend 21,9% of its available budget and that has been

attributed to a couple of things we have already alluded to.

The ANC supports this report. Thank you House Chair.

Question put that the Report be adopted.

Report accordingly adopted.

The House adjourned at 18:13.

