**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 AUGUST 2022**

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

The Council met at 14h01.

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

(Announcements)

The CHAIRPERSON OF THE NCOP: Thank you very much. Given that so many things happen in our lives in general, I would like to request members just one more time to observe a moment of silence for all our departed colleagues, comrades, friends, relatives and members of the community. We especially take this moment to remember our veteran, Rita Ndzanga, who passed on yesterday. Rita Ndzanga was also a member of the National Council of Provinces and participated in numerous activities related to Parliament. We can observe a moment of silence just one more time as indicated.

Thank you very much. Allow me, hon members, to remind all delegates that the rules and the processes apply for this virtual sitting. I will therefore like to remind you of the following: That the virtual sitting constitutes a sitting of the National Council of Provinces. That the place of the sitting is deemed to be Cape Town where the seat of the National Council of Provinces is. That delegates in the virtual sitting enjoy the same powers and privileges that apply in a sitting of the National Council of Provinces. That for the purpose of the quorum, all delegates who are locked on to the virtual platform shall be considered present.

That delegates must switch on their videos if they want to speak. That delegates should ensure that the microphones on their gadgets are muted and must always remain muted. That the interpretation facility is active. That permanent delegates, members of the executive, special delegates and Salga representatives are requested to ensure that the interpretation facility on their gadgets are properly activated to facilitate access to the interpretation services. That any delegate who wishes to speak must use the raise your hand function or icon.

Having done so, let me also take this opportunity to indicate to hon delegates that in accordance to Council Rule 229(1) there will be no notices of motion or motions without notice. We will now proceed to the question session. However, before we proceed I would like to take this opportunity to welcome the Deputy President, the members of the executive council, MECs, all permanent and special delegates to the House.

Furthermore, I would like to make the following remarks: that the time for reply by the Deputy President to a question is five minutes. That only four supplementary questions are allowed per question. That a member who has asked the initial question will be the first to be afforded an opportunity to ask a supplementary question.

Now, the time for asking supplementary question is two minutes. That the time for reply to a supplementary question is four minutes. Just to ensure that we are consistent in the work that we do and to remind all the hon members, that the supplementary question must emanate from the initial question. I emphasise this precisely because at our last sitting this issue in one of the past sittings this issue did arise. So, I am emphasising that the supplementary question must emanate from the initial question and not from the answer.

Thank you very much. We will now proceed to the first question. I now call upon the hon Deputy President to respond to question number 13 asked by hon S J Mohai. Just to emphasise is that this question is on, the delay in processing the food relief funds, asked by the hon Mohai and is directed to the Deputy President. Deputy President.

**QUESTIONS – DEPUTY PRESIDENT**

Question 13:

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you, hon

Chairperson. Good afternoon to yourself and to the all members of the National Council of Provinces. Hon Chairperson, the House will remember that roads, bridges, water and sanitation pipelines, telecommunications, power lines, houses, schools and health facilities were among those critical infrastructures that were severely damaged. Collectively, this impacted on the delivery of basic services by the government within eThekwini Municipality.

In response to the flood disaster that occurred in April, that inflicted severe destruction and affected municipalities, the government responded by sending a multisectoral response team in three prompt approaches to better co-ordinate our response,

our recovery and reconstruction measures within all the affected provinces. You will remember that, uh, the provinces that we are talking about is KwaZulu-Natal in this case but Eastern Cape also is included. The three phases are immediate humanitarian relief, stabilisation, recovery, rehabilitation and reconstruction.

The National Treasury and the Co-operative Governance and Traditional Affairs, Cogta, have worked with the KwaZulu-Natal provincial government to identify and reprioritise resources, to respond to the current crisis and to cover any shortfalls. Various projects are being rolled out and are in the various stages of implementation. We take this opportunity to acknowledge and thank the private sectors and the community- based organisations for their contribution to the implementation of disaster relief measures and the provision of essential infrastructure and services to affected communities.

As the government we want to confirm that the process has not been as smooth as we anticipated it to be, even though we have a multidisciplinary system that we refer to above. There were still problems with planning, in execution and keeping track of the projects. We established this later during an audit

progress which we have made within the periods that we have set ourselves to complete this process. Observed weaknesses are the prevalence of all challenges that resulted in serious delays in meeting our delivery deadlines as initially determined.

These challenges included among others, poor co-ordination integration and the sharing of capacity and resources between all these three spheres of government that would have mitigated against inadequate identification and measurement of the extent of the damage. Poor project management, including tight planning budgeting and execution. Poor contracting including pricing and monitoring of project delivery, inadequate risk management process, unnecessary delays caused by policy red tape and tedious procedures when responding to disasters. All of the above, hon Chairperson, has resulted in failure to monitor and track progress and quality of the project delivery leaving affected communities and people highly frustrated while forced to leave for a prolonged period under very unconducive conditions.

To this effect, we want to take this opportunity to apologise to all the affected communities, families and individuals for having subjected them to this situation for a long time. As

part of remedying this situation we will strengthen our monitoring mechanism identified ... [Inaudible.] ... capacity gaps and work with the provinces to close the gaps while creating synergies across the entire value chain to ensure that people are assisted as promptly as possible. We are committing to remedying the situation by ensuring that we urgently put an end to the misery currently faced by our communities, our families and individuals affected by the flood.

We will do this by strengthening the intergovernmental co- ordination between the three spheres of government; ensuring that there is intergovernmental capacity with urgency to restore livelihoods and improve services to all communities, especially in eThekwini and other affected municipalities within a set timeframe; making sure that national, provincial and municipal leadership commit to take urgent actions within strict specified dates; ensure that suitable preventative controls are identified, strengthened and implemented as a matter of urgency so that we can avoid wastages, corruption and failure of infrastructure rebuilding phase on a set timeline.

To ensure that effective service delivery and value for money are realised in the process. To continue to build disaster management capabilities to prepare for future disasters.

Ensuring transparency and continuous communication of progress to the affected communities. Acknowledge the presence of objective factors with regard to the availability of suitable well located land for sustainable human settlements near places of work so that we have also played a major role in the settlement of people.

We call on all stakeholders to commit to joining hands with us in ensuring that we minimise the effect of disasters on communities by promoting sustainable and disaster proof measures. Our municipalities remain ready to assist where necessary in ensuring that human settlements are located and built in suitable and safe areas so that we prevent any unforeseen disasters that might occur in future. Thank you very much, hon Chairperson.

The CHIEF WHIP OF THE NCOP (Mr S J Mohai): Thank you Chairperson of the National Council of Provinces. Thank you to the hon Deputy President for your response and also laying bare the challenges that resulted in delays in the allocation of funds for the floods. Deputy President, it appears among

others that the release of funds, rather, the delays in the release of funds among others were caused by the technical scoping of the financial resources required and appropriate project design for the implementation of the rehabilitation of the destroyed infrastructure.

The question is, will the Deputy President consider advising relevant national departments which are; the National Treasury, the Department of Public Works and Infrastructure, Human Settlements and the Co-operative Governance and Traditional Affairs, to establish a joint multidisciplinary team to provide hands-on technical support and capacity to the affected municipalities and KwaZulu-Natal provincial government in this regard? Deputy President, we appreciated when you emphasised that intergovernmental relations and co- ordination will be strengthened. Thank you very much, Chair.

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you, Chairperson. Thank you, hon Mohai. Yesterday we had a Cabinet meeting and we took time to go straight into this issue. We have identified a number of challenges that are facing our response in KwaZulu-Natal. We have taken upon ourselves to improve the areas and the gaps that we have identified. Firstly, the multidisciplinary response team and the capacity of our

disaster response should be strengthened even for future disasters. Our capacity to measure the scope and scale of the damage caused by the flood will be upscaled. Our project management capacity needs to be up scaled. Lastly however, even the release of money in disaster areas should be quick without really allowing any room for corruption.

We are happy that in the process in KwaZulu-Natal the Auditor- General has been moving with the multidisciplinary team in checking exactly whether money that is spent there, there is value for it. So, yes, we have taken steps to improve the situation and we want to again say to the people of KwaZulu- Natal, especially eThekwini, our apologies for these delays and I am sure beyond yesterday you will see an improvement in terms of all the projects that are supposed to be implemented. Thank you.

Mr T J BRAUTESETH: Thank you, hon Chairperson. I greet you from Kimberley where we are doing oversight ... [Inaudible.]

... other colleagues. Chairperson, the question to the Deputy President. Deputy President, some may say that your answer was admirable because you admitted the fault of government in this matter. Now, Chairperson, ... [Inaudible.] ... the ad hoc committee for the April floods response and recovery and I

spoke in the Joint Sitting debates in the Good Hope Chamber on this issue.

Deputy President, the point is that your government were asleep at the wheel. Even the President acknowledged that your government was not ready for this disaster despite the fact that climate change has informed us and any study of weather patterns over the past 50 years that this storm was on its way and your government was not ready.

Now, anybody would appreciate the fact that you have admitted faults and you have admitted all the failures. Nevertheless, what do we tell to the 450 people that died at your hands in this disaster? They died because they did not receive early warnings of the dire, dire nature of the storm coming. What do we do? What do we tell the people of KwaZulu-Natal when we see that razzmatazz construction the same name as the Minister razzmatazz, has received R35 million in construction work? Is that a coincident? Well, Deputy President, the question I have for you is, you said that yesterday you were in a Cabinet meeting to discuss what you should do.

May I make a suggestion. Why don’t you consider this that your

government resign in absolute disgrace because you have the

death of 450 South Africans on your hands? I’m glad you think it’s funny, Deputy President. [Inaudible.] ... the death of

450 of our compatriots is funny. However, why don’t you resign in disgrace, call early elections and allow a party and others who can form a coalition to actually run this country properly? Why don’t you do that, Deputy President?

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you very much, hon Chairperson. Well, I haven’t heard the question exactly but I will respond. The hon member will remember that I said in my response that we have undertaken to improve our disaster response mechanism. Our capability in responding to disaster was not up to the required level. We have identified that and we are taking it upon ourselves to improve them because disasters will always happen in future and probably we are improving our early warning systems so that we can prepare well before a disaster occur.

However, we must say that not all is lost because there is a certain amount that have been spent in education, in social relief and the water projects. Nevertheless, we are saying that we are not happy with the progress. That is why people are still in the community halls, people are still living in tents and we apologise for that delay. We commit to improve

that situation. That is what I have said, hon member. Thank you very much.

Mr M S MOLETSANE: Thank you, Chairperson. Deputy President, we are now four months after those dreadful floods in April. The removal of any red tape so as to allow for the processing of flood relief funds is long overdue. The people have heard what you said. However, Deputy President, what they want to hear is that on which date will fund be released to intended recipient? How much longer should our people have to wait stranded in shelters and community halls before assistance is made available for those women and children? Thank you, Chairperson.

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you very much, Chairperson. There is a certain amount of money that has been released though not adequate. However, the rate of delivery on the ground is not satisfactory because in certain sectors the money has not been utilised all of it. Nonetheless, the Department of Education in KwaZulu-Natal managed to spend their R18 million to procure all their mobile classrooms. In all the schools that were affected children are now in mobile classes. That was the prompt response to relocate children.

All what should happen now is to rebuild the schools because the mobile classroom was a temporary venture. All what we can say is that the pace at which the projects are being undertaken is not satisfactory. That is where we want to upscale. The amount of money that has been released is not up to our satisfaction. The red tape must be reduced. So, all these are the things that we have discussed and we will improve on those things. I am sure the people of KwaZulu-Natal will realise some progress in the near future. Thank you very much.

The CHAIRPERSON OF THE NCOP: Thank you very much, Deputy President. We will now proceed to the fourth and last follow up question from the EFF. Hon Du Toit.

Mr S F Du TOIT: Hon Chair, please, I am from the FFPlus. I have my pride.

The CHAIRPERSON OF THE NCOP: Yes, uh ... [Laughter.] ... my apologies, FFPlus. Hon Du Toit.

Mr S F Du TOIT: Thank you, Chair. Deputy President, in January 2022, the KwaZulu-Natal provincial government took a decision to retain eight of the province’s struggling municipalities

under administration until 30 April 2022. Now, the municipalities which included uThukela, Umzinyathi and uMkhanyakude were faced with serial financial difficulties such as unfunded budgets, huge budget deficits, persistent power cuts and threats from Eskom, infrastructure and service delivery challenges. The severe flooding took place between 11 and 13 April 2022, as we all know.

Deputy President, since government instructed municipalities to redirect their own funds to address flood related issues and claim these funds back from National Treasury at a later stage, what approach was taken to assist these municipalities that were placed under section 139 with the flood relief funds since they were not able to provide decent service delivery before the flood? Thank you, Deputy President.

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you very much. The instruction to reprioritise funds was directed to the provincial government and to some of the municipalities that were financially viable, that had money at their disposal. We are quite aware of some of the municipalities that don’t have money. The eThekwini Municipality did reprioritise their budget and they set aside money.

In terms of social relief in a number of areas, the provincial government in terms of education and health they reprioritised their budget and they executed few projects. That has happened. The gripe here and our point of like not being satisfactory, we say, the amount of money that has been released is not adequate from the National Treasury. We acknowledged that. We also say that the pace at which projects are being undertaken on the ground is not acceptable and it must be improved.

We say that project management and our capacity to handle disaster should be upscaled. We should also be able to calculate the amount of damage within a short space of time, that means we need technical capacity that will back our work in disaster prone areas. All those areas have been identified and will be attended to. We hope there will be an improvement. Thank you very much.

Question 14:

The DEPUTY PRESIDENT OF THE REPUBLIC: Hon Chairperson of the NCOP, the political task team on Eskom was established by the President to serve as the institutional policy co-ordination platform that bring together key players within government to provide political leadership towards the resolution of

challenges that are currently facing Eskom. The task team was mandated to co-ordinate the implementation of interventions aimed at ensuring that Eskom is able to, among other things, to resolve key challenges around the implementation of a credible and transparent national maintenance programme, oversee the speedy implementation of a short-term energy generation and implement a targeted programme to address rising municipal debts to Eskom. Additionally, to the above mandate the political task team also tended to the acceleration of the Just Energy Transition plan, which incorporates the use of renewable energy towards sustainable and equitable low carbon energy emission.

To this end, the political task team on Eskom has been successful at policy level in delivering this mandate. The notable milestone includes enabling and fostering greater co- ordination between Eskom and various government departments, ensuring that Eskom develop and implement a credible and transparent maintenance programme, fast-tracking the emergency procurement of additional energy to address the electricity gap; addressing debt and liquidity challenges within Eskom, and fast tracking the process of Ministerial Determination on Bid Window 5.

The Political Task Team was also seized with expediting the correction of plant defects at the Medupi and Kusile Power Stations in order to ensure that the grid has additional 1000 megawatts of baseload capacity to address the load shedding problem. Notwithstanding all these policy co-ordination interventions and milestones, it is common course that Eskom continues to experience inconsistent supply of electricity due to plant breakdowns. In the main, challenges centred around the limitations of the ageing fleet, and the inability to keep up with the demands of unplanned maintenance and repairs.

Inevitably, inadequate energy generation capacity resulted in declining energy availability.

This led to sustained power outages during the month of July 2022 thereby attracting public backlash, that prompted an urgent dedicated Cabinet discussion on further extraordinary measures to immediately bring to a halt what was becoming a perennial national electricity supply challenge. The outcome of this discussion led to the President announcing the National Energy Action Plan on the 25 July 2022 that represents a step change in our efforts to achieve energy security.

It became necessary to build on the work of the political task team by establishing an institutional mechanism that will be dedicated to sustained, hands-on, strategic and technical operations in order to respond effectively to the energy supply challenges. At this point, work of the political task team was transitioned to be covered within the scope of the National Energy Crisis Committee. The immediate priority of The National Energy Crisis Committee is to unlock policy and implementation blockages, streamline decision-making processes, and eliminate any red tape issues.

In his statement, the President announced that the National Energy Crisis Committee will focus on the following five interventions: Stabilising Eskom and improving plant performance and establishing a competitive electricity market, transitioning to new sustainable energy sources from renewables, gas and battery storage, releasing businesses and households to invest in rooftop solar and transforming the electricity sector to achieve long-term energy security so that the country never experiences electricity shortage in future.

The immediate objective of the National Energy Action Plan is to reduce the severity and frequency of load shedding by

implementing measures to stabilise the energy system. [Time expired.]

Mr M R BARA: Hon Chairperson, Deputy President, in a recent Question Session in this House, Minister Gungubele stated in response to the National Energy Crisis Committee question that he is a fan of accountability, do you share this sentiment and therefore support the request for an Ad hoc committee to oversee the National Energy Crisis Committee to ensure implementation and accountability this time around? Thank you Chairperson.

The DEPUTY PRESIDENT OF THE REPUBLIC: Hon Chairperson, I think the duty of our legislative arm is always to play an oversight role and to ensure that things do happen. So, that is within the ambit of our legislative arm to ensure that the executive is held accountable. I do not have a problem with that but this time we have been grappling with the problem that has not started yesterday. It is a problem of the shortage of the power generation with two power stations that are newly built. They have got a lot of technical defaults as a result they are not functioning at their required full capacity. We hope that if these two power stations can come into operation fully,

that will also assist a lot, of course, in trying to stabilise our energy generation challenge. Thank you very much.

*IsiXhosa*:

Mnu Z MKIVA: Mandibulise kuwe Sihlalo nakumalungu ale Ndlu kwaye ndibulele kuSekela Mongameli ngokuthi angcotshe xa esinika iimpendulo ngomsebenzi abawenzileyo ekuzameni ukusombulula ingxaki yengxingongo esijongene nayo yokuqhwalela kwicala lokugqithisa umbane. Siyavuma ukuba mhle umsebenzi abawenzayo njengoko esitsho. Ndivumele ke Sihlalo ukuba ndilumele ukwenzela ukuba uSekela Mongameli andive ngqo xa ndijolisa lo mbuzo kuye.

*English*:

Hon Deputy President thank you so much about that elaborate response. There is no doubt that Eskom and the energy crisis challenges are multi-faceted and they present a multiplicity of predicaments that require a multi-disciplinary approach both at political and technical level. My question is whether the government had conducted any diagnosis of the efficiency and effectiveness of previous interventions to strengthen proposed interventions going forward? Thank you very much Chairperson.

The DEPUTY PRESIDENT OF THE REPUBLIC: Hon Chair, I think

government did take a thorough assessment of the situation around Eskom. We have developed a turnaround strategy that mainly looked at the maintenance of the fleet, our energy plants that looked at the skills capacity within Eskom that looked at the financial situation within Eskom and we have identified a lot of threats that continue to affect Eskom. Now, we have responded. The first response which is limited by the ageing fleet is the maintenance of the fleet. There are more unplanned outages than planned outages. That means there are more breakages that disrupt energy generation and that disrupt the plan of Eskom. Eskom would eventually go into load shedding because of breakages in our plants that are unforeseen. This is at the bottom of our challenge that is facing Eskom. All what is needed now is additional energy and additional generation right from our independent power producers which are moving a bit slower but they are gradually introducing energy into the grid but we need external energy that can be bought to cushion the demand because the demand is more than what we can generate at Eskom and therefore these power outages will happen from time to time. Our general problem is the ageing fleet that is no longer reliable and will break at any time.

We are hoping that when we conclude Medupi and Busile Power Plants that would bring more or less 1000 megawatts into the grid and that would also assist in closing the demand. Thank you very much.

Mr N M HADEBE: Hon Chairperson, greetings to the hon Deputy President and hon members. Hon Deputy President, the energy crisis is both financial and one of generation. The lifting of the ceilings on stand-alone on electricity generation certainly aids in the generation of power but can deepen the financial crisis as municipalities rely on revenue from electricity to finance service delivery. What role will municipalities play in ensuring the licencing and compliance of electricity generation for independent power producers?

Thank you.

The DEPUTY PRESIDENT OF THE REPUBLIC: Municipalities have been given opportunities to procure generation capacity so that they can service customers and consumers within their jurisdiction. That means a municipality can go out on a tender to invite possible investor to invest in power generator that will take care of the need of a municipality. So, a number of municipalities are in that process now of securing additional power generations so that they can get out of the dependency

on Eskom for power generation. We think that will alleviate the burden from Eskom and will create the necessary competition so that Eskom is not a monopoly on power generation. Thank you very much.

Mr A ARNOLDS: Deputy President, implementation will be critical to rescue South Africans and economy from ongoing load shedding. Your executive has a poor record of implementation and accountability as Minister Mantashe should have implemented many of these measures long ago. Now, my question to you Deputy President is, why are you establishing more tuck shops instead of fixing an old energy crisis? Is the establishment of the new Presidential National Energy Crisis Committee not a scapegoat for accountability? Thank you.

The DEPUTY PRESIDENT OF THE REPUBLIC: Hon Chair, I do not

think that the establishment of the Presidential National Energy Crisis Committee is a scapegoat. This is the significance that we place on this challenge. It has reached a point where we define it as the crisis and it will depend and demand a response that is equal to a crisis. That means if we respond to this challenge we must do everything in our power because it has reached a crisis point. Now, what does that mean? It means certain policies, procedures and framework must

be shortened to achieve the desired the goal to ensure that we improve our generation.

For instance, your environmental impact assessments which normally takes long periods for any projects to happen will need to be shortened. Now, this crisis committee will have the ability to shorten the policy and the duration of the environmental impact assessment period so that we can achieve the desired goal of ensuring that we put a generation plan.

For us to build a generation plant it takes a long time. That has frustrated a lot of our independent power producers and we are looking at that. We are going to shorten the process so that we can deliver on these independent power producers on renewable energy so that we can add energy into the grid. So, that is the essence of this crisis committee. We are responding to the situation which is a crisis and we want to resolve it. We want to pull all stops and all departments that are affected are going to take part in the crisis committee.

The crisis committee is chaired by the President. From time to time, reports are going to be given to the President and if support is needed will also be given to the crisis committee. Thank you very much.

Question 15:

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you, Chair, the debt owed by municipalities to Eskom remains the biggest challenge to the utility’s financial sustainability. According to the National Treasury, the debt by municipalities to Eskom has since grown from R44,8 billion to R49,1 billion between March and July 2022. This is not a desirable state of affairs for both Eskom and municipalities. That is why Eskom forms part of the Multidisciplinary Revenue Committee, which is meant to address challenges related to the payment of debts owed to Eskom by municipalities and organs of state. The committee’s main task is to improve revenue collection and the strengthening of partnerships with various stakeholders in order to improve payment levels of indebted municipalities.

These efforts include the implementation of the Eskom Active Partnering Programme by defaulting municipalities.

Through the Eskom Active Partnering Programme, municipalities can collaborate with Eskom to address their business and operational difficulties in a nonthreatening and secure environment, ensure sustainability of electricity infrastructure, and the upscaling of municipality’s technical expertise.

The programme’s holistic focus enables municipalities to rebound financially and carry out their constitutional obligations to provide their customers with more dependable electricity. Through this programme, municipalities benefit from securing their revenue streams and are able to pay for their large-scale electricity purchases from Eskom. Eskom’s responsibility in this model is to assist municipalities by presenting them with a customised solution to handle their unique challenges.

The partnerships’ joint efforts are intended to increase the consistency and security of consumers’ access to electricity, while guaranteeing that the proper tariffs are applied, and that there is implementation of more robust control measures to promote sustainable economic recovery. More importantly, implementation of more robust control measures enhances revenue collection and targeted investments in sustainable electricity provision infrastructure.

Already, as part of this Active Partnering Model, a number of defaulting municipalities across different provinces are in the process of negotiating and concluding service level agreements with Eskom. This includes the Maluti-a-Phufong which is on the brink of signing the agreement with Eskom.

Due to the rapid growth and quantum of the balance, Eskom is collaborating with the National Treasury on structuring solutions to assist with the collection of municipal arrear debt and manage the payment of municipalities’ current accounts in order to prevent any further growth in arrear debt.

Having said this, this must be an area which all of us agree that the R38 billion debt owed to Eskom is highly unsustainable. That is why the National Treasury is working with the Department of Public Enterprises and Eskom to develop sustainable solutions that will address Eskom’s debt burden in an equitable and a fair manner.

As part of internal cost efficiencies and equity conditions, cost savings target of R21,4 billion for the 2023 financial year, and R61,8 billion over the medium-term of 2020 to 2023 has been set by Eskom.

However, hon members should note that these interventions will not necessarily reduce tariff increases, as tariffs are not cost reflective. Instead, the measures will assist in migrating towards the cost reflective arrangements. These cost

savings will therefore, amongst other things, assist in absorbing the increase in diesel and wage settlement costs.

With regard to long-term sustainability of Eskom, the National Treasury in collaboration with the Department of Public Enterprises are regularly monitoring Eskom’s liquidity position and operational efficiencies.

Having said all of this, we must re-emphasise the need for citizens with financial means to pay for the services they receive. We will continue to instil in all our communities a culture of payment for the services they utilise.

To assist in this regard, the SA Local Government Association, Salga, has ordered municipalities to start a strict debt collection and restructuring process, in an effort to recover debt owed to them and to stop municipalities’ mounting debt to Eskom. Thank you.

*Tshivenda:*

Muf T P MAMOROBELA: Ndo livhuwa Mudzulatshidulo, Vho Masondo, ndi tshi livhuwa hafhu na Muthusa Muphuresidennde vho swikaho fhano u fhindula hedzino mbudziso khathihi na u ri tendela u

vha vhudzisa mbudziso dza u tevhela. Hezwo zwi sumbedza vhurangaphanḓa.

*English:*

Thank you very much, hon Deputy President for an elaborate response which we welcome as the ANC. The issue of the intergovernmental debt to Eskom is a long-standing commitment by the leading party of mass revolution, the ANC.

Deputy President, for us, the key question is: whether there is an integrated government-wide plan with measurable targets, outcomes and clear milestones? If so, what are the relevant details? Thank you, Chairperson.

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you, Chairperson, we have set up a Multidisciplinary Revenue Committee, which Eskom is part of. It also involves the Department of Public Works, the Department of Co-operative Governance and Traditional Affairs, the Department of Public Enterprises, and the Department of Minerals and Energy. To look at this challenge that is facing Eskom - and National Treasury is part of that committee – there are major milestones that we have achieved through that committee, for instance, the committee made it possible that all government departments under the

leadership of the Department of Public Works, paid the amounts that were owed to Eskom. To date, there is only bills that are being queried for correctness with regard to billings that are still outstanding. All other bills have been paid by departments right up from national and going down to provinces.

Some municipalities have paid while others continue to default. That has improved the amount of money that has been collecting. But again, because of bigger municipalities that owes Eskom – almost the top 20 which constitute almost R30 billion – they present a problem.

A programme has been set up where these municipalities must negotiate with Eskom. They must set timeframes on how they are going to repay their debts.

We have the Active Partnering Model which Eskom is collaborating with municipalities to ensure that in the process, Eskom assists municipalities to collect revenue, fix the infrastructure, and install smart meters to ensure that they collect revenue. At the end of the day, municipalities will receive their own revenue and Eskom will receive its own

amount. Currently, a number of municipalities are negotiating to enter into that model. We think that model will assist.

Beyond that, Eskom is owing more than R400 billion through companies that are outside ... [Inaudible.] ... Eskom has loaned money. It is currently battling to pay back that amount. National Treasury is assisting Eskom to be able to pay the money. Eskom is trying to do some cost saving measures to make money available and it will gradually get out of the problem. The biggest challenge is that the debt that Eskom is owing to funders is very huge – over R400 billion. It undermines the ability of Eskom to recover from all its debts and to ensure that it funds all its programmes accordingly.

Thank you very much.

Mr M A P DE BRUYN: Thank you, hon Chair, hon Deputy President, to some extent, you have just answered the question I was about to ask. For clarity sake, I will still continue. In the previous term, you stated that the government will look at the possibility to enforce the same type of arrangement in municipalities that are indebted to Eskom – the same as the one that Maluti-a-Phofung is on now. My question is: will this model be rolled out to all indebted municipalities? If so, how soon can this be done? Thank you.

The DEPUTY PRESIDENT OF THE REPUBLIC: Chairperson, I am sorry, I didn’t catch the question. The sound was faltering.

The CHAIRPERSON OF THE NCOP: Hon De Bruyn, please repeat the question. I know that you did say that the Deputy President partly covered the issue that you wanted to raise. Can we have a repeat of that again very briefly? The Deputy President will respond.

Mr M A P DE BRUYN: Thank you, Chair, I apologise. As you know, we are in oversight visits, so we are having a bit of a problem with the signal. Just to sum it up, my question was that: will the same model that’s now being used in Maluti-a- Phofung where Eskom is assisting with the billing and that part of the process be rolled to all indebted municipalities? If so, how soon can this be done to ensure that Eskom receives its money as soon as possible?

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you very much. Now I heard the question, thanks for that. The top 20 municipalities that are affected are the ones that are entering into this discussion with Eskom. Eight municipalities have come forward to negotiate this partnering model and how

it is going to be worked out between partners. Maluti-a- Phofung is almost close to signing.

What is important in this model is that Eskom will assist the municipalities using its own money to put meters. National Treasury has made money available to assist municipalities to put meters so that they can bill customers. The billing system should be credible and that helps them to quickly receive their revenue.

Eskom will collect the revenue and ensure that any electricity infrastructure that is aging is fixed and give the municipality what is due to the municipality and take what is due to itself. They will continue until such time that they have resolved the debt, then municipalities will continue to run their businesses and handle revenue collections themselves. Thank you very much.

*Xitsonga:*

Man B T MATHEVULA: Ndza khensa Mutshamaxitulu. Xandla xa murhangeri wa tiko ...

*English:*

It seems as though all the measures put by your government have failed. Has the Deputy President and his executive considered consulting with other developed countries such as China - all which have never resorted to load shedding - on which measures to take to provide stable electricity in our country? Thank you.

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you very much, hon Chair, one basic thing in our country is that we need to change our mind-sets. We must be able to pay for all the services that we consume. Look at the amount that is owed by municipalities to Eskom. In the real sense, it is not municipalities’ fault but consumers who are not paying. At the end of the day, the power utility – Eskom – is suffering because consumers illegally connect into the grid. This time, the distribution grid which municipalities are custodians is compromised with lots of illegal connections where people are stealing electricity daylight. It is becoming a norm.

We don’t need such a culture in a country that is developing. The citizens must actively play their part in the development of their country. That is generally the problem, but some problems resides within Eskom such as running the power utility. That can be dealt with. Also, the citizens must take

full control of their share of the problem so that all of us can grow South Africa together. Thank you.

Mr W A S AUCAMP: Thank you, hon Chairperson, hon Deputy President, the measures announced by the President in order to minimise load shedding is straight out of the DA’s handbook.

It is just a pity that it took the President so long to implement what we in the DA have long been asking for over many years.

Hon Deputy President, you have mentioned now that some of the amounts that Eskom owes is catastrophically high. There is no way in which Eskom will be able to repay that. The only way to truly save Eskom financially and save the country from load shedding is for Eskom to be privatised. Hon Deputy President, will you, this time around, timeously listen to the advice provided by the DA and urgently implement measures that will allow for the privatisation of Eskom, which is the only way it will be saved? Will you again wait until it is too late before you implement the DA’ sound proposals? Thank you hon Deputy President and hon Chairperson.

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you very much, hon Chairperson, and let me thank the hon member for the proposal.

I am not convinced about the proposal to privatise Eskom. I think we just need to get the utility working and ensure that there are sound governance structures and the required skills level within Eskom at a power plant level. We can run this utility. We have managed in the past. We can’t fail. I don’t think privatising the power utility is the answer forward.

Thank you, Chair.

Question 16:

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you, once more, hon Chairperson, the ANC-led government remains committed to fighting crime and corruption in the country. In efforts of intensifying the fight against corruption and maladministration, the President announced in the 2021 state of the nation address the establishment of the National Anti- Corruption Advisory Council. This council is a multisectoral advisory body that will advise the President on matters related to the fight against corruption in the country.

The process of the appointment of commissioners to the council started with the public call for nominations, and the shortlisting of eligible candidates which were conducted in March 2022. A list of shortlisted candidates has since been submitted to the President for his consideration. Since the

appointment of the National Anti-Corruption Advisory Council is the prerogative of the President, it is normal and acceptable practice not to prescribe timelines on matters of this nature. The President is well aware of the urgent need to have this important advisory body, and will in due course make appropriate appointments. Once fully constituted, the council will, amongst other things, oversee the implementation of the National Anti-Corruption Strategy, as well as the establishment of an independent statutory anti-corruption body reporting to Parliament. Thank you very much, hon Chairperson.

Mr N M HADEBE: Chairperson, hon Deputy President, the job of the National Anti-Corruption Council is to decide on the institutional architecture of the SA Anti-Corruption Agency. Where within the Cabinet will such an agency be located, and what checks and balances will be in place to ensure its sustained independence? Thank you.

The DEPUTY PRESIDENT OF THE REPUBLIC: Hon Chair, I think the advisory council will advise on that matter and advise the President going forward, depending on the strategy which has been amended, our anti-corruption strategy, but that is precisely the work of this council, to advise the President on matters of fighting corruption. Thank you very much.

Mr J J LONDT: Thank you very much. Thank you, hon Chairperson and hon Deputy President, President Ramaphosa announced the establishment of the National Anti-Corruption Council in February, as you also pointed out, hon Deputy President, you also stated that in March he has already received the shortlist. Now, this is almost six months later after he had received the shortlist yet no commissioners have been appointed. In your own words, you said that this should not be rushed and will be done in due time with no fixed timelines.

Hon Deputy President, given this lacklustre pace in putting together the council, is it simply true that your government has no real commitment to tackling corruption, especially to avoid any step-aside rulings that might ruin the chances for your comrades coming up in December’s conference or the 2024 election? Thank you, Chair.

The DEPUTY PRESIDENT OF THE REPUBLIC: Hon Chair, no, the

ruling party has got a track record in terms of fighting corruption. I do not think the delay in the appointment of the council members is deliberate on the side of the President.

The President must satisfy himself about the correctness of the members and their capacity in terms of dealing with crime. And probably the President might not be satisfied with the

shortlist that he has been given. And he is working on it and I am sure, at the right time, the President will make the necessary appointments. Thank you very much.

*IsiZulu*:

Nk S A LUTHULI: Ngibonge, Sihlalo womhlangano, ngibingelele kuSekela Mongameli, Sekela Mongameli, siyakuqonda ukuthi ubugebengu kanye nenkohlakalo la eNingizimu Afrika kubonakala kwanda usuku nosuku futhi asikho isikhathi sokuthi singalinda njengamanje ukuthi kuthathwe isikhathi eside kangaka ukuthi kukwazi ukuqokwa labo uMongameli wayethe uzobaqoka. Futhi ngiyakuzwa ukuthi uyakuchaza ukuthi isikhathi asikho esibekelwe ukuthi kuzothatha isikhathi esingakanani ukuthi baze baqokwe.

Kodwa umbuzo omunye obalulekile lana ukuthi yiziphi izinyathelo ezibekiwe zokuhlola ukuthi ukuqokwa kwabantu okwenziwayo ihambisana neziqu njengoba sonke sazi ukuthi niwafaka kanjani abasebenzi abangamalungu ombutho angenazo iziqu ezikhundleni ezibucayi. Ngibonge, Sekela Mongameli.

*English*:

The DEPUTY PRESIDENT OF THE REPUBLIC: I do not know, hon Chairperson, whether it is on my side, the hon member ... the sound was breaking. There is a certain paragraph that I did not understand.

The CHAIRPERSON OF THE NCOP: Yeah! May I ask hon Luthuli to please repeat the question again?

*IsiZulu*:

Nk S A LUTHULI: Ngibonge, Sihlalo somhlangano, Sekela Mongameli, bengibuza ukuthi uyakuqonda yini ukuthi ubugebengu nenkohlakalo kuyanda usuku nosuku la eNingizimu Afrika ngenkathi sisalindile-ke uMongameli athathe esakhe isikhathi njengoba usho ukuthi akukho nokujaha noma isikhathi esibekelwe ukuthi bazoqokwa nini. Ngase ngibuza umbuzo, Sekela Mongameli, ukuthi, ngeziphi izinyathelo ...

*English*:

... that you have put in place to check that appointments made are in line with qualifications as we are all aware of how you deploy underqualified cadres in critical positions?

*IsiZulu*:

Ngibonge kakhulu.

*English*:

The DEPUTY PRESIDENT OF THE REPUBLIC: Okay! Thank you very much. hon Chairperson, I am sure I understood the gist of the question. Firstly, I must say that the President in due time will really make the necessary appointments and I am sure he is applying his mind to the shortlist. I must agree with the hon member that the level of crime in the country is a concern. We have seen the gender-based violence, and the lawlessness there, we have seen the Zama Zamas and I am confident that the security cluster is on top of this situation. They will be responding to this situation. Already you might have seen the rearrangement that has been made within the police. And it looks like they are now in a position to deploy the necessary capacity in different areas where there are challenges. But I am sure the security cluster will announce shortly what is going to be the approach in dealing with crime.

Remember that we are not in a vacuum. We have got institutions and structures currently that are dealing with corruption. We have got structures like the Special Investigating Unit, SIU, just to name one, that is following on matters of corruption. But now, the introduction of this council is just to reinforce and get even role-players outside government that can help the

government to fight crime and corruption because we must not fool ourselves and think that this is a duty of government alone.

This is a societal duty that includes the members of the public also to work with their own government and the private sector to fight crime. For all of us to have a growing country, and to have our economy flourishing, we need collectively to join hands and fight crime and corruption.

Thank you very much.

*IsiZulu*:

Nk A D MALEKA: Ngiyabonga, Sihlalo, ngibingelele kwiSekela likaMongameli, Sekela likaMongameli, udaba lokubekwa kabusha kohlaka lwemithetho elwa nenkohlakalo kanye nohlaka lwesikhungo selithole ukubaluleka kabusha enkulumweni yomphakathi emuva kokukhishwa kombiko weKomishini kaZondo ngezinsolo zokuthunjwa kombuso, phecelezi i-state capture, nakho okuye kwaveza imiphumela nezincomo ezithile mayelana nalokhu.

*English*:

Deputy President, without pre-empting the commitment made by hon President Ramaphosa to table a plan on the implementation

of the Zondo Commission Report’s recommendations about the efficacy and effectiveness of the current anti-corruption institutional and legislation framework. My question is, Deputy President, has the government conducted any preliminary review of the efficacy and effectiveness of the current anti- corruption institutional and legislative framework? Thank you, Chairperson.

The DEPUTY PRESIDENT OF THE REPUBLIC: Hon Chairperson, we must at the onset clarify the position of the Zondo Commission’s Report and the recommendations. The recommendations of that commission are recommended to the President as the person who has appointed the commission and the recommendations are not binding to the President. The President, if he does not really accept a certain recommendation, the President has got the right to clarify himself why he does not see this recommendation fit. Unlike other institutions, Chapter Nine institutions that their recommendations are binding. So this commission ... yes, we take the recommendations that have been recommended and we are looking at all the recommendations. We are going to respond.

Now, I am aware that Parliament is also taking the its own route of creating a committee that would be looking at the

report and developing its own response mechanism. The same with Cabinet, Cabinet is doing the same. We will, therefore, respond. Now, the report is also pointing out at our institutions that the commission feels these institutions are very weak. It is also pointing at our legislative framework, where the commission thinks there is a gap in terms of legislation that must be introduced to close the gap.

So, I am hoping that, come October, the President will come to the House and present our plan on how we are going to respond to the Zondo Commission and areas where the commission ... [Inaudible.] ... we must up the game in terms of fighting crime so that we can avoid the recurrence of the things that they have cited in the report. Now, we going to respond to that report come October 2022. Thank you very much.

Question 17:

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you, hon

Chairperson. We acknowledge and recognise the legacies of spatial inequality, land dispossession, marginalisation and exclusion that continue to threaten our social cohesion. This challenge should be looked at within the broader context of poverty, inequality and unemployment in South Africa. Our view remains that if we do not address the issue of land justice,

we will be aiding in the cultivation of inevitable social friction that will pull us backwards instead of launching us into a prosperous and a shared future. For as long as we do not address the challenges of inequitable access to economic opportunities in our society, people will naturally move to places where there are prospects of sustainable economic livelihoods.

The historical apartheid spatial planning arrangement has created internal push and pull factors that force people to move to urban areas in search of economic opportunities. This has increased land hunger for human settlement and ultimately, incidents of illegal land invasion and occupation, especially in urban areas. The illegal occupation of land and property negatively impacts on social cohesion within our communities. It also fuels social tensions and undue confrontations between law enforcement authorities and land invaders.

Part of the responsibility of the Inter-Ministerial Committee, IMC, on Land Reform and Agriculture is to develop policies and the legislative framework to ensure equitable land redistribution. In this regard, government has taken preventative measures to expedite the release of state-owned

land for human settlement and economic development. This is expected to result in meaningful participation in the economy.

We strongly condemn anyone, whether civic or political, who promotes and encourages illegal land invasion and ... properties. Such a posture borders more on encouraging people to indulge in acts of lawlessness. We must be clear that illegal invasions are criminal in their nature. They negatively impact on the legitimate rights of individuals and communities to access land, housing and property in a planned and orderly manner. As leaders, we must act responsibly and ensure that people access land within constitutionally defined processes, rather than inciting people to break the law. Our focus should be on helping them, in addressing and resolving socioeconomic challenges through collective commitment, shared national interest and purposeful cohesion.

It is for this reason that we continue to engage various sectors of our society to find legitimate means of resolving prevailing contradictions in our society. We want to thank our traditional and interfaith leaders for their continued collaboration and support of various government efforts that face communities.

From a policing perspective, the SA Police Service leads the implementation of a National Rural Safety Strategy, which was launched by the Minister in 2019. The strategy provides for policing requirements to land rights and land tenure disputes. Land invasions are closely monitored by local police stations and where applicable by metro police. This is continuously reported to the provincial joint operation command centres.

Furthermore, the Minister of Police continuously engages communities through izimbizo and awareness campaigns, emphasising good relations and social cohesion. These engagements are yielding positive results, where communities are working with policing structures to report illegal actions of land invasion.

Our commitment to ensuring equitable land access for development remains firm and unwavering. However, we will ensure that land restitution, redistribution and tenure reforms are not undermined by acts of unlawful land invasion and occupation.

Mr D R RYDER: Thank you, Chairperson. Deputy President, that was actually an excellent answer in theory. However, Deputy President, the spotlight fell on the community of Phoenix

following the July insurrection, as a community that had been besieged by informal settlements growing up as a result of land invasions. The community had been left to deal with them, with increased crime, with increased pressure on scarce resources and on basic service infrastructure which is unable to cater for the increased demand caused by the unplanned for settlements. After two decades of struggling without support from the government — from your government — the community lashed out. We cannot condone their actions, Deputy President, but we must seek to understand them because they were frustrated.

Now, Deputy President, the situation is replicated throughout the country. Last week in Eikenhof, a well-liked local businessman died in a vehicle accident on his way home. Before emergency services arrived, he was robbed by people that were staying on the invaded land adjacent to the road, meaning that he could not be identified and his family and the community searched for him and their trauma was exacerbated and extended. The communities are now divided. Deputy President, communities are at odds with each other because the ANC-led government has failed to provide an adequate solution to house our people. You spoke in your reply about the infrastructural needs, about the policing needs.

Deputy President, it’s good theory but have you got a plan to deal, not with the symptoms, but with the underlying problems causing and driving those land invasions and the resultant damage to social cohesion?

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you, hon Chair and thank you, hon Ryder. Now, we must really be firm on this one. Regardless of the condition, it is wrong to invade land. To occupy land illegally is wrong. It should not be encouraged.

However, we are prepared to look into the situation of the Phoenix community and see how best we can assist. Now that you have brought this issue up and you have made us aware, we must attend to the issue. However, it should not be justification to allow our communities to invade land.

We have made firm commitments in the IMC and we have made tremendous progress in terms of releasing land for human settlement. That has been undertaken by Minister De Lille. Currently, we have released almost 14 000 hectares of land for human settlement and property development in and around our urban areas. We have released more than 700 hectares of land in terms of supporting small farmers. That land has been released. We have supported women; we have supported young people. We are in the process of restituting land. We are in

the process of redistributing land and securing tenure for our people.

Yes, we might be criticised that we are moving slowly but we are getting there. We are in the right direction. We must reprimand our people, that taking the law into their hands is not the best solution in dealing with problems.

Mr S F DU TOIT: Thank you, hon Chair. Deputy President, have you taken any measures to ensure that the custodians of municipalities act on court orders issued that pertain to evictions after land invasions took place, to ensure that tensions of affected communities are eased and illegal occupants are removed?

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you very much, hon Chairperson. We have noticed that in a number of municipalities, they are running short of land for human settlement and for property development in and around the jurisdiction of those municipalities. We have taken it upon ourselves to release land in those municipalities where there is no land for future development and for future human settlement. So, in a way we are trying to support those municipalities. In those municipalities where people have

invaded land, I think we need to offer our people an alternative place where they must go and stay, because it is quite evident that they are running short of land.

We are not justifying the action but we must address the root cause of the action. So, we as the NCOP, as the National Assembly, as the legislative arm, must be clear here that we are not aiding and we are not promoting land invasions. We are not condoning it, but as long as people can stand up and say they don’t have land, it is the responsibility of government to provide land for those people for their own settlement and for their own development.

Ms T C MODISE: Thank you very much, Chairperson. Deputy President, it is worth reminding South Africans that the ANC has been consistent in its rejection of land invasions, be they for commercial or residential purposes. We have and continue to do this, whilst at the same time still being committed to the reversal of the colonial and apartheid legacy of racialised spatial development planning, which endangers social cohesion.

Hon Deputy President, my question is whether the government has any plan to forge a national compact through dialogue with

different stakeholders to address the homelessness and landlessness of the dispossessed African majority.

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you very much, hon Chair. It’s a very good question. As government, we are in the process of developing that social compact. We have started a process of consulting communities that are living under the jurisdiction of our traditional leaders. It was a wide consultation, firstly, wanting to deal with communal land and how best we can give this land back to their rightful owners. We consulted up until the land summit that we convened.

There is general consensus that our people are ready to receive this land. Some are proposing that we release this land to their kings. Some are proposing that we release this land to their traditional councils. Some are proposing that we should release this land to their community boards that we will be forming. So, we are firming up all the proposals that were made at the summit and taking them forward to Cabinet so that Cabinet can pronounce itself on the different instruments and models that can be applicable in communal areas.

The essence is to really try and ensure that there is security of tenure in our rural areas, that there is room for

development and also that there is room for farming in those areas, so that people can utilise the land around them in order to improve their livelihoods.

*Setswana*:

Rre K MOTSAMAI: Ke a leboga Modulasetulo. Motlatsamoporesidente, o mongwe wa batlhabanela kgololosego,

...

*English*:

... who fought for the return of land during the liberation struggle so that our people can have land. Now, our people do not have land and there can be no peace in our communities unless we resolve the land question.

Deputy President, for how long will the ANC government continue to marginalise black African people by keeping them landless? I thank you, Chair.

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you very much, hon Chair. Well, we must agree with the hon member that we don’t foresee any social cohesion and we don’t foresee any permanent peace as long as there is still land injustice. There we agree. So, we must take it upon ourselves as government to

support our people ... offer them land for their own development.

However, we have agreed that we are going to do all these things ... we are going to follow the law. We are going to do all these processes within the framework of the law. We are going to redistribute land within the framework of the law. We are going to restitute land within the framework of the law.

We are going to improve the tenure of our people within the framework of the law. All that is needed is to show course that we are committed and moving in that direction. As a country, we are moving in that direction. There are practical steps that we have taken to ensure that people get land that they have claimed ... to ensure that people get land ... they have not claimed that land but they are being supported to use that land for their own development. People have been given land for their own security of tenure where they have built houses and we have shown that through practical steps.

However, we must really condemn any practice that seeks to undermine the law, otherwise we are going to be a lawless country. We should not allow lawlessness to creep in our society. We must inculcate a culture of respect for the law. Our people must respect the law because that will make it

easier for this country to move forward and to prosper. That is our intention as government and that is what we purport to see in future. Thank you very much.

Question 18:

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you, hon

Chairperson. The state of our local government remains an important area of interface and delivery of services to the people. We are mindful that due to various subjective and objective factors such as weak or nonexistent tax base, a number of municipalities are still struggling to perform their desired level that ensures the realisation of a better life for our people. Of major concern is that most of our municipalities are struggling to provide critical infrastructure and services that are key to sustaining existing local industries, and attract new investments necessary for inclusive growth and job creation in their vicinity. The availability and well-maintained bulk water and sewerage infrastructure, and road networks are critical to supporting businesses, and facilitating investments and mobility of goods to markets. A large number of our low capacity municipalities are struggling to maintain and expand socioeconomic infrastructure in a manner that is commensurate

with the rising population, in-migration, and increasing demand for services.

Through the intergovernmental relations structures there is consensus that in order to ensure sustainability of municipalities, some of the areas that require improvement are leadership capacity in our municipalities, managerial competence, financial management skills, technical and project execution skills, especially in infrastructure projects.

Government has taken a view that a co-ordinated, integrated and a holistic approach is required to support development and service delivery at local government level. The co-ordination and consolidation of key resources and capabilities through our District Development Model creates the necessary institutional platform for government, private sector and community stakeholders to bring about investment, infrastructure development and maintenance as well as essential support to businesses and local economies.

Through national government municipalities are supported with the provisions and maintenance of bulk water and sewerage infrastructure to address prevalent challenges of water and sanitation provision. From a governance perspective, the District Development Model supports targeted performance

improvements in financial management, audit outcomes, integrated service provisioning, spatial planning, and systems of leadership transparency and accountability to the people.

Importantly, this also includes the management and administration of legislation, policies and compliance requirements for development, investment attraction, access to land and opportunities for setting up businesses.

To prevent the collapse of economic activity in rural and small towns, Cabinet, at its economic retreat, has identified some immediate measures for implementation that, by and large, talk to reforms intended to eliminate red tapes. These reforms include: the improvements in environmental impact assessment timelines; implementation of electronic deeds registration to enable property development and construction; streamlining the application process for tourism transport licences; and removing restrictions on informal trading, including through changes to zoning and land use regulations. These issues continue to receive priority attention and will improve the economic prospects in small towns.

In the immediate, government has introduced the Integrated Urban Development Framework that is conceptualised across a spectrum of municipal spaces. This would also complement

efforts to support rural economies to thrive and anchored on agriculture. It puts forward a new deal for South African cities and towns by providing the framework for reorganising the system, so that cities and towns can become more inclusive, safe, productive and resource efficient.

Furthermore, the Department of Co-operative Governance and Traditional Affairs, in partnership with the SA Local Government Association, has launched a Small-Town Regeneration Strategy to revive, restore and fulfil economic potential of underperforming small towns. This strategy also embraces the value of small towns and their central position in larger hierarchical settlements while addressing the developmental needs of small towns.

So far, hon Chairperson, the strategy has been piloted in Modimolle in Limpopo, Senekal in Free State, and Piketberg in Western Cape. It is envisaged that once fully implemented, the Small-Town Regeneration Strategy will be applied and adopted by all relevant municipalities. Within the context of the District Development Model, government’s land reform programme has identified agriculture as one of the key catalytic economic sectors that will continue to anchor local economic growth and job creation in pre-dominantly rural municipalities with limited industrialisation and revenue base. In this

regard, state-owned land is currently being released to make land available and broaden the participation in agricultural sector by previously disadvantaged individuals.

There are opportunities for growing and supporting agricultural businesses across the entire agricultural value chain to ensure that economic participation is enhanced. We must underscore the point, hon Chairperson, that the successful implementation of the District Development Model, will require ownership by all stakeholders that are critical in development, including the private sector and civil society. Effectively implemented, we would ensure that municipalities are enabled to perform their mandated and duties by mobilising, sharing and making available expertise, skilled personnel and systems between district and local municipalities whenever needed. I thank you, Chairperson.

Mr M I RAYI: Thank you very much, hon Chairperson and greetings to the Deputy President. I see the ... [Inaudible.]

... hon Chairperson that Deputy President and I today have the colours of the Orlando Pirates. [Laughter.] ... [Inaudible.]

... Thank you very much, hon Deputy President for the response

... [Inaudible] ... on the capacity and economies of municipalities of rural and small towns is very important to

build, particularly the economic tax base for social and economic development. Hon Deputy President, does government has mechanisms to politically and legislatively enforce the District Development Model anchored on the one-plan approach across all spheres of government? Thank you very much, hon Chair and hon Deputy President.

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you, hon

Chairperson, and thanks to the question. I don’t know about the Pirates one, I’m sure it might divide your House, Chair. [Laughter.] The House will be divided immediately. Hon Chairperson, the intergovernmental relations framework as it is currently, I think it does provide for co-operation between the three spheres of government. Therefore, I must say that I’ve seen it working. For instance, the President’s co- ordinating forum, where the President sits together with premiers, is working very well.

I’m aware that the Minister and Members of Executive Council, Minmec, are doing very well where Ministers are meeting with their members of the executive council, MECs, their counterparts in provinces and now the District Development Model. We have got district champions, we have got Co- operative Governance and Traditional Affairs, Cogta, at the

centre and the meeting that are co-ordinated at the district level where national departments are present, provincial departments and municipalities in that district. They appear to be co-operating and they’re doing very well because municipalities are benefiting in this platform because a number of support come from provinces and it come from national in terms of financial support and technical support in terms of skills that Cogta from time to time will bring to bear in those platforms at the district level. Therefore, we are not at the point where we think we can enforce it by introducing another legislation within the current legislation will suffice to take it forward. Thank you very much.

Mr T APLENI: Thank you, Chair. The quest for service delivery in the Eastern Cape is long overdue as lack of access to government services has been a major challenge in our municipalities, mainly due to corruption and incompetency of the ruling party at local administration level. Deputy President, when will the rural communities of the Eastern Cape be provided with adequate services? Thank you very much.

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you very much. That is why, hon member, we are emphasising on the District Development Model where we can sit around with municipalities,

province and national departments, and be able to plan together and put together resources for particular projects and monitor those projects, the spending, avoid corruptions because wherever we’ll be doing this we’ll be working together with the Auditor-General. We will audit our work as we proceed implementing those projects. Therefore, definitely, if we all encourage our provinces, our districts and our municipalities to converge at the district level, which it has happened in a number of districts, and is becoming successful, I hope municipalities will be able to benefit from this model. They will get a lot of assistance from province and from national government. Thank you very much.

Mr N M HADEBE: Thank you, hon Chairperson. Hon Deputy President, in terms of governance and service delivery failures, I would like to ask whether Eskom is considering recommencing their programme of installation of free prepaid electricity metres for vulnerable businesses and communities in rural and small towns. If not, why not, if so, what are the relevant details? I thank you, hon Chair.

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you very much and thanks to the question. Hon member, you’ll remember that in the previous question we’ve answered to say that there is an

active partnering model that is being developed and is currently piloted and is under discussion between Eskom and municipalities. Now, municipalities are requested to enter into this partnering model so that Eskom can bring smart meters to consumers, whether business or households so that the billing system is improved, there are no questions around the billing system, and that will enhance revenue collection on the side of municipalities.

However, in this case Eskom will collect the revenue and give the municipalities what is due to the municipality and take what is due for Eskom. So, yes, this is possible. We are starting with the top 20 municipalities that are defaulting and that are owing Eskom. However, any municipality anywhere in the country can approach Eskom and enter into this active partnering model because this will assist the municipality in terms of the electricity infrastructure that Eskom will provide because Eskom has got an interest of selling its electricity, the maintenance of that infrastructure and ensure that revenue is collected. I think that’s possible. Thank you very much.

Mr M NHANHA: Thank you very much, Chairperson of the NCOP. Good afternoon, hon members. Well, Deputy President, you are

right that if Orlando Pirates is in the House, so is Kaizer Chiefs, black and gold. [Laughter.] Deputy President, in parts of your response to the question you correctly touched on lack of skills in municipalities and also touched on the District Development Model, but you’ve also touched on the importance of revitalising small towns and rural economies with agriculture being a rallying point or a central point. Now, in line with your response with regards to skills and the District Development Model, in July this year, 2022, the Minister of Co-operative Governance and Traditional Affairs, Dr Nkosazana-Zuma, proposed between the worst and best performing municipalities and there’s no doubt that the best performing municipalities in the country are those run by the DA and there is no doubt again that the worst run municipalities in our country are those that are run by the ANC.

Now, my question is, will the Deputy President support a best practice summit on a municipal governance where the DA can actually teach the ANC how to run a municipality? The second question is in line with revitalising small towns and rural economies. Deputy President, President Ramaphosa announced in his state of the nation address this year that your government will accelerate the legalisation or and commercialisation of

hemp and cannabis, given the fact that this endeavour would have a massive positive impact on the agricultural prospects of rural communities. What will you do to accelerate this programme and the required legislation to make it happen?

Thank you.

The DEPUTY PRESIDENT OF THE REPUBLIC: Thank you, hon Chair. Well, I’m not very sure about the assertion that says all best performing municipalities are from the DA. That is not backed by facts because if you look at what the Auditor-General has published, municipalities that they’ve received clean audit they cut across and if you’re not careful most of these municipalities are coming from the ANC. I know and I’ve gone through that assessment of that audit. Well, yes, I think there should be some prospects of exchanging sharing some good practices within municipalities in a District Development Model or across provinces because at the end of the day we are one country. We are working towards making our country a prosperous country. Therefore, we must find a way of sharing best practices, I agree there.

However, let us not share best practices and come boosting to say that I’m the best, I’m the best. No, we share it because all of us have got the interest of our country in trying to

make our country best. Now, when it comes to agriculture, we are coming with a lot of initiatives. Firstly, we have identified communal lands where most of our people are living right from the homeland days. We want to make that land productive and we want our people to benefit from that land. Hence the Communal Land Tenure Summit that has made a lot of proposal. Finally, we will see this land becoming productive, government will come with production inputs and supports those small-scale farmers in those communal lands to produce and be productive.

We are also coming up with the strategy of introducing young people into agriculture. That strategy is coming on very well. Some lands have been released to young farmers, young women, and they are starting now to tilt the land. They’re getting supported by government which is a good initiative and we need to upscale that initiative. We are also trying to assist women. They came out in their numbers, out of the 700 000 hectares of land that has been given to people, women occupy the large number there of beneficiaries that have benefited from this land donation that we’ve given to women. However, what is interesting is that there are private mining companies that are coming forward. They’ve donated land to government and we will rehabilitate that land and give it back to our

people so that this land can be made productive. Yes, we agree that by expanding the agricultural sector there is a possibility of making more and more job opportunities available for our people. Thank you very much.

The CHAIRPERSON OF THE NCOP: Thank you very much, Deputy President. Hon members, do allow me at this point to thank the Deputy President for coming to the NCOP to answer the various questions that have been posed by the House. We also thank the permanent and special delegates for availing themselves to this important NCOP sitting. I wasn’t aware, I’ve also told that the Premier of the Free State is in the House. We do acknowledge her though ... [Inaudible.] ... in the day ... [Interjections.] ... thank you very much. Hon delegates, that concludes the business of the day, the House is now adjourned. Thank you very much.

The Council adjourned at 16:13.