**UNREVISED HANSARD**

**NATIONAL ASSEMBLY**

**WEDNESDAY, 21 SEPTEMBER 2022**

***PROCEEDINGS OF THE NATIONAL ASSEMBLY***

The House met at 15:00.

The HOUSE CHAIRPERSON (Mr C T Frolick) took the Chair and requested members to observe a moment of silence for prayer or meditation.

The HOUSE CHAIRPERSON (Mr C T Frolick): Order! Hon Ministers, It’s good to have you back in the Chamber but there are rules here, thank you. Hon members, there are four supplementary questions on each question and parties have given an indication of which questions their members wish to pose a supplementary question. An adequate notice was given to parties for this purpose and this was done to facilitate the participation of members who are connecting to the sitting through the Virtual Platform. The members who will pose supplementary questions will be recognised by the Presiding Officer.

In allocating opportunities for supplementary questions, a principle of fairness amongst others has been applied. If a member who is supposed to ask a supplementary question through the Virtual Platform is unable to do so due to technical difficulties, the party Whip on duty will be allowed to ask the supplementary question on behalf of their member.

When all the supplementary questions have been answered by their executive, we will proceed to the next question on the Question Paper.

The first question has been asked by the hon P N Abraham to the Minister of Finance.

**CLUSTER 4: ECONOMICS**

(Questions for Oral Reply)

Question 498:

The MINISTER OF FINANCE: Thank you, hon Chairperson. Yes, government is keenly aware that households are currently under great pressure from high and increasing inflation eroding their disposable income.

Headline inflation has risen to 13-year high due to high food and fuel prices. An addition, the burden of high cost of living falls more on low income households because they spend a relatively large proportion of their disposable income on basic necessities such as food and public transport. The main causes of the increase in prices are global or international factors beyond South Africa’s control. This includes demand supply mismatch because of the gradual rescinding of the threat of the covid-19 pandemic as well as events such as the Russian-Ukraine conflict. Which has driven the price of oil to almost historic hike.

Oil is one of the main inputs into economic activity and South Africa as the price taker in this regard. Therefore, when the international price of oil increases other goods also experiences price hikes due to high transportation costs and high costs of operating machinery in the manufacturing sector.

Government has made specific announcement in the large budget in February. Like the extension of Social Relief of Distress Grant for another year. Followed by a further announcement after the budget to reduce the burden of high food and fuel prices on South African households. For example, on 01 August 2022, the Minister of Trade and Industry and Competition

suspended the anti-dumping duties on poultry imports from five countries for a period of 12-months. This should help reduce the price of poultry and provide a much needed relief to consumers.

The National Treasury and Mineral Resource and Energy Ministry jointly announced on 31 March 2022, a temporary reduction in the general fuel levy of R1,50 per litre from Wednesday 06 April 2022 until 31 May 2022 to provide relief to households from rising fuel prices. This relief package was further extended for two-months until 02 August 2022. Since then, the price of fuel has begun to fall moderately as international pressures rescind. While the above interventions have been important, they cannot solve or permanently mitigate the impact of inflation.

The South African Reserve Bank and responsible for monetary policy and will lead by taking steps with regard to the repo rate. More broadly, and over the long term, the government will continue to conduct macro-economic policy based on stability and long-run predictability. This is important because it ensures that changes in cross-border capital flows and fluctuations in the value of rand are minimised which serves to prevent the prices of imports such as oil and other

goods from changing too dramatically and for too long. Thank you.

*IsiXhosa*:

Nks P N ABRAHAM: Sihlalo weNdlu, sibulela le mpendulo siyiphiwa nguMphathiswa kwaye siyayiqaphela, sikwayixhasa kananjalo singumbutho we-ANC. Sinayo kodwa into esicinga ukuba ingenziwa njengoko, uyichaphazele kwimpendulo yakho ukuba ukutya nezothutho zizo zombini izinto ezibetha iimpula zikaLujaca ngamandla. Ubunkenenkene bethu ngokwemeko yamafutha ezithuthi siyabuqonda ukuba abukho sezandleni zethu. Nangona kunjalo, ndibulela kakhulu ngeenzame esele nizenzile niliSebe lezeMali. Ndinqwenela ukuva Mphathiswa, ukuba akukhondlela ingenye enokwenziwa abantu abahluphekileyo babe bebambisa okwangoku kusajongwe elo cebo lizayo lokulungisa imeko yabo?

Enkosi, Sihlalo weNdlu.

The MINISTER OF FINANCE: As I have indicated hon Chairperson, we have taken specific measures over the past two-months when the prices were rising. We have been monitoring these prices and are beginning to go down. In that regard, we will watch them and if they are any changes. Our processes will outline that when we are back here on 26 October during the Medium Term Budget Policy Statement. But I am not at the moment

indicating any changes because we are seeing prices going down. Thank you.

Mr M N PAULSEN: Hon Chairperson, I will pose the question on behalf of the Deputy President of the EFF. He is currently experiencing loadsheding in his area.

The HOUSE CHAIRPERSON (Mr C T Frolick): Please proceed.

Mr M N PAULSEN: Minister, as the EFF we have consistently maintained that there is no relationship between fiscal and monetary policy. The National Treasury and the South African Reserve Bank are well over their heads do not have the capacity to introduce any practical or implementable solutions that will address food inflation, increase in the price of bread, cooking oil and other staple food items. It is leaving too many households going to bed with empty stomachs. Even when the Competition Commission is warning that some of these big retail stores are manipulating prices. There is nothing that you have done as the Minister of Finance. The obsession with austerity and stability of the rand is why we are here today, despite evidence. Is it not time we relook at the inflation targeting as the core of our monetary policy and start taking unemployment and food security far more serious?

The MINISTER OF FINANCE: I have got a couple of questions, four of them related asked in different guises. One of those areas covers the austerity measures. I will come back to that issue when I answer that question.

In so far as inflation targeting is concerned, I think it is going to be important that we do what is called a comparative analysis of what has happened to those economies that have done inflation targeting and those that did not do it. It would be interesting to know what information you have and what information we have.

Our view is that those economies that have manage to do inflation targeting to some extend have been able and successful in curbing inflation. Inflation is also a harm to low income categories of our household. Because as I have indicated in my answer that is the ones badly affected in terms of their purchasing power. Most of these things we normally provide them as slogans. But it is going to important to have a scientific debate and provide evidence in this regard. In so far as the austerity issue is concerned, there is a question coming. Let me deal with that issue as I deal with that question and I will also respond to your assertion in that regard. Thank you.

Mr M N PAULSEN: No man, you must not clap for that nonsense. That doesn’t respond to the question. It was very simple ... [Interjections.] ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Paulsen! You are now completely ignoring the rules of the House. You are not sitting outside in a casual discussion and having a discussion. There are rules in the House and you must follow them. It’s not so difficult.

Mr W W WESSELS: House Chair, the hon Abrahams now mentioned short-term and permanent solutions to the problem concerning hunger and the high cost of living. Will the Minister agree that at the core of permanent solutions of the successful implementation of treasury’s s Economic Reconstruction and Recovery Plan?

Will he agree that currently the plan is not being implemented, and it is not yielding results? Would he also agree that the fiscal framework tabled by himself earlier this year in February is not aligned to that economic recovery and reconstruction plan? And is not yielding results currently and thus, it’s not creating employment and it’s not creating economic growth?

The MINISTER OF FINANCE: The South African economy is facing a number of structural constraints and some of them are being addressed in terms of what the hon member is referring to. In fact, part of what that fiscal strategy we presented here is also intended to deal with those structural constraints. I agree that some of them have been implemented. But there are whole range of issues which affects it. One of which for instance, the electricity strategy was confronted now and they have been confronting us for the past 14-years.

Ricardo Hausmann estimates that it is costing us about 40% under performance. We accept that those structural constraints are raised as a package, there are some of them which are addressing via the Operation Vulindlela, which is suspect hon members are familiar with.

We are intended to deal with all those structural constraints, to remove bottlenecks, remove red tapes to restructure our network industries. That is part of a whole package of achieving what I would call structural reforms to ensure growth. Obviously, we agree, unemployment and poverty is a function of unemployment. Until we capture the unemployment issue successfully and job creation successfully, we are not going to deal with hunger and poverty. Thank you.

Mr A M SHAIK EMAM: Thank you, Chairperson. Minister, let me start of by saying, I don’t see why you have a problem with oil Russia has offered and you haven’t taken it. I don’t see why you have a problem with ... [Inaudible.] ... because of the war in Russia and Ukraine. We have some of the most arable land in the world. More and more relief packages that you want to offer based on the high percentage of people we have in the country who rely on some form of social assistance, is that sustainable in the long run? If economic growth through job creation is ... Why are we allowing so much of imports into this country when in fact, we have the capacity to manufacture and boost job creation in the country?

The MINISTER OF FINANCE: The unfortunate thing is that we are part of a global economy. And South Africa is one of the countries from the African continent which is integrated into the global economy in an amazing way. That is why during the global crisis in 2008-2009 we lost about two million jobs. No economy in the African continent do that and it is because of our global integration. That means while we must do everything possible to produce something in the South African economy, we can’t produce everything else. There is no way we could be having a comparative advantage on every product in the world. So, the key question is, how do we grow on those areas in

which we have got a comparative and a competitive advantage in such a manner that we can grow this economy.

So, part of what we are talking about when we are talking about when we are talking about structural reforms is to ensure that we can also deal with those gross questions so that we shall avoid importing products where we could have a comparative and a competitive advantage. Thank you.

Question 525:

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Minister Godongwana, you may sit down if it is easier for you because microphones don’t reach that high. [Interjections.]

*IsiXhosa*:

UMPHATHISWA WEZEMALI: Hayi ndiyindoda enatshamba, ndiyafuna ukuma ngeenyawo.

*English*:

Okay, I will stand up when I answer. Let me read this ...

The HOUSE CHAIRPERSON (Mr C T Frolick): You are still visible, hon Minister.

The MINISTER OF FINANCE: Okay, let me read this ... that’s why I was saying most of these questions are almost similar but crafted in different ways. Even this one is similar to the previous one.

Here is a reply. It is government as a whole, not one department like National Treasury that responds to any pressures that the people of this country or any community faces. The primary instrument for doing so is the Budget tabled in February, every year, and the adjustment budget presented in October. Where there are specific pressures in between, government sometimes responds with a further addition budget or Appropriation Bill as it did in 2020 and 2021 following the COVID-19 pandemic.

Government has taken steps in the budget to provide relief to help households experiencing high food and fuel prices, including to continue with the social distress relief grant of R350 per qualifying person. Food inflation increased to its highest level since January 2017 and it is mostly driven by high prices of bread and cereal, as well as meat prices, particularly poultry.

Following the Budget and the impact of the Russian conflict, stepping up its conflict with Ukraine has resulted in further increases in food and energy prices.

The Department of Trade, Industry and Competition has suspended the antidumping duties on poultry imports from five countries for a period of five months to help reduce the price of poultry or chicken prices.

The National Treasury and the Department of Minerals and Energy jointly have announced temporary reduction on 31st March 2022. In general, fuel levy of R1,50 per litre form Wednesday, 6th April and 31st March 2022 and extended for two months until 2nd August 2022. These measures were adopted to support households during these challenging times.

As we are aware, inflationary prices have accelerated globally including United States of America, United Kingdom, European Union and central banks. These and other countries have begun to respond aggressively by raising interest rates.

There has been no announcement of any intention to increase the number of food items that are zero-rated for value-added tax, VAT. The current basket of food items that are zero-rated

are well-targeted towards poor households. In 2018, when the VAT rate increased from 14% to 15%, the Minister of Finance appointed a panel of independent experts to consider and review the list of zero-rated food items. Through this process, two food items; white bread, wheat flour and cake wheat flour were added to make the current list of 21 food items.

The analysis of the independent panel indicated that extending zero-rated to further food items would be inefficient since high income households tend to benefit more from such measures. Thank you.

Dr D T GEORGE: Thank you, House Chairperson, South African household budgets have been under massive pressure due to irrational lockdown regulations, bad management of our economy, the slow pace of reform, the riots and floods in KwaZulu-Natal, service delivery failures ... [Inaudible.] ... electricity ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Just hold on, hon member. Chief Whip, can you contact that member, please. Tell hon Moss she is disrupting the question session, please.

Dr D T GEORGE: Producer price inflation drives consumer price inflation and that grew 18% year-on-year in July. This is driven by global supply situation arising from Russia’s war on Ukraine that won’t be ending soon.

The DA has a plan to tackle the hunger crisis and bring meaningful relief to millions of households. Our plan will cut fuel taxes and levies to lower the cost of transport, reallocate the 50 million food aid to Cuba to feed hungry people at home, drop import tariffs on some food items, provide private title to all, land reform beneficiaries on state land and landholders in communal areas.

The DA has proposed to add items to the basket of zero-rated food items to help households put more food on the table.

These should include chicken, beef, tin beef, flour, margarine, peanut butter, baby food, tea, coffee, and soup powder. This does not need to wait for the Budget in February, it can’t. Starving South Africans do not have time to wait.

Minister, I heard what you said about nothing is going to happen, but you need to make a commitment. Would you make a commitment that you will act immediately to make these food items more affordable to starving South Africans? Thank you.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Minister, before you respond, I was just informed that there is no audio on the virtual platform. ... [Interjections.] ... There is audio.

Please, proceed, hon Minister.

The MINISTER OF FINANCE: I was telling Minister Mantashe, now I am good. I am reading what we agreed together. He promised to pay me, which he hasn’t done so.

Hon George, let me say that one of the things I have not done in my life, even as a trade unionist, I have never promised things that I can’t deliver. What I am not going to do is to mislead this House and say tomorrow I will do a zero-rating of item x. As you have seen here, a panel of experts did an assessment on most of these items and came to a conclusion, not because your neighbour or your child said these things are expensive. They came to a conclusion as to which items make economic sense, in particular for the vulnerable communities. That’s why that study was done – by experts.

The last thing I want to do not as an expert – I am not an expert, I am not going to claim to be one. Mantashe knows. I spent my adult life organizing people to strike for three decades with perfection. I normally trust expert advice.

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon members, hon Minister, please address the Chairperson rather, not those in front of you.

The MINISTER OF FINANCE: Okay, Chair. All I am saying is that I am more than willing if the proposal of the hon member has said to me: are you prepared to subject the following items

... an expert analysis ... [Inaudible.] ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Okay, may I ask ... Order, hon members. I don’t know who that member was. May I ask the technical team to mute the video and the microphone of that member and remove that member from the virtual platform? That member has no interest in what is going on here. Hon Minister.

The MINISTER OF FINANCE: Let me say, if the hon member’s proposal was: am I prepared to subject the items he has referred to, to an expert analysis, the answer would be yes. Thank you, Mr Chair.

Ms P N ABRAHAM: Thank you, House Chair, hon Minister, in understanding that economic interventions to protect poor households have to be linked to social policy. Noting both

past and present interventions taking place, has there been any discussion around addressing price regulation on specific essential foods outside those that are zero-rated or specific food items in order to avoid the social fallout that we are experiencing currently? Hon Minister, does this not require a bold approach on the issue of income support by shifting the threshold as outlined in the current revised regulation out for public comments? Thank you, House Chair.

The MINISTER OF FINANCE: Let me say a couple of things. The World Bank does and update on South Africa’s economy every two years. One of the update they did was the concentration on the South African economy. The concentration has an impact on some of those items. Therefore, there are different instruments that government is looking at. One of them is the Competition Commission. We are looking with keen interest on some of the findings the Competition Commission is looking at.

With regard to income support, in our own situation, we have to focus broadly on what is called a comprehensive social security. Which income support is, but one part? We are now talking the level of social insurance which needs to be co- ordinated properly. There’s active ... [Inaudible.] ... that we need to be co-ordinating that’s all over the place. The

World Bank has done some studies with regard to looking at what are the key market activities that South Africa has. Yes, income support needs to be located as part of that strategy.

There are discussions that are taking place at the moment as to what is the appropriate income support we should be doing as part of that broader social security compact. Thank you.

Mr W W WESSELS: Thank you, House Chairperson, even if the basic food items in the basket which are zero-rated is to be increased, and even if we look at price control as was alluded to by hon Abrahams, the problem currently is that load shedding contributes and has an effect on the food price and on inflation. This has a detrimental effect on the poorest of the poor. In the spirit of co-operative governance, what is National Treasury’s plan to mitigate the current effect of load shedding on food prices? I thank you.

*IsiZulu:*

UNGQONGQOSHE WEZEZIMALI: Ubuza umuntu ongafanele. UMnumzane- loadshedding nangu.

*English*:

It is going to be difficult unless we address the direct impact of load shedding as to how it transmits into the cost

factor. How do we look into that other than saying that we are analysing how to minimise the impact on income? In other words, what instruments of income support do we need to deliver to support the vulnerable communities? That’s the one way it can go.

Government is dealing with the long-term issue to avoid load shedding. We have set up a committee which will look at the crisis that is facing the electric sector in the economy.

Three members of the committee are sitting here. Key element of that is Eskom has to defeat 46 000 megawatts capacity. How do we make sure that we can ramp up that capacity, and the maintenance of that followed by emergency procurement? We need to change the regulations to work on that quiet easily.

Where we are sitting at the moment, we are looking at different income support measures which if we are ready, we can comment on that by 26 October. Thank you.

Mr A M SHAIK EMAM: Thank you, House Chair, Minister, government’s intention was very good in zero-rating bread and flour, but I can assure you that it makes absolutely no difference because on the shelves of the supermarkets the prices remain the same. The only people that laughed all the

way to the bank was business and that was the retail sector. Further to that, there is price fixing. If you go to the entire food chain in South Africa, there is a monopoly. What can be done to ensure that these big retailers who control the manufacturing, wholesale and retailing do not take advantage of the situation and exploit our people to the extent that they are at the current moment? Thank you.

The MINISTER OF FINANCE: I think the area of dealing with monopolies rests with my colleague, Minister Patel. I may comment incorrectly or overcommit. I don’t know what works better but I think there is some work which has been done by the Competition Commission to look into that matter, in particular, during COVID-19. Some steps are being taken by the Competition Commission, but I am not at liberty ... it is not my portfolio. I do not have the actual details of that work.

Thank you, hon House Chair.

Question 516:

The MINISTER OF FINANCE: House Chair, the government has noted the outcome of the 2021 Financial Action Task Force, FATF, mutual evaluation, with the Presidency and Cabinet prioritising the need to take remedial steps to address the

deficiencies identified in our anti-money laundering and terrorism financing framework.

These steps would allow South Africa to avoid being placed on a FATF greylist; and more importantly, improve South Africa’s capacity to deal with the financial crimes and corruption.

Government has already introduced two Bills in the National Assembly in July and August 2022 to address the deficiencies in our legal framework, to address technical compliance, the deficiencies relating to the adequacy of laws and frameworks in relation to the 20 FATF recommendations that require updating and strengthening.

The two Bills are: The General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Bill and the Protection of Constitutional Democracy against Terrorist and Related Activities Amendment Bill.

Both Bills are currently being processed in Parliament. And if enacted into law before the end of this year, we’ll repeal the substantial and the critical step towards preventing greylisting.

However, we have to do more than enacting these two Bills into law. Also demonstrate greater effectiveness by achieving the outcomes expected of well-performing anti-money laundering and terror financing system; and hence our ability to deal with financial crimes.

These aspects are measures in terms of electing eleven effective immediate outcomes related to implementation of the laws and framework.

The Minister of Finance is leading the process to prevent greylisting, supported by the ... [Inaudible.] ... established in interdepartmental committee on anti-money laundering and the combating of finance terrorism, which is chaired by the Director-General of National Treasury and includes many government departments and agencies responsible for implementing the legal framework and improving the effectiveness.

The FATF deadline for determining whether South Africa will be greylisted is February 2023 and not October 2022. South Africa is expected to submit a report to FATF on steps taken soon after the end of October 2022 in early November, after which

further engagements will take place with FATF structures right up to the February 2023 FATF plenary.

Well, it will be a tough challenge to prevent greylisting. It is my view that we can make significant progress by February 2023 to do so. Should we not succeed in fending off a greylisting, we can still minimize the remedial actions that will be needed to be addressed through FATF action plan by implementing all the above steps before February 2023 so that we can exit any greylisting as soon as possible. Thank you, House Chair.

Mr S N SWART: House Chair, the ACDP, like many others, is extremely concerned that the country is on the verge of being greylisted by the Financial Action Task Force, the global money laundering and terrorist financing watchdog.

Greylisting must be avoided at all cost as it would raise the country’s risk profile to unacceptable levels and place a question mark over the financial regulatory bodies, as well as attaching a high risk premium to corresponding relationships between South African banks and the international financial institutions.

Now, as you indicated, hon Minister, we appreciate that a number of your amendment Bills are being considered by Parliament and that it is hopeful that these issues will be dealt with by February 2023.

But these Bills, hon Minister, only address 14 of the 20 errors identified as weaknesses in the mutual evaluation report.

Would the hon Minister give an indication of what the impact would be should the country be greylisted? What the impact will be on our financial services and our already reeling economy?

And secondly, the more challenging aspect relates not only to the technical Bills, but the implementation and the question whether pleasing prosecution and asset forfeiture units are up to the task of prosecuting, as required by the FATF? Would the minister indicate whether this aspect is also being looked up to? I thank you.

The MINISTER OF FINANCE: House Chair, I think there are two related questions: firstly, it’s what is the likely impact? Earlier on I indicated how the South African economy is

integrated into the global economy. Clearly, if we are greylisted, is likely to have a huge impact, particularly on our financial sector. That’s why we, ourselves, are spending sleepless nights to deal with this question. The sooner Parliament, even if publishing it for public comment, the Bill, is going to be quite an important aspect for us because we are able to indicate to FATF that Parliament is taking action. So, that’s one side of issues.

The second set of issues is the institutional part and the ability to move on this issue. I’ve made reference in the statement that we have got an interdepartmental technical team led at a high level of government by the Director-General of National Treasury. That team is looking at actual implementation of this area to the extend that our Security Cluster need resources to be able to deal with this issue, is a matter we need to attend to. So, it’s a matter which we are attending with urgency, capacitating these institutions including putting together an up-to-date forensic division.

So, we are working to taking some steps to deal with this issue at an institutional level. And I’m quite confident that, that team is going to introduce good results. Thank you.

Ms P N ABRAHAM: Hon Minister, in acknowledging the work that is being undertaken by the department and other agencies of the state and the interdepartmental committee that you referred to and progress through legislative reform of five pieces of legislation, in particular the General Laws Amendment Bill.

It seems clear, hon Minister, by your response that the complexity of the technical compliance deficiencies identified will result in the country being drawn into remedial action.

Is there better co-operation taking place from the financial sector, who are the primary source of the country’s negative mutual evaluation report we have received? Thank you, Chair.

The MINISTER OF FINANCE: House Chair, there’s definitely a working together with the financial sector. A couple of weeks ago, unfortunately I could not be able to attend the meeting, my team met with the banking association to discuss primarily these issues. And we’ll continue to interact over the next few months up to February with the financial sector in order to ensure that we work in tandem and work together to avoid ... I think all of us want to avoid greylisting, to the extend that

there could be ... the impact should be minimum. So, it’s going to be a group effort. Thank you, Chair.

Dr D T GEORGE: House Chair, the consequences of a greylisting by the Financial Action Task Force will be significant. It will not only become more difficult for local banks to move money internationally. It is likely that banks in other jurisdictions such as the United States of America, USA, United Kingdom and European Union will be reluctant to transact with local banks and other financial institutions.

One of the key problems FATF have with South Africa is that perpetrators of money laundering and terrorist financing are not identified and prosecuted.

Resolving this FATF concern requires co-operation between the National Treasury and the Security Cluster, you mentioned the Acting Director-General of the National Treasury.

Minister, how is this being coordinated? And why has one person in the Presidency not being assigned the responsibility to coordinate efforts in making the changes necessary to avoid greylisting? Thank you, House Chair.

The MINISTER OF FINANCE: House Chair, ... [Inaudible.] ... when we get somebody from the Presidency coordinating, everybody says: ey, we’ve got a President that is centralizing power.

I think for now the need has not come to the level where we say there’s no proper coordination, there’s no proper ... within the Security Cluster. Even in Cabinet, at the level of Cabinet as the Security Cluster, I’m a member of that committee.

So, there is coordination which in my view, at the moment, does not necessarily need that level of coordination. We don’t think things are falling apart. To my knowledge that team meets virtually every week, which is coordinated by the Director-General of National Treasury and every effort is being made.

I must assure the hon member; we are as serious as anybody else to avoid this greylisting. We are tucking to our counterparts across the globe in order to pre-empt, if possible, this action. So, we are talking to some of the FATF key members in order to facilitate a better discussion in February. Thank you, House Chair.

Ms H O MKHALIPHI: House Chair, the reality is that law and order has completely collapsed and South Africa does not have a capacity to deal with illicit financial flows and this has been allowed to happen. Big multinational companies are allowed to aggressively avoid taxes and nothing happens to them. Mining companies steal minerals on a daily basis while government loses tax revenue.

Five years ago we made practical proposals to deal with illicit financial flows, in particular aggressive tax avoidance, profit shifting and base erosion.

Minister, how do you intend to respond to issues of greylisting now by the Financial Action Task Force when failing to deal broadly with illicit financial flows? Thank you, Chair.

Mr phathaphatha please respond!

The HOUSE CHAIRPERSON (Mr C T Frolick): No, hon member. The hon Minister of Finance will respond.

Hon Minister, let me just take this hon member here.

Mr B A RADEBE: Hon Chairperson, I think I’m rising on Rule 82. Member Mkhaliphi have just ascribed a certain name for a Minister, which is not his name. Thank you.

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes. No, no, hon members. You see? You may think that you are funny but there are rules to observe and the rule is quite clear, we refer to each other either as Mr or Ms or Mrs or the hon Minister. You cannot ascribe, now, your own names to a Minister; and hon Mkhaliphi, you are a whip.

Hon Mkhaliphi, you must withdraw that remark that you are making. Let’s just refer to each other in respectful terms.

Hon Mkhaliphi!

Ms H O MKHALIPHI: Chair, I said Mr, he must answer.

The HOUSE CHAIRPERSON (Mr C T Frolick): No, no, no, hon member. don’t ascribe other words to what you are saying. Just withdraw!

Ms H O MKHALIPHI: Okay. I withdraw, Chair.

The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you.

The MINISTER OF FINANCE: House Chair, there are two issues. The first one is base erosion, which is an ongoing discussion. My understanding ... hon Abrahams can correct me, also the Standing Committee on Finance is ceased with that matter. It’s a matter which is under discussion, which we are more than happy to explore whatever proposals that are on the table to discuss base erosion.

The second issue is the extend of criminality and crime in this country. There’s no doubt, no one can deny the fact that crime has a huge impact on the economy. There’s no doubt that crime has an important impact on the economy, no doubt about that. That explains the reason we have done early this year when we tabled the budget, that one of the things we need to do is to capacitate the police. As we speak, this year we have got 10 000 police which are being trained. In order to increase that number ... we intend to take, in the next financial year, another figure because the numbers as they are, are less than what the police we had in 2010 despite the growth in population. So, part of what we’ve got to do is to improve and make sure that we have got requisite resources in the police.

Of course, I normally say to the Minister of Police, I’ll give you the quantity, the number, the quality of delivery is yours.

So, one of the things we are talking about ... addressing this issue to demonstrate that there’s a seriousness on the part of government to deliver on dealing with crime as well. Thank you, House Chair.

Question 512:

The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL

DEVELOPMENT: Thank you very much, hon Chair of the House and hon members. The Department of Agriculture, Land Reform and Rural Development acknowledges the challenges that are facing emerging producers with regard to markets, as the question reads. It is for this reason that a unit within the department has been established to focus on marketing information throughout the country and capacity building for smallholder producers so that they can be empowered and be able to access available markets including those that are external.

The department has also identified some buildings in order to be able to create more markets for this purpose. In this regard, officials are actually conducting capacity building to

improve the quality of their produce. And also they ensure transportation between the markets and where the produce come from, damage as it occurs due to bad roads, long distance and the temperature when the vegetables are being transported.

Currently as we speak, the officials are in the Northern Cape trying to support and assist these producers and also to expose them to the operations of the fresh produce markets in those areas.

In addition to that, the department, together with the industrial role-players, has a project known as project rebirth. It is meant to play such a role and include best practices exercises so that they can learn from others because they need exposure and they need to be capacitated to be able to do this on their own. Cool rooms, hygiene and ripening of starch food are also part of the training.

I would also say that we definitely collaborate with the provincial agricultural departments in order to ensure that there is communication from national, to province and to local. We are putting this particular programme as an annual performance plan, APP, to ensure that we compel officials to take this matter serious – the developing of small producers and empowering them to be self-sufficient. Some of these areas

that have absolutely no markets at all go to the shops around, etc, to sell their produce. This is one of the priorities that we are trying by all means to establish in these facilities.

It is only KwaZulu-Natal and the Free State that, at least, do not only have markets, but also have facilities in rural areas that are improving in order to support these communities, hon member.

Ms N P MAHLO: Thank you, hon Chairperson. Good afternoon my fellow colleagues in the sitting. What is the plan of the department to ensure that South African agricultural produce, especially emerging producers, have adequate and reliable access to market in order to evade loss of production due to the nonavailability of the markets to sell their produce as access to the markets remain one of the biggest challenges facing the fresh produce export market in the Republic of South African, and that is in its own create some challenges in terms of improving our balance of trade?

The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL

DEVELOPMENT: Hon member, let me start by saying that it is also in our major plan to access local markets as well as institutions where these markets can survive at a big scale. For example, we want to supply the institutions where our

soldiers camp, universities and schools. All those avenues are being explored in order for us to prepare our local producers, especially the smallholders, because their produce is not in big bulk, but in any way, it is fresh, it is from the soil and it is good.

The second part is that we have planned to partner with Public Works in order to make some improvements on rural roads.

Commercial farmers and smallholder farmers have complained to what the hon member has referred to - the damage of the produce while being transported. At times, it is not sold where it was exported to because it might have poor storage and therefore it is no longer fresh enough when it reaches those countries. The question is clear, what plan do we have? The plan is to improve the infrastructure itself and to improve the storage facilities in order to increase the self- life as well. Therefore, the process is also that the quality of production requires an effort by the department to train, support and sharing of information to the smallholders in particular.

Ms P MADOKWE: Deputy Minister, the poultry industry in this country is on its knees because of the cheap importation of chicken from countries such as Brazil. The same goes for the

dairy industry. At some stage the country was producing sufficient wheat for own consumption and for export, but today we are net importer of wheat. All these problems stem from the deregulation of the agricultural sector, the cessation of subsidies to farmers and the collapsing of the agricultural product boards.

In order to revitalise agriculture, have you considered reintroducing the subsidisation in the industry as well as reintroducing agricultural market boards? Secondly, why have you not advocated for tariff barriers to the imports of agricultural products from countries that support their agricultural industry as these are destroying our own industries here?

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, I wish to remind you that a supplementary question is one question only, and not multiple questions.

The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL

DEVELOPMENT: Thank you very much, hon Chair. Hon member, due to what you have already alluded to, we have developed, approved and signed off an agro-processing master plan. We have developed it together with the Department of Economic

Development. It will assist because people will apply knowing what to apply for, and knowing what support they will get.

That’s why we have this master plan. Actually, we are reviving poultry farming as we have started. I am responding because it is food that we are talking about.

On the issues of importing, we would not import if we have these produced by locals. There are subsidies and finances for such programmes. We could not have this support without this master plan that outlines that if you go for X this is what will happen, and if you go for for chicken this is what will happen. It has been signed and it is popular because people have begun to apply.

Mr A M SHAIK EMAM: Thank you, Chairperson. Deputy Minister, I think you are aware that the canning factory in Ashton has closed. This is now going to affect various actors. But more importantly, the entire town will end up being a ghost town because all the people relied entirely on this canning factory for jobs. Is there any intervention from government to save the agricultural sector, particularly in Ashton and also those canning factories so that we can try and sustain those jobs?

Thank you.

The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL

DEVELOPMENT: Thank you very much, Chair. In line with the first question, there are smallholders and there are commercial which we go to them. That’s why I was saying that our team is in the Northern Cape today.

We are quite aware but there are also plethora of challenges that contribute to the deaths or decline of most of our projects. It is therefore our duty to ... actually, because we are actually working with the provinces. We meet the MECs in the Ministers and Members of executive councils, Minmec. We have regional and district offices in the provinces where we are able to be fully informed of what happens in each region. Well, I cannot exactly say I know what is happening there, but definitely sure we are going to get into it. The quarterly or monthly meetings with the MECs give us that light so that we can respond accordingly. In anyway, whatever has gone wrong at Ashton will fall under these programmes that were budgeted for. Poultry, fruits, vegetables and maize are categories that are in our budget. Once we are informed we will be able then to intervene, find challenges, work on challenges, build capacity and empower communities and all systems go. Thank you.

Mr S N SWART: Thank you, House Chair. I think this is the first, but as the ACDP we are always ready to help the colleague where need be. Mr Hendricks’ question to the Deputy Minister is, what will the department do to assist young entrepreneurs from rural areas to gain access in all three sectors of the economy by the acquisition of suitable land which can be used to grow crops, process the field and to make an impact into the tertiary sector of the economy? Thank you, House Chair.

The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL

DEVELOPMENT: Hon member, you will remember that in all efforts our government has identified the need to focus on young people to assist them with land acquisition and finances that are specialised for them to start their own businesses. We have a discussion together with the Department of Small Business Development. We had a joint tour to inform these communities out there about what is in the menu for the young people.

We do this because we want to encourage them and introduce them to those who are already in agriculture to support them and to engage them in agriculture so that they see agriculture

as a type of development and commercialisation in order to have economic innovation initiatives at the rural space.

On the issue of land, most of the land that the Minister was giving out, those which were owned by the department, most applicants were young people. They are also being supported and given some sort of initiatives to be able to kick-start their businesses. We also do this with the National Agricultural Land Development Authority, Nalda. The National Agricultural Land Development Authority is fully on board in that one.

Lastly, the land issue in the rural areas have been a process which awaits Cabinet approval, that of how to utilise and how to invest in the rural customary land. Post that summit which was for inputs by rural communities themselves and their stakeholders, we have now recommendations that there will be an effort to upgrade the permission to occupy certificate and make it to be at the level and value of a title deed so that when people engage in rural areas they have access to investors and our young people can thrive.

We are also very carefully that we will have to deal with the issues of boreholes. Working together with the Municipal

Infrastructure Support Agent, Misa, under Minister Nkosazana. The other issue is draught where these young people are. [Time expired.] Thank you.

Question 514:

The MINISTER OF FORESTRY, FISHERIES AND ENVIRONMENT: Thank you

very much, hon House Chair. After concluding the Oceans Economy Master Plan, our department is in the process of consulting with fishing communities on its implementation plan. Consultations took place in KwaZulu-Natal and the Eastern Cape from 1 August to 2 September, and additional consultations are planned in the Western and the Northern Cape before the end of the financial year.

The key issues that were raised in these consultations were, firstly, a request to improve communication and engagement with fishing communities. Secondly, the need of fishing communities is adjacent to marine protected area to access these areas. Thirdly, a request for more training and more support for small-scale co-operatives, and in particular, support in a form of vessel and additional equipment.

Lastly, is the need to improve on infrastructure and access to market. Through our partners in government and the private

sector, we are attempting to deal with some of these, in order to improve the support of the fishing communities. Thank you very much.

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you, hon Minister. I’m informed that hon Modise will take charge of the

... Mam Sonti, please.

*IsiZulu:*

Ngeke ngisakubiza futhi.

*English:*

No, we don’t do that. Hon Modise will take charge of the question, as asked by hon Gantsho. Over to you, hon Modise.

Mr P M P MODISE: I am on virtual, House Chair.

The HOUSE CHAIRPERSON (Ms M G Boroto): Okay, proceed.

Mr P M P MODISE: Thank you very much. Greetings to yourself and greetings to the Minister. Minister, what are some of the underlying factors or causes leading to lack of envisaged transformation within the fishery sector, thus inhibiting inclusive access and anticipation by small-scale fishers, and

what is the level of progress, if there’s any, that has been recorded by the department in engagements with the stakeholders in the sector, especially from the marginalised and the impoverished communities? Thank you very much, House Chair.

The MINISTER OF FORESTRY, FISHERIES AND ENVIRONMENT: Hon

Modise, thank you very much for the question. I think that, the way in which the Marine Living Resources Act does, defines two categories of fishers. The one category will be the commercial sector, which is managed through the commercial rights allocation processes, and the second would be, the small-scale sector which is managed through the small-scale allocation sector.

The difficulty with this Act is that, it ultimately limits the Total Allowable Catch, TAC, or the amount of fish that is available for the small-scale sector. One of the reasons why we embarked on the Oceans Economy Master Plan is because, what we have find is that, in coastal community, there are more people who would want to be involved in fishing, than there are fish stocks to be allocated to them. So, the attempt of the Oceans Economy Master Plan was to create alternative

livelihoods in areas such as tourism, aquaculture and so on, and so forth.

But obviously, you would appreciate that, if you are already marginalised and excluded from economic processes, the fact that you are setting up new sectors, doesn’t necessarily enable you to participate in those sectors. Also, I think that you would find that, in the fishing communities, people will talk about the fact that, their levels of formal education are not adequate for them to participate in other sectors. I think that, we don’t have active labour market interventions that would facilitate training and retraining.

Therefore, I think that the situation that small-scale fishers confront is much more complicated than just developing new sectors of the economy, and expecting them to be meaningful economic active. This would also be one of the fundamental reasons why you will find that, categories of fishermen are trapped in the small-scale sector, and are finding it difficult to progress on it. Thank you.

Mr D W BRYANT: Thank you, Chairperson. I was recently in Kalk Bay with the DA leader, and we met with some local traditional fisher folks who are desperately trying and struggling to make

ends meet and put food on the table. This is because many of them haven’t been able to fish since February, while the Fishing Right Allocation Process, FRAP, appeals, have been heard. Many of the small business owners can no longer afford to pay insurance on their boats, and some of the closed small factories that are leaving many more people unemployed and hungry.

Taking into account the skyrocketing cost in food and the overall cost of living crisis, will the Minister reconsider her previous decision not to grant temporary exemptions for unsuccessful South Africans, rather allow them to continue to fish, as they did before, while the protected appeals processes have been concluded?

The MINISTER OF FORESTRY, FISHERIES AND ENVIRONMENT: Thanks

very much, hon Brandt, and obviously, you would appreciate that those fishers are small commercial fishers, they are not small-scale fishers. That is something else, although there is an overlap between those two categories. Look, I don’t want to comment on the merits of the appeal processes because, those appeals are before me, and I have to apply my mind as required by the Marine Living Resources Act.

But what I can tell you from dealing with previous appeals in the 15-16 process which I’m still, unfortunately, dealing with is that, whatever decision you will take, there is another category of interest groups that will oppose that decision.

So, what you would understand is that, within FRAP, there are winners and losers. Therefore, the winners are going to oppose any attempt to prevent a situation where the winnings are taken away from them. Also, I think what you would also need to appreciate is that, fish stocks are limited. That’s why you have a right to allocation process in the first place because, fish stocks are limited, and you can’t exploit unendingly, the resource.

So, this is a difficult question, I am applying my mind to it, I am aware that the line fish allocation with one of the allocation studies is most controversial for small scale operators. I have also asked my team to find out how we can prioritise the appeals in that sector, as we move to some of the commercial sectors because of the bread and butter issue and the poverty issue that you are referring to. Thank you very much.

Mr M N PAULSEN: Thank you, House Chair. Minister, you just admitted now that, the ANC government’s Marine Living

Resources Act 18 of 1998, is where the real problem lies, and it lies there because that Act focuses on commercial fishing companies, and especially, commercial fishing companies in excluded, additional and indigenous small scale and artisan who catch and sell fish to sustain their livelihoods.

It has serious socioeconomic implications for our communities, and it’s only because in 2005, civil society took the government to the Equality Court that a new policy had to be developed to secure the rights for small scale fish. Minister, given that our communities suffered because of the ANC’s injustice, do you agree that the best way to address this, and the most decent thing to do, before the ANC lose its power in 2024, is to complete its scrap ... [Interjections.] [Time expired.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon members, I don’t want to remind you all the time, about the time. Hon Paulsen, you don’t do that in the House. Once the minute allocated to you is finished, I am stopping you because, we know the rules.

Mr M N PAULSEN: House Chair.

The HOUSE CHAIRPERSON (Ms M G Boroto): No, no. I have not recognised you, please take your seat.

The MINISTER OF FORESTRY, FISHERIES AND ENVIRONMENT: If there

is any justice in this world, one day you will deal with fisheries, and I will enjoy asking the question. But I think that, hon Paulsen, as the member of this portfolio committee, what you will have to look at, is the process around reviewing the Marine Living Resources Act which we want to begin in 2023, and obviously, that is going to be a complicated process, because of the vested interests on all sites, and because there is a lot of interest on this question.

But I think that, one would have to consider where they have this bifurcated system is a long-term viable system, given the transformation issues that hon Modise and yourself were talking about. Therefore, I think that, it is going to require an extensive debate and discussion and it is not going to be easy. Thank you very much.

Mr N SINGH: Thank you very much, hon Chairperson. Hon Minister, I want to agree with you that, you know, we need to balance ocean sustainability, for current and future generations. But at the same time, we need to ensure convivial

conservation, where small-scale, and particularly, subsistence fishers, have a place in the sun. Now, we hear big figures, hon Minister, R177 billion for the Oceans Economy by 2030, but I know that, it doesn’t need to increase only, but for other related development projects.

Is this a pipedream that, small scale fishers at the end of the day are going to benefit from these kind of programmes, and on consultation, which you have already given an answer, can we be assured that, everybody in the small-scale fishers has been consulted, particularly in KwaZulu-Natal, because we had such problems before? Thank you very much.

The MINISTER OF FORESTRY, FISHERIES AND ENVIRONMENT: Hon

Singh, I thought you are going to tell me whether you checked if they have been consulted. But I think that, part of that we will have to consider arriving from this consultation is, if we want meaningful participation by small-scale fishers in different forms of the economy, whether it is through tourism, aquaculture and so on, then we are going to have to think of certain active labour market policies that are going to make that a reality.

As I said in my initial response to supplementary questions, just setting up alternative forms of economic activity and thinking that, people will automatically gravitate towards that, may not be a realistic idea. Thank you.

Question 526:

The MINISTER OF MINERAL RESOURCES AND ENERGY: Hon House

Chairperson, I had to grapple to get the answer to hon Lorimer’s question because his question is elevating an advice to an instruction. “Why didn’t you take the advice?” It is an advice and not an instruction, but let me give you a detailed report. In terms of section 96(1)(b) of the Mineral and Petroleum Resources Development Act the Minister was called upon to decide on an internal appeal lodged by Misty Falls 45 Pty Ltd against the transfer of manganese right to Misty Falls

111 which was one company that was split into two and these two groups are fighting.

The Minister considered the information before him. One of the things I am known for, hon Lorimer, if I am given an advice it doesn’t matter whether it is from a legal department or from any department, I read documents that are on my table, I apply my mind and then take a decision. This is what I did in this one; I applied my mind and decided to dismiss the appeal. An

appeal authority and final decision maker on internal appeals of this nature is the Minister. You are obliged to apply your mind, otherwise you are not taking an advice but just signing and not reading anything. So, I applied my mind and therefore took a decision.

Let me give you just two points that were part of the issue and I considered. The department is a respondent in this case and it doesn’t go to court, and therefore the first question is why you didn’t go to court when you are a respondent.

Secondly, why do you allow a responding affidavit not to go to court? I am not getting answers to those two issues and many others. I am just showing you a sample of things. Then I took a decision to go against the appeal.

Mr J R B LORIMER: House Chair, it may be useful for members to get a bit of background on this issue. What we have here is where a group of people have tried to unlawfully muscle in and take over somebody else’s manganese right. They used a faulty section 11 process which transfer was granted by the Director- General. The company who was losing the right appealed and the head of the Department of Mineral Resources and Energy illegal services said to the Minister in writing that he must uphold the appeal, but the Minister instead turned the appeal down.

However, Gauteng High Court has agreed the Minister’s decision looks wrong and has interdicted the transfer from going ahead pending a full court review. When the Minister ignored the department’s legal advice, he approved the transfer of the right to a company where his wife, Nolwandle, has an interested reported to be 30%. The crisp question Minister is, given that you have approved an illegal transfer, which approval will benefit your wife financially, will you resign?

Mr B A RADEBE: House Chairperson, I think a serious allegation is made here. I think it must come to a substantive motion.

Thank you, Rule 85.

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you very much. The order is sustained that if you have such issues you have to bring them on a substantive motion and I agree. Thank you. Yes, hon member?

The CHIEF WHIP OF THE OPPOSITION: House Chair, if a matter is a statement or fact I don’t think that it is something that

... [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member ... [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: May I please finish my point?

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, I have ruled on this matter. If you have to bring that then you must bring a substantive motion according to Rule 85. That is how we leave it. Thank you. Hon Minister, it is your prerogative to respond.

The MINISTER OF MINERAL RESOURCES AND ENERGY: The reality of

the matter is that I read an article in the newspapers, I am sure hon Lorimer read it as well, and it said “Mining heist by Minister”. Now, when you are a Minister one of the things that happen is that abuse and insults are an occupational hazard.

When they don’t happen ... [Interjections.] ... No, I am coming to you, don’t howl. Don’t howl, just listen. Now, the reality of the matter is that the case is still before the court because I told you the shortcomings of the first one when that interdict was granted.

I want to remind you that one time I was shouted here about a case by DNG and again Nolwandle had sent an SMS that says this but the court could not prove that. So, this view that pre- empt a court outcome and state it as a fact is going to be a

problem one time because you read newspapers, listen to howling and state it as a fact under the privilege of the House. So, the reality of the matter is that Nolwandle doesn’t have an interest there, I am telling you. I am stating it to you. Nolwandle is active, she is my wife and she is an adult. She has a background in mining because when I worked in the mines she changed her profession and worked in the mines where I was. That doesn’t make her have an interest in every mining transaction that moves. So, don’t state it as a fact when it is not a fact.

The HOUSE CHAIRPERSON (Ms M G Boroto): Order! Can we have order? We want to hear what the member is asking. Proceed.

Mr S LUZIPO: Hon Minister, since the Department of Mineral Resources and Energy does not contemplate two mining right holders mining for the same mineral on the same piece of land, what were the distinguishable differences between the mining work programmes as well as the social and labour plans of Misty Falls 11 and Misty Falls 15 in respect of the Kareepan mine to warrant the transfer of the mining right from one mining company to the other, link this also to the transfer of mining rights conducted with requisite approval and authorisation from the Department of Agriculture, Land Reform

and Rural Development as Maremane Communal Property Association is not allowed to list land for mining operations without prior written consent of the Minister? Thank you very much, House Chair.

The MINISTER OF MINERAL RESOURCES AND ENERGY: In mining, hon

chairperson of my portfolio committee, when a mining company gets split into two, two entities emerge out of that company and they go through various processes. That is why I turned down this appeal and said that allow these people to take their fight to court because it is one family, one group fighting over one license. Therefore, to take a shortcut in the department is dangerous. They must go to court, settle their case, appeal it and they deal with it. Once it is settled by the court I oblige.

Ms P MADOKWE: House Chairperson, to the Minister, one of the most dangerous things in this country is the complete neglection of our revolutionary ideals and the placing of personal interests of the leaders ahead of everyone else. The most troubling of this development is when it comes to your family name and allegations levelled against your wife in using the leverage you have to get business deals. In 2015 your family name was attached to R631 million toilet tender

scandal in the Eastern Cape involving your wife and one of your sons. Now your wife is alleged to have used your influence to illegally transfer mining rights to a company linked to her. Is your name frequenting such scandals not in conflict with your responsibilities and position as a Minister?

The HOUSE CHAIRPERSON (Ms M G Boroto): I will allow because you said alleged. Thank you.

The MINISTER OF MINERAL RESOURCES AND ENERGY: The reality of

the matter is that a week ago I was taking somebody through the basics and said you know when you get to government, when I was in the ANC I never had a single allegation against me. When you get to government there is an expectation that you will steal and the reality of the matter is that I do not steal. I don’t steal. I have a very active family, very entrepreneurial and that family does not steal. I am still waiting for a case where my family will be found guilty of stealing. All I will do when that happens is to take them food in prison. I am not going to fight that. If you are arrested for stealing and you are in family, I will bring you food I can commit that. So, I don’t have a family member who is guilty of stealing anywhere. Let me remind you, hon Madokwe,

one time I was supposed to have a big catering contract with Kusile in Eskom which was belonging to somebody else but it was said to belong to me through my wife. I gave them my answer that if you give me a R602 million contract in Eskom, why would I stay in politics and get insulted every day? The reality of the matter is that all these allegations are allegations and not proven anywhere and the case of the toilets that you are talking about is in court. Your National Prosecuting Authority, NPA, can’t put charges on anybody for three years now and you state it is a fact when the NPA hasn’t put any charges on anybody for three years. So, that’s it. [Time expired.]

Mr T M LANGA: Sorry Chair, I am not sure if it is ... [Inaudible.]

The HOUSE CHAIRPERSON (Ms M G Boroto): No, it is on. I can hear you.

Mr T M LANGA: When hon Luzipo asked a question to Minister, I got confused because he spoke of Misty Falls 11 but to my understanding there was Misty Falls 45 and Misty Falls 111.

So, I got confused when the Minister responded to that. Thank you.

Mr S LUZIPO: I understand, Chair, he didn’t listen. It is written in black and white it is 111.

Mr T M LANGA: No, no, no. He said 11. It is on audio he said Misty Falls 11.

*IsiNdebele:*

USIHLALO WENDLU (Ksz M G Boroto): Jama ke. Ngibawa ukuveza bonyana into oyibuzako le akusilo iphuzu lokulungisa ...

*English:*

... it is something that you should talk about, the two of you that this is what you said. It is not a point of order.

Please, let us not do that. Hon Msimang?

Ms Z MAJOZI: Hon House Chairperson, we will take it from this side. Seemingly he has a network problem.

*IsiNdebele:*

USIHLALO WENDLU (Ksz M G Boroto): Ninjalo.

Ms Z MAJOZI: Hon Minister, whether the department has in fact filed an application for leave to appeal the Pretoria High Court judgement? If not, why was it reported that the

application was filed? Would you please provide relevant details?

The MINISTER OF MINERAL RESOURCES AND ENERGY: In this case,

both in the original case and in the appeal case, the department is a respondent. It is a case between two family groups. When one gets the judgement the other one appeals. On all cases we get invited as a respondent and we stop there.

Question 545:

The MINISTER OF MINERAL RESOURCES AND ENERGY: Sharp rise in

fuel price hon Madokwe was a catastrophe. That sharp rise of the fuel price was a catastrophe. Therefore, the state had to act and the avenue we had to cushion the cost to the end consumer was the strategic fuel stock and we sold it. Minister of Finance says I have not paid him. He is going to be paid when we sell that stock, but that stock that is there can last for 32 to 37 days. That is the stock we are having currently and we can’t go much lower than that. That’s why we couldn’t go further subsidising the price of the consumer because 32 to

37 days is a buffer enough to rebuild the stock. Now, the biggest problem we have here is that the refining capacity in this country has declined. We are having a refining capacity that can only process 108 000 barrels per day, because three

refineries are shutdown that is Sapref, Natref and Astron. All those refineries have been closed and therefore our refining capacity is very small. The other refineries that do not refine crude oil is Petro SA and Sasol. They don’t refine crude oil. They convert gas to fuel. Based on the current crude oil market price and the rand-dollar exchange rate and the amount of money that has to be raised to fund the fuel price cuts, it is estimated that after the sale the country will be left with a balance of crude oil that is equal to 32 to 35 days. So, that is where we are and we cannot do anything. We had to assist the end consumer, cushion the end consumer as-far-as we could and that fuel is going to be sold and the money will go to the Treasury. That’s why the Treasury when announcing this intervention, they said it should be fiscal neutral because we sell the fuel stock and the money goes to Treasury. Treasury subsidise - that’s it.

Ms P MADOKWE: Thank you, House Chairperson. Minister, it is said South Africa consumes between half a million and one millions barrels of fuel daily. Additionally, the safest point should be at least a 90-day-reserve supply and you are speaking about 32 to 35 days. Why has government prioritised selling of South Africa’s strategic reserve to lower fuel prices, when other recommendations have been made on numerous

occasions, which would yield similar results without backing South Africans into a dangerous corner as this approach will?

The MINISTER OF MINERAL RESOURCES AND ENERGY: The priority was

not to sell fuel stock. The priority was to cushion the end consumer of the sharp rising fuel price and that’s what we did. And what was at our disposal, as a department was the strategic fuel stock that we could use and that’s what we did.

Mr M G MAHLAULE: Thank you, House Chair. Minister, with regards to the historical facts that SFF has never been required to place strategic crude oil stock in the domestic market, due to a crisis of supply of crude oil and that the majority of refineries have shut down in the country. Is there any strategic value in the country holding crude oil stock and is there any value in SFF moving in the direction of oil companies of holding refined petroleum products strategic stocks rather than crude oil strategic stock which cannot be processed into petroleum products in the country?

The MINISTER OF MINERAL RESOURCES AND ENERGY: SFF had the

advantage of the country where there were five refineries that were fully operational. Therefore, importing crude oil was an alternative that was available and it’s cheaper to buy crude

oil than to buy finished products. Then, when you have your refining capacity, you are using the advantage of the refining capacity to cushion the end consumer and contain the cost.

That was the option. With the limited refining capacity, now importing for strategic stock finished product is an option, because the refining capacity have declined a great deal. And, if we don’t improve that refining capacity, importing finished products will be an option.

Mr J R B LORIMER: Thanks, Chair, in 2007 the Moerane Commission made a number of recommendations regarding the strategic fuel stocks. Among those recommendations were the volumes of various fuel products that should be held and the conditions it should be released. This was supposed to be codified into a strategic fuel stock policy. So, with regard to the recent sales, can the Minister point us into a policy and or criteria ... [Inaudible.]

The HOUSE CHAIRPERSON (Ms M G Boroto): My apologies, hon Tshabalala, please mute. Proceed.

Mr J R B LORIMER: Chair, I’m going to ask the question again. Can the Minister point us into a policy on which the decision to make the latest sale was based?

The MINISTER OF MINERAL RESOURCES AND ENERGY: The policy is,

strategic stock is used to deal with the catastrophe and in our analysis between the DMRE and the Treasury, we saw the sharp increase of price of fuel as a catastrophe facing the end consumer. It was not internal policy issue that we considered. It was the impact on the end consumer that is the public out there and we took that decision. We think it was correct, it was lawful and it was constitutional.

*IsiZulu:*

Mnu M HLENGWA: Umfana kaHlengwa, Sihlalo. Angeke ngisukume Sihlalo, lama-mic awakhelwe thina esibade.

*English:*

Minister, South Africa reportedly attends 10 million barrel of crude in tanks in Saldanha with the qualifier that the last 1,2 million barrels are sludge and are considered unpumpable. We are left with the remainder now and in light of the recent sale of the 5 million barrels. What plans does your department have for the remaining barrels and does the department plan to put them up for sale soon to keep them indefinably? Please provide other relevant details. Thank you, Chair.

The MINISTER OF MINERAL RESOURCES AND ENERGY: Strategic stock

is used to intervene in case of catastrophe and when you do that as you take that decision, you take another decision that you must develop a plan to replenish the strategic stock and that is what we are working on. We want to replenish the strategic stock we will have strategic stock as things are getting normal because we cannot stay without a strategic stock in case there can be another catastrophe. So, that is the plan that we sell strategic stock, we deal with the catastrophe we replenish the strategic stock and continue, and as I said in replenishing it, we are considering, maybe part of the strategic stock must be refined finished products so that we can use it and replenish it as the need arises.

Question 509:

The MINISTER OF MINERAL RESOURCES AND ENERGY: Lets me start of

by clarifying first. The Precious Metals Act of 2005 has not removed the role of the SA Police Service in the Precious Metals industry. Contrary, the Precious Metals Act has conferred a wide range of powers to members of the SAPS to among others, inspect, search fees and investigate any criminal activity that fall within the ambit of the Precious Metals Act. Therefore, the mandate of the SA Diamonds and Precious Metals Regulator is to regulate the downstream

buying, selling and refining and beneficiation import and export of Diamond and Precious Metals. Accordingly, illegal mining does not fall within the ambit of the SA Diamond and Precious Metals Regulator, SADPMR. It is a criminal activity. So, it can be said when you say there is illegal mining and you say it falls within the SA Diamond and Precious Metals service.

Notwithstanding the formation, SADPMR does participate in the National Co-ordination of Strategic Management Team which is a collaboration of the National Joint Operational and Intelligence Structure and other key government departments and regulators to combat illegal mining by performing the following regulatory activities: Firstly, playing a supporting role in the review of legislation to address legal mining and illegal mining activities, co-ordinating focus destructive inspections with law enforcement and authorities to ensure an effective investigation related to illegal mining. Conduct inspections of licenses issued in terms of the Diamond and Precious Metals Act and provide supportive role to the investigations conducted by the SAPS through the provisions of the information. The starting point is; powers of the SAPS have not been taken away instead is taken under one authority to work in that space.

Mr M G MAHLAULE: Minister, will the department be developing the programme with law enforcement agencies to skill the SA Diamond and Precious Metals Regulator with investigative skills to ensure that it is able to effectively deal with illegal mining? And how will the department fund this programme and how long will it take to enable the SA Diamond and Precious Metals Regulator to develop such investigative skills? Thank you very much.

The MINISTER OF MINERAL RESOURCES AND ENERGY: At best, the SA

Diamond and Precious Metals Regulator played the supportive role. It must not take over the responsibility of the police. And if we say to it lets train more people to do investigation and therefore have a stampede of department in a particular responsibility that is clearly defined in law, we will commit a mistake. We will fail to play a supportive role. We will train people to have the basics of investigation so that that supportive role becomes relevant and have a proper content.

But don’t take the responsibility of the police to the Department of Mineral Resources and energy. That goes for diamonds, it goes for gold, it goes for all legal mining which is a criminal activity not a mining activity.

Mr J R B LORIMER: Hon Chair, Minister has answered on the regulators how is going to be in the frontline of tackling illegal mining and the police will take lead as I understand it. Minister, is the new police unit that aims to tackle illegal mining dedicated to illegal mining only? Or is it going to be part of the police unit combating infrastructures crime generally?

The MINISTER OF MINERAL RESOURCES AND ENERGY: Our proposal to

the Minister of Police is that there must be a specialised unit in the Police Service that focus on illegal mining. [Interjections.] Don’t shout at me. So, once you have that unit that unit will deal with illegal mining. The example will be your Stock Theft Unit in the rural areas is a unit within the Police Service and it deals with stock theft. We used to have all these units in the past. They were done away with.

Our view is that some of those units are relevant today to deal with crime and illegal mining is a crime and we must have a specialised unit.

Budget will be part of the Police Budget but budget will be the budget of the police. They are police. They are not miners. But the Mineral Council has committed to support that unit in terms of resources. It is committing to support that

unit with resources. It is not going to finance and fund the resources. It will support a police specialised unit with resources.

*IsiZulu:*

Mnu T M LANGA: Ngiyabonga kakhulu, Sihlalo. Nami ngizocela ngoba nginenkinga ecishe ifane nekababa uHlengwa yobude.

Ngiphinde ngicele ukuthi iLungu elihloniphekile uLuzipo liphinde futhi liyobukisisa i-mistry faults 111.

*English*:

Minister, in July the Human Rights Watch published a report pertaining the danger of abandoned coal mines in South Africa and the risk of Zama Zamas has listed as one of the most serious dangers to security on surrounding communities. Why has the department not been firm with mining companies who abandoned mining site without making provisions or rehabilitation and security? Why are you not terminating the mining licenses of companies that simply abandoned their responsibilities at these mines? Thank you.

The MINISTER OF MINERAL RESOURCES AND ENERGY: The

rehabilitation is divided into two, operational mines make provision for rehabilitation in open cast mines like the

Clarence if you can visit them. Rehabilitation is done concurrently with mining. As you finished mining you do rehabilitation. You go to Richards Bay Minerals, RBM; you will find a similar example of concurrent rehabilitation. The biggest problem is derelict and ownerless mines. Those are mines that have been left open many years before we were born. We have been mining gold and asbestos for more than 100 years. Those are the mines that are a big problem. And that’s where the department is focusing.

But if a mine company is still operational it has a responsibility, it makes provision for funding of rehabilitation until is closed. Then it must deposit that money to a fund.

*IsiZulu*:

Mnu M HLENGWA: Ngiyabonga kakhulu, Sihlalo. Ngizoqhubeka ngihlale ngoba ngibone izolo ukuthi lama-mic awasebenzi. Ngizokhuluma ngoMhlathuze kanti aningizwanga, ngilibale ukuma.

*English*:

Minister, the interventions well sound good but South Africa is known to be responsive as opposed to proactive. My mother who was a nurse used to say prevention is better than cure.

There is a height in focus now on illegal mines because of the crisis and the tragedies that has emerged. So, what guarantees do we have that the interventions have been spoken about now are going to be sustainable and fit for purpose and that government is actually committed to what it has said and to speak frankly to the issues of budget because that is a discussion that must be coupled what is happening. So, what guarantees are there that this is actually a sustainable intervention. Thank you.

The MINISTER OF MINERAL RESOURCES AND ENERGY: Hon Hlengwa, if

life was about guarantees it will be easy. Life is not about guarantees. Is about ability to manage situation intervene when it is necessary. And if you do that you will never go wrong. Ownerless and derelict mines were left many years ago. So, you can’t be proactive about that because the Witwatersrand for example, where in the last three years we have closed 135 holes there as is between the West Rand but there are still outstanding holes. It’s not about proactive, it is about the holes that were left by mines that are no longer exist. And therefore, the state takes the responsibility about that.

The budget which I get from the Minister of Finance, I can tell you for rehabilitation our department received

R140 million per annum. And that amount is very little to accelerate that work. An amount of R140 million is little for rehabilitation and the number of mines. As we closed the holes in the Witwatersrand we must also pay attention to derelict and ownerless asbestos mines which are not only dangerous in terms of holes they are dangerous in terms of the impact of asbestos on the lung of human beings.

Question 503:

Ms A H MTHEMBU: Thank you very much, hon House Chair. Hon Minister ...

The HOUSE CHAIRPERSON (Ms M G Boroto): No, hon Mthembu ...

Ms A H MTHEMBU: Yes?

*IsiNdebele:*

USIHLALO WENDLU (Kkz M G Boroto): Abakakuphnduli. Jama kancani bakuphendule, ngizokuvulela ubuze umbuzo wakho.

*English:*

Ms A H MTHEMBU: Thank you.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Minister, the question is Question 503 as asked by the hon Mthembu. You may proceed to respond.

The DEPUTY MINISTER OF COMMUNICATIONS AND DIGITAL

TECHNOLOGIES: Thank you very much, hon House Chair. I am the Deputy Minister of Communications and Digital Technologies. The Minister is unfortunately not available to answer the question. I am going to take it.

The HOUSE CHAIRPERSON (Ms M G Boroto): You may proceed. Next time we must be informed so that we don’t make the mistake again. You must be informed that it is you. Proceed, Deputy Minister. [Interjections.]

The DEPUTY MINISTER OF COMMUNICATIONS AND DIGITAL

TECHNOLOGIES: Thank you very much, hon House Chair. Our apologies for not informing you. Thank you, hon Mthembu for the question. The response is as follows. Perhaps we should begin to respond to this question by providing a context on the separation of the Postbank and Post Office. In 2010, this honourable House passed the SA Postbank Act whose purpose was to incorporate the Postbank division of the SA Post Office, Sapo, as a separate legal entity and to transfer the

enterprise of that division to the Postbank company. This has enabled the Postbank to lodge their application to the SA Reserve Bank for a full license in terms of the Banks Act.

As part of the banking licensing application process, the SA Postbank (SOC) Ltd was registered on 19 April 2017. In April 2019 a decision was taken by the Minister of Finance as well as the Minister of this department to finally separate the ownership of the Postbank from being a division of the SA Post Office to being a fully-fledged company on its own. The reason was a conflict between the banks and the Postbank Act regarding the establishment of a bank controlling Act, given the liquidity challenges of Sapo by then.

So, the current Postbank Amendment Bill that is before this Parliament is intended to conclude the corporatisation of the Postbank whilst it applies for the full commercial banking license. It also has to mitigate against the financial impact of the separation and to address the historic challenges facing Sapo, that led to Sapo current financial position. The Post Office, with the support of the department’s developed the post office of tomorrow’s strategy, which is intended to reposition the Post Office from a conveyor of letter post to an integrated logistics and e-commerce service provider,

including designating it as a national authentication authority.

The strategy seeks to create the financially viable, sustainable and modernised organisation. The implementation of the “Post Office of Tomorrow” strategy is currently underway. However, it is important to emphasise that for the strategy to succeed, a certain level of funding will be required to implement the critical revenue and modernisation initiatives. I thank you, hon House Chair.

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you. Before I call upon the hon Mthembu, let me apologise again. I have just been given the letter and the Minister wrote and it reached me late. Thank you. I got it. No, it’s here. Thank you. We proceed and call on the hon Mthembu to ask the first supplementary question.

Ms A H MTHEMBU: Thank you very much, once again, hon House Chair. Hon Minister, thank you. Hon Minister, are there any recognisable achievements that have emanated from the partnership of the SA Post Office with Mail Americas to date, if not, why not, and if yes, what are the details of the achievements? Thank you very much, hon House Chair.

The DEPUTY MINISTER OF COMMUNICATIONS AND DIGITAL

TECHNOLOGIES: Thank you very much, House Chair. One of the principles upon which the strategy is anchored is on partnerships, to partner with various organisations that are in the sector - in the space. So, in this regard there are a number of partnerships that are being looked at, including the one that the hon member has mentioned. However, it is still early to begin talking about some of the successes. But indeed, yes we can confirm that as part of the implementation of the strategy of tomorrow, there are partnerships that are being looked at, including the one that the hon Mthembu is mentioning.

Ms D KOHLER: Thank you, House Chair. Projecting confidence, as it says in the question is not quite what we are looking at.

The Post Office staff members are receiving threats and their unpaid medical aid contributions, hundreds of thousands of rands, is going to be discontinued. They are not going to have medical aid because those at the top have failed to pay their contributions over. As they have failed to pay the staff’s unemployment insurance fund, UIF, and staff pension contributions and all of that was taken off their salaries monthly. I have had confirmation today that the Hawks have

done as I have asked and are conducting a forensic investigation into what looks like massive fraud.

The Post Office board is now begging for yet another

R2,4 billion bailed out by taxpayers who are already paying for electricity, water and roads that they are not getting. Why on earth should we bail out yet another failed state-owned enterprise? Explain!

The DEPUTY MINISTER OF COMMUNICATIONS AND DIGITAL

TECHNOLOGIES: Thank you, hon House Chair. Indeed, we have been very candid and honest with this honourable House in the past that the SA Post Office is going through serious liquidity challenges for a number of reasons. If you look at their financials you’ll realise that they have been experiencing revenue decline for a number of years - actually, if you look at the financial statement from 2015-16. Indeed, the Post office has been experiencing challenges on liquidity and that’s why the new strategy – “The Post Office of Tomorrow” has been developed.

Unfortunately, I must say that there was a missed opportunity at some point, I think in 2016 when the Post Office received some capital injection from Treasury when it was supposed to

implement the strategy it used the allocation for operational expenses and to deal with some of the debts. Now we have been very insisting. We have been very firm by saying that the request we are making to Treasury - and I must confirm that we are engaging with National Treasury that if we receive a capital injection - it will be used for the purposes of the implementation of the strategy, identify revenue measures that have been identified in the strategy to finance and not to be used to fund the normal operational expenses.

So, that admission has been made in the past, hon members. Indeed, the Post office is experiencing this liquidity challenges. There are rising debt that is experienced by the entity, so that is something that we are not going to deny but we have made a commitment to turn the Post Office ... [Time expired.] Thank you.

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you. Mr Pambo, the opportunity is yours.

Mr K CEZA: I will take it on behalf of the hon Pambo. Chairperson, thank you very much. Deputy Minister, the Post Office, as well as the Postbank have been crucial in providing reliable means of communication and transactions for

marginalised communities. The collapse of the Post Office has had serious negative impacts on the ability of many people in remote communities to use postal services. What are the concrete details of your plan to turn around the Post Office? By when do you anticipate that it would have bounced back?

Thank you very much.

The DEPUTY MINISTER OF COMMUNICATIONS AND DIGITAL

TECHNOLOGIES: Thank you very much, hon House Chair. The details of the “Post Office of Tomorrow” has been shared with the hon members who served in the Portfolio Committee of Communications and Digital Technologies in the past. And we are happy to share the details of that with the hon member. We anticipate that it will take time for the Post Office to turn the corner, it is not going to happen. In fact, we are looking at a horizon of about three years as the Minister has briefed this hon House in the past for the Post Office to turn the corner.

We believe that it is important that we should rescue this important entity, given the historic role that it has always been playing, particularly in the far-flung rural areas because the Post Office has a vast network of Post Office throughout the country and as part of its obligations to

provide universal services obligations. It has been providing this service even though the provision of service was at some point not able to collect but the Post office has been consistent in providing that service. If we receive the necessary resources to implement the strategy, we can assure the hon member that the Post Office will continue to [provide the service that it has always provided, particularly for the marginalised communities. Thank you.

The HOUSE CHAIRPERSON (Ms M G Boroto): The last follow up of this question will be asked by the hon Ms Majozi.

Ms Z MAJOZI: Thank you, House Chairperson. Hon Deputy Minister, I have received complaints that Post Offices are being closed down in Verulam and other areas, and they are being used for pension payments and also other things. They also serve a large catchment area. What are the basis of closures of these Post Offices and will they reconsider that? Thank you.

The DEPUTY MINISTER OF COMMUNICATIONS AND DIGITAL

TECHNOLOGIES: Thank you, hon House Chair. I don’t have the specifics regarding the area that the hon member is mentioning of Verulam. But I can commit to follow up on that and find out

what are the circumstances surrounding the closing of that Post Office and we will revert back to the member.

What I can say is that as part of this liquidity challenges that the Post Office is experiencing, there has been a decision to rationalise some of the postal networks that exist. For instance, in an area where there are a number of Post Offices that could be rationalised, the Post Office, as part of cost-saving measures has been closing some of the Post Offices because if there is a possibility that the same service could be provided by the Post Office that is nearby, some of those Post Offices have been closed for the reasons that I have mentioned. But I will go back and get the details of this specific one in Verulam and provide a detailed response to the member. Thank you.

Question 501:

The MINISTER OF EMPLOYMENT AND LABOUR: Thank you very much, House Chair. The Unemployment Insurance Fund, UIF, is embarking on the project called “follow the money” to verify all Temporary Employee/Employer Relief Scheme, Ters, payments. During phase 1 of the project, the fund has visited 1 600 companies, R14 billion was verified and confirmed that some R13 billion has reached the workers and R1 billion was

recovered. The UIF identified an amount of R231 million as possible fraudulent cases also reported to the Hawks for investigation and R134 million was recovered. Thank you, Chairperson.

Mr S W MDABE: Thank you very much, hon Chairperson. Hon Minister, thank you for the response. Could you state in brief and as the time can allow you, the terms of reference “follow the money” project and its envisaged end date? Thank you.

The MINISTER OF EMPLOYMENT AND LABOUR: Thank you, House Chair. Maybe allow me to give you some of them, it might not be a comprehensive one. The intention is to verify as to whether the information that was provided to the UIF by the employers or employees when applying for the COVID-19 Ters was legitimate. It is also to follow the Ters benefit payments from the UIF to employers to ascertain as to whether that was the correct amount which they write to the recipients at the right time. It is also to confirm whether it was the correct employer, with the correct UIF reference number applied for the COVID-19 Ters and whether the correct employer received the funds from the UIF.

Hon member, you would also know that in order to make the distribution of COVID-19 Ters to move quicker, the UIF also made use of the bargaining council. So, it is important to verify and confirm that those funds moved from the UIF to the bargaining council and from the bargaining council to the employer and from the employer to the pockets of the workers. So, the “follow the money” project is about just that, following the money COVID-19 payments that have been made by UIF to the employers. Have they reached the intended recipient, which is the worker who was on lockdown during COVID-19? Thank you.

Dr M J CARDO: Thank you, Chairperson. The original question, Minister, actually refers to unscrupulous and corrupt employers in your department. We know from the Special Investigating Unit that scores of corrupt government employees illegally claimed the COVID-19 Ters Grant. What I would like to know is: Were any officials from the Unemployment Insurance Fund itself involved? We know that the wake of the SIU investigation, the Unemployment Insurance Fund commissioner and six other senior officials were placed on suspension. What were the charges brought against them and what was the outcome of the disciplinary hearings? Thank you.

The MINISTER OF EMPLOYMENT AND LABOUR: Those cases which you talking about, we are still working closely with the SIU and with the Hawks and other law enforcement agencies in dealing with this suspected cases of fraud and corruption which are connected to the COVID-19 Ters. For instance, I know that by Quarter 3 of 2020, just in one of the provinces in KwaZulu- Natal, eight people were arrested and amongst others there was a staff member.

There are several cases which are before the courts as we speak. However, at this stage I would not have the actual numbers but they are people who are already before the courts. Thank you.

Ms C N MKHONTO: Thank you, Chair. Minister, does the list of employers that defrauded the department through Ters has farming companies in it? If not, was there any investigation of farming companies? Can you, please, give details. Chair, the reason why the EFF is asking this is because the Office of the Minister through a Member Statement in 2021, was given details of suspected funding companies that has been defrauding employers their Ters benefits and led to some being unfairly dismissed from their employment. Thank you.

The MINISTER OF EMPLOYMENT AND LABOUR: At this stage we cannot be able to come up with the details of each and every company. It is only ones who have done that, that information will be consolidated. We will exactly tell you what those companies are. So, at this stage I don’t have the details of those companies.

Mr W W WESSELS: Hon House Chairperson, I will be asking the follow up question on hon Denner’s behalf.

The HOUSE CHAIRPERSON (Ms M G Boroto): Proceed, hon Wessels.

Mr W W WESSELS: Thank you, House Chairperson. Hon Minister, through your investigations that you’ve mentioned now into the UIF Ters fraud, have you identified any faults, loopholes or weaknesses in the UIF claims system that could enable or make it easier for theft of UIF funds by anyone, be it with or without the assistance of the UIF officials? If so, what is being done to strengthen controls within the system, if not, is it your opinion that the claim system is perfect without any fault? I thank you.

The MINISTER OF EMPLOYMENT AND LABOUR: Well, the fact that there was fraud it is clear that our system is not 100%. There

are loopholes and it has to do with our technical system, with our *information and communications technology,* ICT. There has been attempts or there has been hacking or attempts of hacking. And, until that we had to improve our systems we’ve been able to avoid some of those. However, initially because we are dealing with large volumes of claims during the COVID-

19. I think that is where we were exposed and our system with this was exposed. This is the matter which we have tried to address and continue to address it and improving our systems and training our staff in order to be able to identify all these loopholes.

Question 534:

The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL

DEVELOPMENT (Ms R N Capa): Thank you Chair. Deputy Minister Capa will respond.

The HOUSE CHAIRPERSON (Ms M G Boroto): My apologies, I am aware. You may proceed.

The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL

DEVELOPMENT (Ms R N Capa): Thank you Chair and good afternoon hon members. The Minister of Agriculture, land Reform and Rural Development has actually received the judgement and the

judgement directs the Ingonyama Trust to refund those people whom they had a contract of a lease that they were paying to the Ingonyama Trust.

The department having received this direction which is directed directly to the Ingonyama Trust as well as giving the light that funds be refunded to the complainants but there is no direction to the Minister regarding what should be done.

However, because we are a responsible department and land issues are solely our mandate, we are busy studying the judgement and the Minister will seek legal advice as much as our legal unit is also studying the judgement.

Hon member, we are not sure whether the Ingonyama Trust will appeal the judgement and we are therefore giving space to the processes to unfold when we know exactly the response of the Ingonyama Trust and the reaction of the complainants. Thank you.

Mr N P MASIPA: Deputy Minister, 18 million vulnerable South Africans living in former homelands are based systematically dispossessed of their precariously held property rights.

In the past decade, we have seen the many unwarranted court battles between government and the representatives of the vulnerable South Africans over land reform and property rights in rural areas.

Seeing that the court found that the Minister and her department failed to respect, protect, promote and fulfil the existing property rights and security of tenure of trust held land tenants as required by the Constitution, does the ministry not feel a moral obligation to ensure that there is a clear timeline of ensuring the illegal rentals are refunded by the Ingonyama Trust? Thank you.

The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL

DEVELOPMENT (Ms R N Capa): Hon member, we are not going to be easily resolve all the problems that are facing our rural communities, trust land or even farms because this was actually a legal process when such atrocities were done against our people.

The Ingonyama Trust issue regarding the conflict between those who live in that trust land and the two legislations in the apartheid system was legally approved as a strategy that they

wanted to use for that particular province. There are also various ways where the land was governed in other provinces.

Hon member, it is that reason that part of the process of land reform, we went out of our way, we have a task team which is inter-ministerial whereby there has been a consultation dedicated to the traditional land, trust land or customary land.

In that regard, consultation was done with communities, traditional leaders and their teams. At the end of the day, we had to go to a summit and resolutions were made in the summit and we are processing that.

The Ingonyama Trust is directly or indirectly part of that larger process hence we are saying, we want to separate the process. [Time expired.]

*IsiZulu:*

USIHLALO WENDLU (Nk M G Boroto): IFP asikanivumeli ukuthi nizoxoxa ngalo Mbuzo. Cha, bangani umsindo ninodwa ningasiphazamisi.

Ink Z M D MANDELA: Thank you House Chair. The inter- ministerial team has been working on the Ingonyama Trust through the trustee and the trust board to find a lasting solution on the matters affecting the trust and the trust board including the current litigation processes.

Can the Deputy Minister provide an update on the work that government through the sector’s team is doing to ensure that the Ingonyama Trust achieves the purpose for which it was established and also give further details on the ongoing work that the department is doing to ensure that it addresses matters raised in the court order not only as it relates to lease payments? Thank you.

The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL

DEVELOPMENT (Ms R N Capa): Thank you hon Chair and thank you for the question hon member. The first part of the process was that it became clear as we have alluded that this matter cannot be resolved by one department. It is therefore being chaired by the Deputy President of the Republic.

Secondly, it includes the three departments and therefore becomes inter-ministerial. Let me also agree that we are a lead department because land is fairly in our own mandate.

What has happened is that there has been consultations to find out how the process of the trust land, rural community land and customary land must be improved. The facilitation of making it workable and relevant to the common laws so that they can be able to benefit through the involvement of investment on collaterals.

However, the summit had resolutions but they were to be tabled back in a formal sitting so that they are looked into and are send to the participants. We have these resolutions and the Minister is going to present them as soon as Cabinet avails the space for her to do so.

Hon member, the separate issue as you say, is the litigation and the litigation is unfortunately silent about the role that the department must play now. However, it is under normal circumstances that this particular trust has been engaging and trying to account or being made to account by the portfolio committee of the department.

Ms P MADOKWE: Deputy Minister, the problems with the Ingonyama Trust are mainly because of poor administration and arbitrary decisions taken by a Jerome Ngwenya the white judge who is the chairperson of the board.

Now that the king who is the sole trustee of the Ingonyama Trust board is on the throne, what engagements have you had with him to resolve the administration challenges and the leadership problems at the board with the ultimate aim of removing Ngwenya and replacing him with someone who is not going to bring problems to the board and the royal house?

Thank you.

The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL

DEVELOPMENT (Ms R N Capa): Hon member, fortunately we reside in these areas or you will remember that the kingship or kingdom has been in mourning and after they were processing issues that gave us an opportunity to engage.

However, even during that period, the Minister was in touch with the late king and had a private meeting with the king. The king was actually saying:

“I am not ready now, I am in the process of being me and I will inform you when to come and discuss this matter with.”

The legal processes such as issues of accountability are such that whether Mr Ngwenya is available and is still in charge or whether he will have to leave is a matter that I appeal that

we do not dwell on now because I do not want to jeopardise this engagement between the Minister and the king so that we take it forward as guided and him having been well orientated on the matters of his own people as well as the trust.

*IsiZulu:*

Ink. R N CEBEKHULU: Sihlalo, mangibonge ithuba.

*English:*

Deputy Minister, through closing this matter in our courts, the most recent being the Supreme Court of Appeal and from the media statement released and freely available on the Ingonyama Trust website issued on 24 August 2022, it appears that this matter is far from over and is still before our courts due to several apparent legal irregularities.

Deputy Minister ...

*IsiZulu:*

...kuyakhomba ukuthi izifiso zamanye amalungu ahloniphekile ale Ndlu anentshisekelo enkulu yokuba kungalandelwa ukusebenza komthetho okanye kwezinkantolo kepha kulandelwe imizwa yezinhliziyo kulolu daba. Umkhankaso omkhulu ukuba kuqedwe lokho okuyifabhuku lesizwe okungubumnikazi bomhlaba

ohlanganyelwe. Sasethembe ukuthi ukuphela kombuso wobandlululo nombuso wencindezelo wedlule kepha sibona umkhankaso wabasentshonalanga usenathi. Akukho ukuyaphambili uOsborn Melmoth usenendawo lapha eNdlini.

USEKELA NGQONGQOSHE WEZOLIMO, UKUBUYISWA KOMHLABA KANYE NOKUTHUTHUKISWA KWEZINDAWO ZAEMAKHAYA (Nk R N Capa):

Ngiyabonga kakhulu baba, lungu le Ndlu, ngendlela esiyiyona thina la kuhulumeni ukuthi noma sithanda noma sinentshisekelo noma sifuna izinto zisheshe kubalulekile ukuthi silandele umthetho. Yingakho ngisho nje ngithi la kune sinqumo senkantolo. Le sinqumo senkantolo siphakathi komphakathi nayo iNdlu yoBukhosi mayelana neNgonyama Trust. Thina sinendlela yokuthi ngoba siyesekela ngezimali sekufuneka sazi ukuthi bayichitha kanjani imali nanokuthi bachazi ukuthi bayisebenzisa kanjani le mali njengoba nathi sizochaza la ePhalamende ukuthi kuhamba kanjani uma sikhuluma ngezimali esibanikeza zona. Ikusasa labo ...

*English:*

... their future ... what is going to happen is a matter that is being processed and it cannot be a separate matter. It also includes the constitutionality, the democracies and the rights

of all other people but that process is being attended to in the right way.

The two separate issues must remain separate so that people may appeal or the Ingonyama Trust may appeal but we will still wait because that was a separate matter from the administrative or political matters of the department.

Question 541:

The MINISTER OF MINERAL RESOURCES AND ENERGY: Hon Langa, the

first thing that we must always appreciate is that, it is a criminal activity to be in illegal mining. Once you start there, you are not going to ask the question of the value chain. I know the story of the value chain of mining, right from geology to engineering, to metallurgy and to - you see you swallowed the whistle. You swallowed the whistle a long time ago please. Now, if you say we must conduct a value chain of illegal mining, it is like saying we must conduct a value chain of the sale of drugs. You can’t conduct a value chain of criminal activity. You arrest, you prosecute and convict criminals. That is how you deal with it.

The department has not conducted any regular analyses of illegal mining, because there is nothing like illegal mining

industry. It is illegal mining, full stop. Illegal mining is a crime and this country has a number of structures in the Security cluster, whose mandate includes prevention and combating of crime. So, that what you say is an ... [Inaudible] ... of the value chain belongs to that analysis.

The value chain analysis of illegal mining is the responsibility of Directorate for Priority Crime Investigation Unit, which investigates the organised crime element in illicit mining. As per their mandate a delegation of people behind the Zama Zamas and the market where the illegal minerals are sold, is belonging to the Security cluster not mining. Therefore, the investigations are being conducted by police. Where we have information we provide support and technical service. If we identified a criminal activity, we give that support to the department in the Security cluster.

Thank you.

Mr T M LANGA: Thank you very much Chairperson, however, I’m not happy with the Minister’s response. Anyway, Minister, the Zama Zamas are providing a service to some mainstream industry big players, who use these people to extract our minerals without having to pay tax. If information surfaces that proves that some of the big name industry-players are involved in the

proliferation of the Zama Zamas, would you be prepared to sanction these players to the extent of taking their mining licences? Thank you.

The MINISTER OF MINERAL RESOURCES AND ENERGY: One of the most

complex issues is to be expected to speculate in Parliament. If this happens, you will do this, you can’t do that, is a dangerous thing to do. If there is a major mining company that buy illicit coal or illicit diamonds, that owner must be arrested, simple. It is part of a criminal chain. So you don’t talk of a license to a criminal, you talk of a license to people what who are doing legal mining, that is what we give licences for. If you are in illegal mining, you don’t get a license, because you don’t apply for it, because you are involved in a criminal activity hon Madokwe ...

*IsiXhosa*:

... ndiyakubona ukuba uyakhabalaza. Ndiyakubona ukuba uyagqushalaza ...

*English:*

... it is fine, but ...[Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Order hon members. Order Mr Langa please.

The MINISTER OF MINERAL RESOURCES AND ENERGY: So, whoever uses

Zama Zamas must be arrested when found. But those who are foot soldiers must be arrested as well, because they’re foot soldiers in a criminal activity, and that is my starting point. If they give it to syndicates which everybody agrees that they should be syndicates that drive that activity, but they must be investigated and be arrested. That is the Security cluster’s responsibility.

Mr M J WOLMARANS: Hon Minister, noting that companies and miners usually are involved in this illegal mining and trade, they rely on domestic and international networks. Therefore, does the department have any proposed detailed plan as part of its technical support to the Directorate for Priority Crime Investigation Unit, DPCI for responsible supply chain management of South Africa’s precious minerals? How will this proposed detailed plan if any, help customers in the mining industry contribute to sustainable development and source responsibly from the regulated precious mineral supply chain? Thank you hon Minister.

The MINISTER OF MINERAL RESOURCES AND ENERGY: Hon Wolmarans,

you know when there was a lockdown, we took decisions that were unthinkable, open coal at Level 5, open cast at Level 4, open mining at Level 3, and mining must produce at full. That is a decision about mining. So, we can’t have a plan, sit in a room and develop a plan for illegal mining. It is a criminal activity; it is not a mining activity. So, you can’t expect us to develop a plan for a criminal activity.

Mr J R B LORIMER: I am sure the Minister will agree that illegal mining is one of the biggest threats to our mining economy, and it’s necessary to get a grip on what losses it causes. What is the Minister’s estimated value that is lost to our country every year in each of the gold, chrome, coal and diamond sectors?

The MINISTER OF MINERAL RESOURCES AND ENERGY: In 2019 the

United nations, UN published a report that said, South Africa had a leakage of R41 billon through illicit aiding of minerals. The Minerals Council South Africa is estimating about between R10 billion and R14 billion per annum. It is quite a huge amount that is leaking in the economy. That is why we say, it is war on the economy and therefore, it should be treated as such.

Mr M HLENGWA: Minister, there is no dispute that it is a criminal activity, but it is indicative of functionality in one way or the other that there is money available in this activity as illegal as it is. So, to condemn it is okay. What proactive steps are being taken to integrate through artisanal skills given access, so that the leakages you speak about can be sourced by the state’s machinery, I am sure the Minister of Finance would welcome more revenue, because it is happening?

So, why don’t you sit and rightly or wrongly plan on how you can maximise the potential that is there as opposed to a criminal condemnation? The money is going and the money should come to state’s fiscus. Thank you Chair.

The MINISTER OF MINERAL RESOURCES AND ENERGY: Hon Hlengwa, you

are committing a very normal mistake of linking artisanal mining to a criminal activity, they are not the same. We’ve trained up to now 630 artisanal miners, we are having 200 women under training as we speak here today, because it is an objective of creating economic activity.

But, it is not a response to illegal mining, illegal mining is theft. Illegal mining and a criminal activity. You don’t train those criminals to be artisanal miners. You don’t do that. You train people in the Northern Cape, ... [Inaudible] ... you

train people in every province and allow them to actually open up what should ordinarily be a deposit that is locked in the ground. They must do that. We license them. We allow them to do it.

But, illegal mining is a criminal activity. I hear Paulsen saying it is black. Crime has no colour Paulsen. Those who foot soldiers who are in Zama Zamas don’t get the money, it goes to multinational syndicates, and you want us to support it. We can’t support it, it is a criminal activity, simple and straight forward.

Question 499:

The MINISTER OF FINANCE: Hon Chairperson, I must state upfront that regarding the current fiscal consolidation and growth enhancing, hon Qhayiso, I accept that we have not grown the economy and employment to the levels required by the NDP, and that I'm the first to admit. However, to ascribe that failure to both fiscal and monetary policy, respectively I would argue and submit is incorrect.

Again, let me quote Ricardo Houseman, of the renowned Harvard University, says part of the problem with us - our diagnosis as South Africans - is that we think the problem is at a macro

level, whereas the challenge we face in the South African economy is at a micro level. Hence, the necessity for structural reforms. So, that is the first point I want to make. That's why we argue for a major structural reforms.

I've said fiscal policy is growth enhancing part of the challenge that we have got to balance. If we look at the 2021 fiscal year, since then, you will see a growth in debt level. It is not something unique to South Africa. It is understandable because all economies, in responding to the pandemic Covid-19, had to spend a lot and therefore the debt levels. So understandably, South Africa is not an exception.

However, in the light of the two things were in increasing expenditure and putting about more than R50 billion increase into the Budget every year, while servicing the data on the one hand. As we have said when we tabled the Budget, the debt levels are approaching R4,3 million. We anticipate, over the MTEF, to be sitting over R5 trillion.

So, we have got to manage that in such a manner that your debt levels are sustainable and are managing. If you don't do that you become a candidate for something strange when you go with your cap in hand to the IMF. [Interjections.] I am saying that

we are a candidate for going to the IMF cap-in-hand and, as South Africans, we have always been jealously guarding our sovereignty and independence.

Therefore, our fiscal consolidation strategy, which we hope by the year 2024-25 - by the way people are ruling out and writing an obituary for us - we will still be around. We will still be around and will still be the biggest party in this country. So, we expect, by 2024-25, to be reaching the end of fiscal consolidation, because we will strike a fiscal balance by that time.

Let me just mention this thing well. Having said all of this, if you look at the expenditure side of the GDP, you'll see part of the difference - my worries. Having defended this posture, there's something which is worrying me which I'm working on - trying to apply my mind on - is that government consumption has been up for a couple of years.

Government consumption has been negative for a couple of years. What does that mean? I want to look at whether it is the aggregate which is a problem or is it misallocation or is it institutional. [Time expired.]

Mr O M MATHAFA: House Chair, can I please ... [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Ooh, I am sorry. I am informed it will be hon Mathafa.

Mr O M MATHAFA: Yes, Chair! Thank you very much. Thanks, Minister, for your concise response. Considering the extent to which commercial banks refused or were reluctant to utilise the Covid-19 R200 billion loan guarantee scheme in funding SMMEs, and merely utilise R18,4 billion: Has the Minister considered engaging with the SA Reserve Bank to put in measures that will encourage commercial banks to allocate a certain percentage of their loan book to SMMEs in ensuring that small businesses are given financial support and opportunities to develop and create jobs?

The MINISTER OF FINANCE: There are two things that we are learning out of that experience. We have created as a response out of that experience - a new funding mechanism. It also has got some challenges on what is called the bounce-back scheme, whose funding mechanism is extended beyond the banking sector, including development finance institutions, DFIs, and other lending institutions.

Again, looking at that response in itself, my own thinking is the following – as I think aloud – a part of the products we design. The question is: Are we designing products which are responsive to the SMME market; or do we understand that market properly? Some of the lessons we need to be drawing from is that we need a better review and an understanding of the nature of the products that we need to be providing to that market. However, as a response to that one, we have created a bounce-back scheme.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Sarupen!

Dr D T GEORGE: I will take the question, hon Chair.

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you, Dr George. You may proceed.

Dr D T GEORGE: This question is clearly factional posturing between ANC members ahead of the December congress. There is the Minister prepared here to state clearly here... [Interjections.] ... that he ... [Interjections.] Can I put my question?

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon George! Hon members, let us have order. Hon members, that's not heckling. That is drowning the speaker on the platform. Please proceed and restart your question. Please don't come in!

Dr D T GEORGE: Thank you, Chairperson. This question is clearly factional posturing between ANC members ahead of the December congress. Is the minister prepared here to state clearly and unequivocally that he and the government supports the independence of the Reserve Bank and its role in protection South Africa from inflation?

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Letsie! Hon Letsie!

Before you answer, Minister, hon Letsie, we have a way of raising hands.

Mr W T LETSIE: I apologise!

The HOUSE CHAIRPERSON (Ms M G Boroto): You don't just press and start calling. Is that a point of order, hon Letsie?

Mr W T LETSIE: Yes, Chair.

The HOUSE CHAIRPERSON (Ms M G Boroto): You said yes. Proceed. [Interjections.] You may sit, hon Minister, in the meantime. Yes!

Mr W T LETSIE: Apologies yes I wanted to... [Interjections.] Chair, I wanted to rise on a point of order and correct the gentleman there that we don't have a congress in December in the ANC. [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Letsie, that's not a point of order. As we proceed! What is it now, hon McGluwa?

Mr J J McGLUWA: Hon chair, the hon member is talking about the gentleman.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon McGluwa, that's not a point of order. Why do you do that?

Mr J J McGLUWA: He should refer to members as hon members, not

- I want to rectify - that member. That gentleman!

The HOUSE CHAIRPERSON (Ms M G Boroto): That member! Ooh no! Take your seat, hon member. I don’t ... [Interjections.]

Mr J J McGLUWA: He is an hon member!

The HOUSE CHAIRPERSON (Ms M G Boroto): No! I have been calling people here Mr Who and Mr Who; I never said... [Interjections.] Please take your seat!

Mr J J McGLUWA: He is an hon member: The hon Dr Deon George!

The HOUSE CHAIRPERSON (Ms M G Boroto): Please take your seat! Please take your seat, hon McGluwa. That's not a point of order.

*Sesotho*:

Mong M A Tseki: A be a nwele hee McGluwa eo! Eish!

*IsiZulu*:

USIHLALO WENDLU (Nk M G Boroto): Anifuni ukuqeda nina, ninjalo! Hon Minister, ungaphedula baba.

The MINISTER OF FINANCE: The government supports the SA Reserve Bank, its independence and its fundamental function of protecting the currency and price stability in the interest of balance growth. It's not just price stability; it is expressed stability – that is what the Constitution says - in the

interest of balance growth. It can’t be the other way in any way. People tend to end up with price stability, forgetting that, it is not an end in itself: The end is a balanced growth!

Ms H O MKHALIPHI: Chair, we know that the difficulty with the current relationship between the SA Reserve Bank and Treasury is that they both answer to the financial sector and prioritise financial sector interests before all interest. We know this because there are some elements of selfishness as many of the senior officials at the National Treasury and The Reserve Bank have ambitions to be senior executives in these financial institutions.

Is this not why we should nationalise the Reserve Bank, to get rid of so-called private shareholders, who we were told that they don't have influence, but we know that they do, and then they begin to have a conversation about the mandate of the Reserve Bank; and is this not a resolution of the conference of your own party that should guide you? Thank you

The HOUSE CHAIRPERSON (Ms M G Boroto): Rule 142(7) - I will always refer to that. Please read it! You can’t ask more than

one question and it's not a continuation. Please proceed, hon Minister.

The MINISTER OF FINANCE: The resolution of the ANC, read it up to the end of the sentence. The end of that sentence says in doing so we should not be enriching speculators. I want to answer that point, because part of the difficulty of what you are talking about - the resolution, which is not your own – is that you are not going to understand that fundamental point.

Nationalisation on its own, which is not going to be in the interest of the people, is going to be in the interests of the speculators who are trying to save the value of the Reserve Bank, if you include its foreign holdings, it's

R70 billionaire. So, if you were to nationalise the Reserve Bank, using its share price, you could do it. It is like a walk in the park - about R20 or R200 million - but once you change the calculation, as you put something else, that becomes different.

That aside, the second point you about potential conflict of interest or the aspirations of individuals who are employees in an institution or who will leave that institution. Of course, it makes tend to reason that they will be employed in

sectors which appreciate their skills. There's never been any conflict in regulating the banks. According to my experience, in 14 months, I've not experienced that conflict. We regulate to banks we any fear. They clash with asset managers, at the moment, about some of the regulation matters in tax processes. We are firm and resilient. In so far as that is concerned, I don't see any conflict of interest. Can I rest my case?

Mr M HLENGWA: Cahir, in the question as it says that in light of the economy of the Republic that has not been producing the necessary jobs and opportunities to transform our society lies the fundamental reality of policies certainty, creating a conducive and enabling environment to businesses, to operate and create jobs.

It follows, therefore, that you need certainty in your energy supply. Is National Treasury concerned about the state of affairs at Eskom; and what interventions does it have or have in mind to assist the situation?

This is because as things stand now, the biggest risk to South Africa's growth, economic development and job creation is the incompetence that characterises the management in leadership at Eskom, without any consequence management.

So what is the National Treasury’s position on the effect that, right now, we are on stage five and posing a risk to job creation and revenue generation?

The MINISTER OF FINANCE: Obviously, the position you would have over the consequences of loadshedding and general Eskom’s performance is a general government’s concern. I have said that there is a crisis committee, of which three of us in this room are members of. We will meet urgently to make sure that we can address that issue because it is a matter of national importance. There limited role that Treasury is dealing with is that Eskom’s debt situation is also a complicating factor. Therefore, ... [Inaudible.] ... is the threat of the sovereignty. One of the issues we will be discussing and will be tabling on October is how we will address that situation.

Thank you.

*Setswana*:

MODULASETILO WA NTLO (Moh M G Boroto): Re lebogile go menagane. Nako e e neng e beetswe dipotso e jelwe ke mollo. Dipotso tse di sa fetolwang di tla gatisiwa go Hansard. Seo se raya gore mmereko wa letsatsi o fedile, o weditswe.

The House adjourned at 18:07.