**UNREVISED HANSARD**

**MINI PLENARY - NATIONAL ASSEMBLY (VIRTUAL)**

**THURSDAY, 2 MARCH 2023**

***PROCEEDINGS OF THE MINI-PLENARY SESSION OF THE NATIONAL ASSEMBLY***

Members of the mini-plenary session met on the virtual platform 14:00.

The Acting Chairperson Ms R M M Lesoma took the Chair and requested members to observe a moment of silence for prayer or meditation.

The Acting Chairperson announced that the virtual mini-plenary sitting constituted a meeting of the National Assembly.

# THE IMPLICATIONS OF THE DECLARATION OF A NATIONAL STATE OF DISASTER AND THE PLANNED APPOINTMENT OF A MINISTER OF ELECTRICITY AS RESPONSES TO THE CURRENT ENERGY CRISIS

Mr S N SWART: Hon House Chairperson, during His Sona address, President Ramaphosa admitted that the energy crisis has done untold damage to the country and is an existential threat to

businesses and the economy. He then announced a National State of Disaster and the appointment of a Minister of Electricity as responses.

The ACDP shares the doubts of many that these steps will solve the systemic problems at Eskom.

It is clear however state capture and corruption hollowed out Eskom’s financial resources and its experienced and skilled personnel. A staggering R14,7 billion of Eskom’s contracts were “afflicted” by state capture. And just when we thought that state capture and corruption at Eskom had largely been exposed, further alarming allegations began surfacing that corruption at the utility is not only on-going, but reaching newer and higher levels of intensity.

Former Eskom chief executive officer, CEO, Andre de Ruyter’s explosive E TV interview has further exposed the rot and implicated unnamed politicians at Cabinet level. Up to a staggering R1 billion is allegedly being stolen per month from Eskom. That is R12 billion per year – not to mention the greater knock-on effect on our already struggling economy.

The ACDP commends Mr De Ruyter for his courageous stance, but regrets that he did not lay criminal charges as he should have done under Prevention and Combating of Corrupt Activities Act legislation. The information was not, however, kept secret. It was shared and one trusts that it is being investigated.

The impact of corruption is lucidly stated by Mr De Ruyter’s recent affidavit where he states that and I quote:

Corruption has compromised Eskom’s financial position, board, and management structures; reduced its coal supply security; degraded its power stations through the use of out-of-specification coal; and thereby negatively impacted its generation capacity.

In addition to corruption, Mr De Ruyter explains the rolling blackouts are attributable to and I quote:

Combination of running coal-powered plants harder and deferring maintenance ... unplanned plant breakdowns and reduced available capacity compels further increases in the usage of the working plants and continued deferral of planned maintenance outages.

Will the declaration of a national state of disaster and the planned appointment of a Minister of Electricity help solve this critical situation or, will it, as many believe, make a bad situation even worse?

Under the regulations, Cabinet Ministers can issue any directions within their area of focus to address the current electricity shortfall and prevent an escalation of the energy crisis.

Essential infrastructure for which exemptions may be granted include health, water, sewerage, rail, ports, and food production and storage, where technically feasible.

The regulations also cover relaxing environmental impact controls, and developing feed-in tariffs for individuals and businesses to sell electricity into the grid.

Now these regulations could allow for quick-and-dirty repairs to Kusile Power Station, and potentially fast-tracking the already highly controversial Karpowership project without in our view proper parliamentary oversight.

Other arguments raised against the state of disaster are: Firstly, it appears that neither Eskom nor government departments have proper plans to solve the power utility’s problems in the short-term.

Secondly, the electricity crisis can be arguably addressed under existing legislation and procedures.

Thirdly, declaring a state of disaster and bypassing certain procedures will create even more opportunities for fraud and corruption.

This is particularly so when one considers many irrational regulations under the COVID-19 National State of Disaster, impacting thousands of business and more than a million jobs. The potential for further fraud and corruption of the kind experienced in the emergency procurement of the Personal Protective Equipment, PPEs, is real.

Additionally, we, as parliamentarians, have no say over these new electricity regulations or even how long the National State of Disaster will last. The country could be under a permanent state of disaster for all we know.

Parliamentary oversight would have been substantially improved had we passed Dr Groenewald’s Disaster Management Amendment Bill. It would have meant that only the National Assembly could implement or extend this National State of Disaster after a proper debate and vote.

Section 27 of the Disaster Management Act provides that a national disaster may only be declared if existing legislation does not adequately provide for the national executive to effectively deal with the disaster.

If one considers other existing legislation could have been used, section 34 of the Electricity Regulation Act, already empowers the Minister of Mineral Resources and Energy to procure new energy capacity to ensure the uninterrupted supply of electricity. There is nothing in our view what has been sought by declaring the National State of Disaster that enables swifter action than is already possible under Electricity Regulation Act.

Secondly, section 16 of the Public Finance Management Act already empowers the Minister of Finance to authorise the use of funds from the National Revenue Fund.

This is an extraordinary power that bypasses the ordinary appropriation of funds through Parliament and enables the Minister of Finance to respond efficiently to situations of urgent or emergency need.

The declaration of a National State of Disaster and the planned Minister of Electricity appears to be little more than an attempt to side-step the root causes of the energy crisis. These include the lack of co-ordination, co-operation, planning and the political agreement between the existing Ministries and Eskom that is solely lack lackey. I thank you.

Ms J C N MKHWANAZI: Hon members that are in the House, good afternoon, whether economy of the country is a centrally planned economy or market economy or mixed economy based on the social compacting will not make a difference to the necessity of fixing Eskom as this state-owned enterprise was historically created as an integrated natural monopoly and sole supplier of electricity throughout the country. No number of narratives, platitudes or pies not based on the facts can change that. It is currently the only major asset base and supply infrastructure the country has for electricity supply, and the functioning of the economy and communities depend on this for living modern lives.

Therefore, it is a must that we fix ... [Inaudible.] ... We are noting that previous plans for fixing Eskom have only scored partial gains.

The debate on these implications of the declaration of national state of disaster and the planned appointment of the Minister of Electricity is very critical given the current energy crisis we are facing as a country and the necessity of its resolutions. This is not withstanding that the issue of energy crisis has been debated many times in this House over the past 18 months.

The current level of stage six load shedding is harming the economy, job creation, as well as impacting the implementation of the Economic Reconstruction and Recovery Plan.

Over the past two years, the State President has announced several measures to both increase generation capacity through independent power producers’ renewal energy and to fix Eskom to maintain the proper supply and demand balance for electricity in the country.

The number of days of load shedding has increased from 71 days to 273 days in a year. So, the high stage of load shedding and

its negative impact on the economy has necessitated the declaration of national state of disaster concerning Eskom to expedite the recovery of electricity supply as outlined by the President in the National Energy Crisis Committee Programme, NECOM, in a short space of time than was envisaged by Eskom.

This will expedite procurement of plant maintenance which is geared towards increasing energy availability factor, and stability-based load electricity supply, as well as ensuring the renewal energy project through independent power producers coming on stream. These regulations are intended to decrease load shedding and create a competitive electricity market where demand is met through adequate supply.

The appointment of the Minister of Electricity is necessitated to drive and to ... [Inaudible.] ... various programmes of generation, including the development of independent power producers, and transforming and distributing in a holistically manner, which provide solutions to the electricity ... [Inaudible.] ... the co-ordination and implementation of the NECOM plan to increase the energy availability factor of Eskom plants and further the development of sufficient generation capacity not only to solve the current crisis, but enable sufficient generation capacity for reindustrialisation of the country.

Therefore, the ANC government, which is the leader of society does not only merely seek to reduce and eliminate load shedding, but eliminate it permanently. Even though the Deputy President and the Minister of Finance discussed the issue of the crisis ... [Inaudible.] ... the national state of disaster and the appointment of the Minister of Electricity, it appears that opposition parties ... [Inaudible.] ...

The CHAIRPERSON (Ms R M M Lesoma): Hon Mkhwanazi, one minute, ma’am, may I request the interpreters to just to mind their mics or have a way while interpreting that it doesn’t interrupt the speaker. You may proceed, hon Mkhwanazi. I think they have muted you. Information and communications technology, ICT, can you unmute, hon Mkhwanazi?

Ms J C N MKHWANAZI: Thank you, hon House Chairperson, am I audible now?

The CHAIRPERSON (Ms R M M Lesoma): Yes, you are, loud and clear, thank you.

Ms J C N MKHWANAZI: Hon House Chairperson, even though both the State President and the Minister of Finance discussed the issue of the crisis, the declaration of a state of disaster

and the appointment of a Minister of Electricity it ... to understand the necessity of the declaration of a national state of disaster and the planned appointment of the Minister of Electricity even though it was explained in their understandable language, and clearly explained the reasons of the necessity of this.

The opposition parties, which called the debate are not those seeking to provide solutions to the problem and ensuring the electricity supply to meet demand, but utilise this platform as a means for electioneering against the ruling party, the ANC, which is the leader of the society and the caring government ... as the people in our community and the business sector require solutions rather than platitudes or clichés.

Moreover, it is unfortunate that the oppositions seek to repeat what is known about Eskom from the Zondo Commission report and the interview of Andre De Ruyter which was based on unsubstantiated information, which elevates gossip and tabloid news to the level of political principle. The interview was largely about the reasons for the nonperformance of the CEO and chief accounting officer of Eskom. Both Minister Mantashe and Gordhan were not appointed to deal with procurement at Eskom, nor plant maintenance or corruption as it was him, the chief executive officer, CEO, who was appointed to fix the

problems and report to the Eskom board as the accounting authority. It was him, the CEO, that needed to work with law enforcement agencies to root out corruption and that is how arrests were made concerning syndicates intercepting coal deliveries and replacing them with low-grade coal and stones. At least two coal yards have been disrupted by law enforcement.

It is unfortunate that in that interview, the ANC, as a political party, is accused of benefitting. This is wrong as there are rotten apples in all political parties there are many honest South Africans in the ANC working for the greater good of the country and its transformation. If de Ruyter estimated that there was a financial leakage of R1 billion, it was his duty not to just act on some parts of it but on all of it. Why was there no forensic on this matter to ascertain the facts rather than sit contemplating or guessing that it is?

About the $8,5 billion, there was further speculation as this was a pledge from the Western countries and money has not yet been prioritised for any known projects.

Unfortunately, the former CEO has not performed to expectation and therefore seeks to deflect focus on other matters without bringing forth the evidence in the interview. So, this debate

must occur on the facts rather than on the unsubstantiated gossip elevated to the level of political principle.

The necessity of the national state of disaster for Eskom needs ... [Inaudible.] ... rapidly as it was under the former CEO’s watch that notwithstanding the maintenance there was rapid deterioration of the plants. The ... [Interjections.] [Inaudible.] ... from regulated tariffs ...

The CHAIRPERSON (Ms R M M Lesoma): Hon Mkhwanazi, you have just exhausted your minutes. Just switch off your video.

Ms J C N MKHWANAZI: Thank you. Am I ...

The CHAIRPERSON (Ms R M M Lesoma): You are audible. Yes, that’s much better. Thank you. Proceed, you have less than a minute left.

Ms J C N MKHWANAZI: ... [Inaudible.] ... must ensure base load electricity supply from Eskom and that the independent power producers, IPPs, can come on stream to meet South Africa’s large demand. Implementation of the restructuring of Eskom into generation, transmission and distribution will require a co-ordinated approach as a holistic solution is required to

ensure that the system can optimally function post- restructuring without any significant cost increases given the different tariffs which will come into existence. The reality is that the country’s high electricity demand means that different energy carriers will be required to ensure base load supply in the form of coal, nuclear, hydro and gas.

Therefore, Eskom has no experience with gas, and therefore the Central Energy Fund’s, CEF, proposal to it for the development of three power stations into gas-fired power stations is critical for the replacement ...

Disaster management regulations and the Minister of Electricity need to ensure that there is a base load supply of electricity through Eskom and other private sector players as well as renewable energy to ensure that supply sufficiently meets demand to not only reduce load shedding, but also enable the implementation of the reindustrialisation of the country through the Economic Reconstruction and Recovery Plan. This cannot be left to the hand of the market as our national sovereignty depends on energy security. Hon House Chair, thank you so much.

Mr G K Y CACHALIA: Chair, when I bumped into Minister Mantashe on the plane as he luxuriated in business class, I asked him: Now that his government proposes a third Ministry to deal with the crisis in electricity, just how many Ministers will it take to change a light bulb at Eskom? He was shocked.

This is a valid question, which speaks to the ANC’s predilection to add more ministerial bluster, create an overarching framework for filching and watch the disaster turn into a catastrophe.

We all know how we got there. From Mbeki’s stupidity to Zuma’s rapacity via Koko and Dame’s benighted policies and the criminal continuance of Mr Gordhan, Mantashe, Mabuza and Ramaphosa’s cadre deployment ...

The CHAIRPERSON (Ms R M M Lesoma): Hon Cachalia, one minute. You know that I’ve heard you calling former President, Mbeki, stupid, but you know that you can’t also use unparliamentary words in terms of insinuation on a person that can’t respond for himself or herself. I think you might just craft it a little bit moving forward as you go along with your speech.

Thank you very much.

Mr G K Y CACHALIA: ... which fostered and facilitated mafias with a billion stolen every month, effectively preventing fixes and maintenance because sabotage is the preferred tool to secure ongoing graft.

But surely, this is where the laser focus of any administration should be, on the inane policies, criminal syndicates and the myriad encumbrances of preferential procurement, Black Economic Empowerment, BEE, employment arrangements within aristocracy of labour and more, to free the hand of seasoned experts and executives, to fix the broken utility and bring alternative generation, and embrace the private sector to avoid a total blackout, rescue the economy and alleviate the burden on us ordinary citizens.

But where is the focus, instead? It’s on placing unfettered degrees of freedom in the hands of a Minister and colleagues who oversaw an ANC feeding fest under draconian legislation during covid that had a crippling effect on the lives and livelihoods of all.

It is on removing the institutional knowledge vested in Eskom executives to centralize control in the hands of Ministers so that their political meddling via a pliant board can continue.

It’s on moving at a snail’s pace to deal with the impediments within the utility while we yoyo between increasingly deleterious stages of loadshedding.

It’s on throwing money at the problem without dealing with the underlying issues that this and successive ANC governments have created and frankly lived off.

It is this attitude which says: You have to enable some people to eat; which feeds malfeasance and characterises the government’s response to arguably the most crippling crisis that South Africans and our economy have faced.

But let’s examine the impact of the regulations and the new Ministry. The regulations aim to give government departments the authority to take action to protect the public from the negative effects of power cuts by coordinating their response and minimizing disruptions.

Sadly, here’s where the potential for malfeasance lies. And while provision for accounting officers to report on regular intervals to the Auditor-General and Parliament on expenditure incurred is welcome; we will have to see what teeth exist in the event of transgression.

While measures to guarantee uninterrupted power supply and exemption of essential infrastructure from loadshedding schedules are also welcome, there is limited information about how the new electricity generation will be connected and how Eskom’s plant performance will be improved.

Would it not be better to deal specifically with the encumbrances I referred to and to allow the executives at the utility the freedom to act in line with our ring-fenced recommendations, hon Mkhwanazi?

As for the new electricity Ministry, as my colleague, Leon Schreiber, has calculated, it could cost the country more than R37 million a year. Clearly, the President has chosen to abuse this crisis and create more cushy jobs for useless cadres.

What is required is an enabling framework to fix the disaster that the ANC has created and not carte blanche for ministerial meddling.

You have been given rope, don’t hang yourself with it. We gave you a template, it is underpinned by probity, transparency, real oversight and the wherewithal to bypass your own self-

imposed obstacles, bottlenecks and cost inflations. Make it happen or step aside; to coin a phrase.

For years you have stolen the light and given us darkness. You have one last chance to fix it and the levers at your disposal give you unfettered scope to do so. But the devil’s in the detail, so use the resources at your disposal wisely, honestly and effectively, that’s what decent governments do. But I’m not holding my breath, am I? thank you, Chairperson.

Ms B MATHULELWA: House Chairperson, greetings to the commander-in-chief and the ... [Inaudible.] ... and the Whippery.

House Chairperson, allow us to first deal with the obvious confusion and missed diagnosis of problem of infrastructure and local economy that has crippled municipalities and characterised the ANC today, and then we will outline some of the basic things that, if done today, will improve rollout of infrastructure in municipalities ... [Interjections.]

Ms H O MKHALIPHI: Sorry, Chair. I think there’s a mix up. Hon Babalwa is going to debate the second debate, this one is allocated to Comrade Ceza. So, can ... [Inaudible.]

The CHAIRPERSON (Ms R M M Lesoma): What should I do?

Ms H O MKHALIPHI: Allow Comrade Ceza and then Lubabalwa will take the Second Order. Thanks, Chair.

*IsiXhosa*:

UMBHEXESHI OYINTLOKO WEQELA ELILAWULAYO: Kwenze njani ma-

fithers? [Kwahlekwa.]

Nks H O MKHALIPHI: Kha ume wena Pammy ...

*English*:

The CHAIRPERSON (Ms R M M Lesoma): Okay. But ... Hon Mkhaliphi, I think now you’re abusing the platform ... [Interjections.] [Inaudible.] ... going out of order.

But let’s allow hon Ceza to come in. But probably I will urge members just to bear with us because she quickly raised the point that they have mixed up their speakers, that we allow hon Ceza with an injury time.

But, Mkhaliphi, you must just ask your issue, don’t go to other spaces. Thank you very much for that.

Mr K CEZA: House Chairperson, allow us to begin by greeting the President and Commander-In-Chief of the EFF, President Julius Malema, who, on Tuesday, was at the Constitutional Hill for the 10th anniversary media launch.

It has been 10 years of resilience, bravery and selflessness. Despite the many doomsayers who tried to frame the EFF as destined for failure. We are still here and we are not going anywhere because we have exhibited both qualitatively and quantitative growth since our formation 10 years ago. And we are now a permanent feature in the political landscape of South Africa.

At the launch, the President of the EFF made it clear that there is a declaration of a national state of disaster or appointment of the Minister of Electricity that it’s going to stabilise electricity, reliability and bring an end to electricity blackouts and the deliberate destruction of Eskom. These are peonage politics and have nothing to do with the people who are suffering electricity blackouts on a daily basis.

House Chairperson, we have to take a stand on the 20th of March 2023 and demand the immediate resignation of Mr Ramaphosa and the restoration of electricity.

We call on the small businesses who lose frozen stock on daily basis to take a stand on the 20th of March and join the national shutdown to save their businesses.

We call on property owners with malls who are forced to spend millions on diesels to run generators to take a stand on the 20th of March and join the national shutdown and save their properties.

We want to call on the farmers who have lost millions of birds and livestock that should have been slaughtered but died, to take a stand and join the national shutdown and stabilise food security ... [Interjections.]

We call on the workers who are forced to take a pay cut because there is no electricity at work to take a stand on 20th of March and join the shutdown and save their livestock.

We call on the taxi industry, which is witnessing a decline

... [Interjections.] ... in the number of commuters because

people are sitting at home because of electricity blackouts to take a stand on the 20th of March and join the national shutdown and save their industry.

The reality is that no longer Mr Ramaphosa remains a President of this country. The more likely it is that South Africa will remain in the dark and that future generations will not have a country to inherit.

We didn’t need Andre de Ruyter to tell us that ANC is looting at Eskom, we know that. We didn’t need the ANC to tell us Andre de Ruyter is incompetent, we know that.

The future of South Africa ...

The CHAIRPERSON (Ms R M M Lesoma): Hon Ceza, there is a point of order. Hon Ceza, just one minute.

Hon Nhlagongwe?

Ms N P MAHLO: Chairperson, I’m sorry my video will not be on because of electricity problem here. But my point is that: Will the member allow me to ask a question?

The CHAIRPERSON (Ms R M M Lesoma): Hon Ceza, there’s a question!

Mr K CEZA: No, when I’m finished with the debate, Chair.

The CHAIRPERSON (Ms R M M Lesoma): The member won’t take a question.

Proceed!

Mr K CEZA: We didn’t need the ANC to tell us Andre de Ruyter is competent, we know that. The EFF is the only political party that warned you against the incompetent and arrogant de Ruyter.

The future of South Africa’s electricity generation is in the maintenance of the existing fleet, the competition of Kusile and Medupi, and the building of the state-owned renewable energy not Independent Power Producers, IPP.

The future of South Africa’s electricity generation is coal, with technology that will allow carbon capture and storage.

The future of South Africa’s electricity generation and stability is dependent on the nuclear energy that is built through financial models that will not collapse the fiscus.

Lastly, House Chairperson, the so-called Minister of Electricity who is coming here, appointed by Davos agreement that Mr Ramaphosa agreed to, to facilitate the complete collapse of Eskom will not find a President. He is going to go on the 20th of March. Thank you very much.

Inkosi E M BUTHELEZI: Hon Chairperson, the subject we are discussing today perfectly reveals that the ANC-led government has failed tremendously. The ruling party has led our country to total calamity, hence the need to declare a State of Disaster to solve the issues of Eskom and more so to deploy the Minister of Electricity. We cannot say that we are surprised by this. When you look at the mandate of all state- owned entities, SOEs, the truth is that all of them are working against the very same mandate or reason they were established.

Eskom was supposed to create job opportunities. Instead, it has contributed to a wave of job losses. It was supposed to develop skills in the country. Instead, we have seen many

qualified engineers leaving the country for better opportunities overseas. It was intended to generate profit but we all know that as we speak Eskom is running at a loss. All of this because of the ruling party.

It is a fact that Eskom has been plundered by an overwhelming amount of political interference and that the entity no longer has the autonomy to make decisions that would foster its growth and development. With the declaration of the State of Disaster and knowing the true character of the ANC, we do not trust that anything will change.

As far as the ANC is concerned, the State of Disaster is just a gateway to loot money, as we saw during the COVID-19 pandemic. To the ANC, the ... [Inaudible.] ... of regulations means an easy way to channel money to their friends and associates. Therefore, the people of South Africa should actually not be hopeful that anything will ever change.

The announcement of a new Minister by the President makes no sense. We do not need a new Minister as Eskom is under the Ministry of Public Enterprises already. We should view this appointment, not as a solution to the ailing entity but as a reward to one of its cadres at the expense of taxpayers.

The ANC has dropped the ball. The ANC no longer has the capacity to redeem itself. Therefore, South Africans deserve better. They deserve leaders who will respect them; leaders with integrity. They deserve leaders with a true sense of duty and a willingness to serve. Unfortunately, these are things you cannot find in the ANC anymore.

In this darkness that we find ourselves in, an opportunity presents itself next year for people to do that which is right; for South Africans to elect leaders they deserve, who have integrity, who are respectful and who will serve them. These characters are the very essence of IFP leaders. We must rid ourselves of the rot and cut away the cancer, which is the ANC, that corrodes our country. In order to restore our country back onto the trajectory of recovery and growth, let us not repeat the same mistake of trusting the dishonest ANC. I thank you, hon Chair. [Interjections.]

Dr P J GROENEWALD: Hon Chair, firstly, we must put this State of Disaster in context. The crisis we are in didn’t start yesterday or a year or two ago. This is a crisis of 16 years. We started with load shedding in 2007. In 2015, there was even a war room against load shedding established by former President Zuma, where the present President was in charge. So,

what we are dealing with here is a disaster created by the government itself.

You cannot allow ... a disaster cannot be solved by the same people who created the disaster ... and expect them to solve the disaster. Therefore, the ANC government just won’t be able to solve this problem. The proof is also in the fact that on

9 February the President declared a State of Disaster.

A State of Disaster is there ... to act swiftly and to solve the disaster. We waited almost 21 days before the regulations were proclaimed and it is only a broad framework. We are still waiting for the directives from the different departments that have to deal with this matter. So, there is no urgency from the government to deal with this disaster. If they did have that urgency, they wouldn’t have waited so long.

Also, the fact of the matter is that there is proof that the government cannot deal with disasters. From 2018 to 2020 we had a national drought disaster. The ANC government couldn’t solve the problem and couldn’t ensure that the appropriate monies reached those people it was supposed to reach.

Therefore, you cannot trust the ANC government with a disaster, especially a disaster created by them.

The reason is that we also have proof that the disasters are only misused to steal taxpayers’ money. We can go back to the COVID-19 State of Disaster. The President also said then that the Treasury with the Auditor-General would ensure that there was no corruption. However, in the end we had billions of rand stolen from taxpayers.

*Afrikaans*:

Die ANC beskik eenvoudig nie oor die vermoë om ’n ramptoestand te kan hanteer nie. Die groot ramp in Suid-Afrika is juis die ANC regering. Hulle moet eers hul eie ramptoestand oplos alvorens hulle die elektrisiteitsramptoestand kan oplos.

*English*:

There must be no doubt that the only way to solve this disaster is by a change in government. Therefore, it is for the electorate to solve this disaster by voting the ANC out of government next year. I thank you.

Mr W M THRING: Hon House Chairperson, the ACDP is aware that the newly gazetted National State of Disaster regulations aim to assist, protect and provide relief to the public; protect property; prevent and combat disruption; and to deal with the destructive nature and other effects of the disaster by

minimising the impact of load shedding on livelihoods, the economy, policing functions, national security, security services, education services, health services, water services, food security, communications and municipal services, among others.

All of these measures should have been in place and

implemented before and without a National State of Disaster. They are measures which are indicative of poor governance. The

same can be said of the appointment of a Minister of Electricity. The regulations may have been palatable had it

not been for the fact that the originators of the disaster regulations are responsible for the disaster itself.

The ACDP has from the outset indicated that we are opposed to the declaration of a National State of Disaster, largely due

to the fact that the last State of Disaster was supposed to protect lives and livelihoods, yet despite one of the harshest

lockdowns in the world, with some of the most ludicrous regulations, South Africa had the highest mortality rate of all African countries. Additionally, we lost some three million jobs in the process, adding to the burden on livelihoods. During that last State of Disaster, the constitutional mandate of Members of Parliament to hold

Ministers and Cabinet to account, particularly with the passing of national legislation, was often bypassed.

President Cyril Ramaphosa's statement that government is not

constitutionally obligated to provide South Africans with electricity is an insensitive, cowardly and shameful attempt

at deflecting responsibility, while billions of rand are

siphoned off and the feeding frenzy continues. All of this while South Africans strain under the weight of increased

crime, poverty, unemployment and a crumbling health sector where lives are lost due to load shedding.

The ANC and Eskom have become the greatest threat to South

Africa, and come 2024 we call on South Africans to choose

caring, ethical and trustworthy leaders, such as are found in the ACDP. I thank you.

Ms T L MARAWU: Hon Chairperson, the National Disaster in electricity is a self-inflicted programme with the ANC in government. Mr Ramaphosa himself is at the centre of Eskom mess. Around 2014-15 he was assigned by former President Zuma to lead what was called Eskom tomorrow. We later learned ... [Inaudible.] ... on the commission that, in fact, the move was futile for Eskom.

Mr Molefe makes studying revelation about what can be characterised as Ramaphosa Glencore ... [Inaudible.] ... Mr Molefe further told us that Ramaphosa supported the exorbitant licence demanded by Glencore even at the risk of corrupt of bankruptcy in Eskom. Mr Molefe also revealed that when Mr Ramaphosa was the Deputy President of the Republic he was also a Director of Glencore. It is incurious why Volta Omicron the entire triplanes report.

In a recent answering affidavit of Andre De Ruiter, the Chief Executive Officer of Eskom in the use end place. More shocking corruption revelations are made. Under reveal that ... [Inaudible.] ... company that had a joint venture are in the ANC investment company Councillor House was awarded Kusile and Medupi contract without following procedures. He goes on to say Councillor House encouraged to use its political influence to ensure that it obtain contract from Eskom and Councillor House some dividends based of profits derived from the Medupi and Kusile contract.

From De Ruiter affidavit we now know the design problems of these plants are as a result of persistency which, which are customised to fit in what I ... [Inaudible.] ... There is much more in the answering affidavit including cartels that were

working with the ANC government. The country is suffering today because of the ANC shenanigans and some criminals syndicate. Today we are told that we have a disaster and the relation to manage and counsel ANC criminally.

Mr Ramaphosa in his own affidavit says he and the national government have no legal duty to end loadshedding. If that is so why does Mr Ramaphosa take upon himself to appoint a Minister to oversee something he and his Cabinet have no legal duty at all. Where exactly will this Minister derive his money if his boss does not have original legal duty. Is this appointment another element of corruption for some to be atonement between the Luthuli House and the emergency procurement under the National Disaster guide so that the ANC Cronies can continue looting. The ATM oppose to both the declaration of the National Disaster in electricity and the appointment of the Electricity Minister. ATM rejects corruption no matter how well flouted is. SA deserves better. I thank you, Chair.

Ms J TSHABALALA: Chair, can you confirm if I am audible enough.

The HOUSE CHAIRPERSON (Ms R M M Lesoma): You are loud and clear, ma’am.

Ms J TSHABALALA: Thank you so much. Chair, let me greet all Members of Parliament, viewers at home, members of the executive, Ministers, Deputy Ministers, the Chief Whip of the Majority Party ...

*Tshivenḓa:*

Mufumakadzi Vho J TSHABALALA: ... Ndi ri ndi masiari. Ri khou tenda zwauri vhathu vho vuwa zwavhuḓi.

*English*:

Now Chair, in this debate that we are debating I think I want to put it categorically clear that as the ANC, we support the pronouncement of the State of Disaster declared by the President of the Republic of South Africa and I want to say definitely this is the step in the right direction and we believe that indeed the erection of the Minister of Electricity will bring about the change that we need and resolve the crisis that we are facing in this country, and there is no one who is going to remove this sitting President because the citizens of South Africa would have voted the President of the country through the democratic process. So,

these allusions that we are hearing that the President can be just removed because of some shut down, that shut downs the economy that stops everything that needs to happen in this country is really a shameful analogy.

But nonetheless Chair, let me get to the speech. I want to say today Eskom, hon Chair, was created as a stand-owned enterprises for the supply of electricity to the mining, agriculture, industry as well as domestic users, namely, the white minority of the population, mostly black people not only face economic exclusion under apartheid but also face exclusion from the housing and basic services such as electricity.

At the down of democracy when President Mandela took over an office Ian MacRae asked President Mandela, what are you going to do with Eskom and the President replied that I will not do anything with Eskom as long as Eskom keeps on connecting poor communities and black people in particular to the cheap electricity. Now President Mandela went on and further said that he intended to do about Eskom, he replied that it had to supply electricity to most of the people, especially the poor. This was the commencement of the process to correct the historical injustice of the past.

Now people who are coming here and saying President is putting another Minister doing something that has not been there, it has been done immediately when the down of democracy came in Eskom was left into debt by the apartheid regime. Eskom was in shambles and President Mandela had to take Eskom and put it in his office in the presidency. So, people must go back and study the history.

Now to continue, hon Chair, as ... [Interjections.] ... Chair, somebody mute at me. I don’t know ... [Inaudible.] ... Can that be corrected, please.

The HOUSE CHAIRPERSON (Ms R M M Lesoma): Time Table, unmute, please. Time Table, I can see that there is a ... [Inaudible.]

...

Ms J TSHABALALA Yes, I hope you also add my minutes, Chairperson.

The HOUSE CHAIRPERSON (Ms R M M Lesoma): ... [Inaudible.] ...

Ms J TSHABALALA: Yes. I hope you also add my minutes when I was muted. Can I continue, Chair.

The HOUSE CHAIRPERSON (Ms R M M Lesoma): ... [Inaudible.] ...

Ms J TSHABALALA: Chairperson, what is apparent in this debate is that opposition parties are insistent that genuine measures to proactively respond to the dramatic rise in the loadshedding. However, all they have been doing since they started has been campaigning, which is very shameful.

Now the ACDP suggest in its own manifesto that it will ... [Inaudible.] ... Eskom unreliable supply electricity. It says to the nation it will amend the regulatory environment to allow independent developers to step up our plants up to

200 megawatts. It says it will allow municipalities that are in good financial standing to generate and purchase power from independent power producers. Now moving further this really what it stems out to do unfortunately evidence across multiple reliable and accurate data sets indicate that the ANC-led government has implemented what the ACDP persist as a silver bullet to Eskom unreliable supply of electricity and yet exposure to loadshedding is the rapidly increasing around the country as many businesses, households are experiencing higher losses and greater damage than in the past. The example of the ACDP solution to Eskom unreliable supply of electricity may sound over simplistic but what is the intend to illustrate is

that despite the effective measures put in place the respond to the loadshedding has been sluggish and with long legs.

That’s emphasises must shift in particular the increasing impacts of loadshedding request a thinking and approaches to be resilience into the government effective loadshedding responses importantly that catalyst in this direction are the declaration of the National State of Disaster and the propose introduction of the Minister of Electricity, which are influential in giving impetus to the realisation of energy security in the country. This means that the National State of Disaster and the proposed Minister of Electricity indeed are going to become strategic instead of reactive and tactical response.

In the effort to realise energy security in the absence of the National State of Disaster and the proposed Minister of Electricity loadshedding will likely have regressive income and well effect to major ways. First, unreliable supply reduces electricity output below and household in caring additional expenses that could otherwise be invested productively. This is partly the reason why the government has introduced the solar panel text incentives and I hope hon members are listening because the President has spoken about this text incentives to encourage individual and business to

invest in the clean energy electricity generation capacity, which can supplement electricity supply, electricity tariffs end of setting the usage of expensive Open Cycle Gas Turbine, which in the turn undermines the provision of electricity at affordable prices to improve healthcare and literacy in the country.

Hon Chair, loadshedding and especially at any stage beyond stage two run counter to the wishes of the late Mama Winifred Mandela, who unashamedly remarked that, “I will not allow the selfless efforts of my husband and his friends to be abandoned. I will continue the struggle for a free and equal South Africa”. Unlike this EFF, the ANC is unwilling to fold its arms and wait for mamas before it can address loadshedding with promising results.

Now there is this hon Cachalia, who comes here and who speaks something that I think ... [Inaudible.] ...

The HOUSE CHAIRPERSON (Ms R M M Lesoma): Hon Tshabalala, switch off your ...

Ms J TSHABALALA: Is it okay now. You want me to switch off my video. Do you hear me?

The CHIEF WHIP OF THE MAJORITY PARTY: You are okay; the Chair is lost.

Ms J TSHABALALA: The Chair is the one who is lost. Thank you so much. So, I was saying unlike this DA, this Cachalia, the Chair was supposed to make him withdraw that comment when he speaks and say former President Mbeki stupidity. For me that member is not able to answer for himself and is supposed to make him withdraw that statement.

But let me speak to the theatrics of the DA an opportunism of this DA. Today, we congratulate a new mayor that we have in the City of Tshwane, a City that we have today Dr Makwarela that has been really erected because this DA major run amock that City the amounts to billions they could not even speak about in the City of Tshwane. Now this is what they are not telling people. They have not been giving poor people and citizens of Tshwane service delivery. The next this member comes here and say to us there is a yoyo that is happening around the State of Disaster.

It shows that this party doesn’t want solution. The same party that went ahead and asked the President to declare State of National Disaster. When President does that the same party

comes back again and takes the government to court. Indeed, the DA has run out of ideas. It does not want the country to also move ahead so that we are able to resolve this issue together. So, clearly this country deserves the better opposition party not this DA that we are having.

Coming to the point, hon Chairperson, at this point I can tell you the effect of this DA logic is that National Disaster is an ocastrated master plan by the ANC to perpetuate corruption in the effort to generate more revenue to overcome the campaign finance constraints ahead of 2024 nationally and provincially election. Despite President Ramaphosa’s announcement the procurement under the National State of Disaster would be undertaken with transparency and proper oversight to real time audit. What is surprising is that hon Cachalia you are disturbing me. The DA fails to make special mention of the eight officials that were arrested in the ... [Interjections.] ...

Mr G K Y CACHALIA: We don’t have the Chairperson and there is no time keeping being kept. Hon Tshabalala ... [Inaudible.]

... [Interjections.] ...

Mr J TSHABALALA: My time keeping has been taken the time I was muted. [Interjections.] No, there is no time that is finished. [Interjections.]

The CHIEF WHIP OF THE MAJORITY PARTY: Table Staff can you mute everyone. Table Staff can you assist us to mute everyone.

Ms H O MKHALIPI: Including hon Tshabalala.

The CHIEF WHIP OF THE MAJORITY PARTY: I said everyone. I said let everyone be muted. The Chair or the presiding officer has connectivity challenges. We are trying to sort out that.

Nobody must talk now. Please, just for a minute, hon members. Just be patient a little bit, hon members, please we are trying to sort out the presiding officer.

The HOUSE CHAIRPERSON (Ms M G Boroto): Good afternoon, hon members. I want to apologise for what has happened. The next speaker is, hon Tshabalala. Hon Tshabalala?

Ms J TSHABALALA: Yes. Thank you, House Chair.

The HOUSE CHAIRPERSON (Ms M G Boroto): I just want to find from the NA members if you still had time.

Ms J TSHABALALA: Yes, please.

The CHIEF WHIP OF THE MAJORITY PARTY: They hope, Mama Boroto, you have not been disconnected because there is loadshedding in Kempton Park. Mama Boroto, are you on the platform.

The HOUSE CHAIRPERSON (Ms M G Boroto): Yes. I am back now.

The CHIEF WHIP OF THE MAJORITY PARTY: Thank you.

The HOUSE CHAIRPERSON (Ms M G Boroto): I have consulted with the NA Table. The hon member still had one minute to conclude speech. You may proceed.

Ms J TSHABALALA: Thank you so much, House Chair. House Chair, I want to say unfortunately De Ruyter basically left Eskom in a disturbing and disastrous position. The utility was free from the time he took over. Effective ownership between Eskom and municipalities is essential when effective respond to loadshedding in particular the National State of Disaster which certainly further the collaborative effort between Eskom and the Deputy President to increase the effort to help the government tackle the municipality debts, which increase by R9,5 billion to R44 billion in the previous financial year and

it estimated to be increased by almost R1 billion in each and every month. Therefore, hon House Chair, I want to say we support the State of Disaster. We are happy. We are very excited that the opposition DA is ... [Inaudible.] ... Thank you.

Mr W M MADISHA: Hon House Chairperson, the space in which South Africa is swimming in today, is not an earth quake and not as Moeletsi Mbeki correctly puts it, a problem of money, but a crisis of governance is. As I put it to the President during Sona, the Special Investigating Unit, SIU, presented the report to the Presidency more than five years ago, after having investigated the electricity problems in 2008, 2012 and 2017.

In 2008, only R14,5 trillion was paid for emergency coal as the country faced load shedding. That was as the SIU put it “self-created emergency”, it was corruption. Just because those who are properly and powerfully true purported to give themselves, gave themselves more than 10 years of contracts to ensure that they achieve that they wanted to achieve.

We know that the Presidency did not release the 2017 SIU report. Proving that the identified leaders had stolen from

...

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Madisha, you are hung. Or is it my earphone.

The CHIEF WHIP OF THE MAJORITY PARTY: Hon House Chairperson, no it is him. He must close the video.

Mr W M MADISHA: We know that in 2019-20 Eskom demanded ...

Alright.

*Sepedi*:

Le a nkwa, akere.

*English*:

Hello!

The HOUSE CHAIRPERSON (Ms M G Boroto): Yes. Proceed hon Madisha.

Mr W M MADISHA: Thank you, hon House Chairperson.

I was saying that we know that in 2019-20, Eskom demanded R1,83 trillion. Even then more was stolen. I can give more information, but it is known if you can check that report. However that really it is a very serious problem because again the Presidency of South Africa did not act.

We know that coal which is a primary resource for electricity in South Africa is corruptly and exported to beyond our seas by the so-called powerful, their relatives and friends. Those so-called powerful collect money from the background. For all these to be stopped, Cope says please implement what the SIU gave you.

Arrest the corrupt investors, their relatives and of course their connections.

Appointing a new Minister is a waste of time and money. It is proof that South Africa ... [Time expired.]

Mr K J MILEHAM: Hon House Chairperson, yesterday Eskom turned a 100-years-old. In that time it has gone from being the best electricity utility globally, with the fifth largest generation capacity in the world some 25-years ago, to the worst, unable to meet the daily needs. There can be no doubt

that Eskom and our electricity sector are a disaster. The blame for that disaster must be put firmly at the feet of the ANC. It was the ANC-led government that failed to build a generation capacity in the late 1990s and the early 2000s.

Despite their own government policy document, the White Paper on energy identifying the critical need for such a built programme, it was and is an ANC-led government who created policy uncertainty and a regulatory mind fuel for new generation.

It was an ANC-led government who deployed incompetent cadres to manage Eskom. It was the ANC-led government who gave contracts to politically linked entities and individuals.

Entities like the Chancellor House, the ANC’s investment arm and individuals like the Guptas. It was and is the ANC who to paraphrase in the words of the outgoing chief executive officer, CEO, André De Ruyter, used Eskom as a feeding trot to enrich themselves and their cronies.

Hon Tshabalala, it is not the quality of opposition that is the problem, it is the utter failure of the ANC-led government.

When the state of disaster was declared on 9 February, the reasonable person would have expected the government to be ready to go. They have known about their plans weeks after all and yet, it took nearly three weeks for the Minister of Co- operative Governance and Traditional Affairs, to promulgate regulations for the state of disaster. Eventually doing so on

27 February. The wanted Minister of Electricity has still not being appointed. No parliamentary oversight processes have been put in place to ensure that there are appropriate checks and balances for the state of disaster. And it is for these reason that the DA is currently in court challenging the Disaster Management Act. Not because we think that the Act is unnecessary, but because we believe that Parliament has abrogated its responsibilities and effectively created an unaccountable executive that has absolutely no oversight over its activities. We now have no less than five Ministers responsible for or involved in electricity generation.

Do you want to know why our electricity sector is a disaster? This is a clear indicator. Can you imagine trying to get Pravin Gordhan, Gwede Mantashe, Enoch Godongwana, Nkosazana Dlamini-Zuma and the new Minister of Electricity agreeing on a rapid efficient response to any disaster, let alone a technical crisis like this one?

The regulations that are now been promulgated are wide- ranging. While we welcome any initiative to fast-track new generation they raise a number of concerns. Not the least among these are the discretionary powers of the auditor Ministers to issue directions and the only person they need to consult is the Minister of Co-operative Governance and Traditional Affairs. Not the public, not the industry expects and certainly not Parliament.

The broad scope of the objects of the regulations means that the ANC is affectively empowering itself to govern by Projector, Infantry, Anti-Tank, Piat. The power to exert existing generation facilities from applying for the National Environmental Act and any other environmental legislation or regulations, potentially means that both Koebergs’s life extinction project and the minimum emissions standards work on Eskom’s coal fleet would no longer have go through an environmental impact assessment processes or meet our climate change commitments. We are deeply extremely concerned that these regulations will be used to open the door to long-term expensive and quite frankly, questionably electricity generation like the karpowerships.

Furthermore, it is utterly bizarre that in the time of crises when all the other rules are being thrown out of the window, we are still forcing compliance with the preferential Procurement Policy Framework Act, an Act which is an impediment to free trade in its roll-out of its renewables makes it difficult for Eskom to procure parts is inherently exclusionary and drives up costs. Instead of opening up procurement to any supplier who can provide the much needed goods and services at a reasonable price.

This again, reinforces the perception that this state of disaster was implemented to exclude many capable legitimate South African businesses and enable the ANC cadres to loot freely. It is common cause that South Africa desperately needs every kilowatt it can get. Our economy is floundering, our people are suffering because we cannot guarantee a stable supply of electricity. We should be seeking to streamline our processes, incentivising investment and building resilience.

However, we can do that without compromising our checks and balances. Our oversight role and our ability to hold the executive to account. We cannot afford to allow the ANC yet another unfretted opportunity to plunder the state’s coffers and profit at the country’s expense. We know the adverse

effects decades of state capture have had on our electricity sector. We know that the ANC has repeatedly failed to hold those responsible accountable.

To date, not one Minister has appeared in court or being jailed or even dismissed for their role in looting Eskom and hamstringing our ability to grow the new generation capacity. We know that there are serious questions and even sitting Ministers like Gwede Mantashe and Pravin Gordhan must answer.

All of which backs the question: Why is the ANC so determined not to allow Parliament to have effective oversight over the Presidency, the Minister of Electricity and the state of disaster? The answer can only be that it would limit their ability to eat.

True energy security and economic growth would not come from a state of disaster managed by ANC cadres and cronies, but from a responsive, progressive government, like that of a DA run Western Cape that is building an energy future, not living in the failing ... [Inaudible.] Thank you, House Chairperson. [Time expired.]

Mr K E MAGAXA: Chairperson, the declaration of a national state of disaster and the proposed Minister of Electricity has experienced a lot of opposition and attacks from our opposition benches, but interestingly there is no one among them who is coming up with a better solution than that one.

Instead all of them, they are talking wishes. They wish that the ANC can only be removed from power. It was worse when the member of the FFPlus come and say the only solution is to remove the ANC. Why they cannot understand the simple reality? That they came here in 2019 with that representative of four- five people and they will only get extra to remove the ANC when we all go to renew our mandate in 2024 election.

Members of the Opposition must not fool themselves by thinking that when they are frustrated with the ANC here, they will just sleep and come up tomorrow and make noise that the ANC must be removed out of power. It is not simple as that even if you can all come together and form a coalition, you won’t remove the ANC until we all go and seek mandate as per our Constitution.

Recently, this kind of an alliance between Outa which is an NGO, FFPlus, DA, which are lodging an application for an urgent interdict against this national state of disaster on

the basis that there is already legislation in place, such as Electricity Regulation Act and the 2019 Integrated Resource Plan that allowed the government to respond effectively and deal decisively with the electric crisis. Similarly, section

16 of the Public Finance Management Act grants the Minister of Finance extraordinary powers to authorise the use of public funds to respond to the unprecedented events of emergence without going through to parliamentary processes.

Outa’s arguments are shared by the DA solidary and all other right-wing forces of pre1994. Firstly, the argument they put that the Electricity Regulation Act and the 2019 RIP already empowered the Minister of Finance and Minister of Energy is to procure new generation capacity from different types of energy resources to respond to the electricity crisis, it’s not self- evident and deserve an explanation. To understand why this is the case, Outa, DA and Solidarity must consider the procurement of new generation capacity goes through six procurement stages, including financial and legal clauses.

Therefore, the procurement process takes about six to eight months before the preferred IPP bidder is announced. In addition, the preferred IPP bidders are granted 24 months to consult the plan subsequent to supply electricity into the

Eskom grid. Therefore, exposure to load shedding and unreliable supply of electricity will not be addressed expediently due to this lengthy procurement process timeframe. Unless the state of national disaster is declared to set aside some of the requirements image in the IPP procurement process. Moreover, even if some of the requirements in the IPP procurement process were to be set aside to enable the faster supply of new generation capacity onto the Eskom grid. There is no empirical evidence indicating that IPPs are capable of setting reduction in Eskom’s generation capacity to meet the demand of consumers. In other words, when Eskom’s generation capacity declines, the IPPs can increase their supply, but they cannot replace the same volume of air Eskom supply reduction. As such, fixing Eskom for base load supply while increasing new generation capacity through renewables and green energy sources from IPPs will ensure that supply can meet the country’s high electricity demand. But fixing Eskom for base load supply requires an efficiency ... [Inaudible.]

... supply with an extra and ...[Inaudible.] ... at a low cost ideal located in South Africa as per Preferential Act.

The PFMA supply chain management dictates that accounting officers at Eskom must invite Eskom competitive bids for all procurements of goods and services above R1 million. The

question obviously arises of whether the requirements and the instructions of the PPPMA and PFMA enable Eskom to procure critical skills and parts to conduct reliable maintenance, to increase its energy available factor within a short space of time. The answer to that it’s a big, no.

Eskom has an occasion lamented that it is unable to secure these related critical skills and parts partly due to local manufacturers that lack the high level of skills and complex technologies, to produce parts in line with the specification required by utility and partly because of the competitive tender process, which is not only an ... [Inaudible.] ... process but also limit the possibility of procuring services from other state entities with engineering capacity such as Council for Science and the ... [Inaudible.] ... research.

This shows that the ANC-led government is declaring the state of national disaster to minimise the procurement requirement and instruction inherent the PPFA and the PFMA. You will understand those things if the capacity to govern ...

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Magaxa, you can switch off your video. Do you hear me.

Mr K E MAGAXA: Okay. The state of national disaster is not to address the short term goals of ... [Inaudible.} ... I also called the electricity crisis in the manner that enables the

...[Inaudible.] There is a growing dissatisfaction

...[Inaudible.] ... poor black and household and businesses that are able to afford the electricity they are connected to. For example they are using this tariff ... [Inaudible.] ...

*IsiZulu:*

USIHLALO WENDLU (Nk M G Boroto): Angisakuzwa.

The CHIEF WHIP OF THE MAJORITY PARTY: It has frozen.

*English:*

Hey colleagues, apologies for that. Hon members ...

Mr K E MAGAXA: I am back. Can I continue?

The HOUSE CHAIRPERSON (Ms M G Boroto]: Okay, you can continue. You still have two minutes.

Mr K E MAGAXA: The ANC will not respond to this EFF cheap politicking done to draw voters ahead of 2024 national election in the same way. It will not respond to Andre de

Ruyter ‘s claim about the ANC until he reports such claim to the relevant law enforcement agencies, including accounting to the same portfolio committees that are responsible to make an oversight in those entities. If he is still throwing that on the air, we are not going to take that serious. Instead, the ANC is declaring the national state of disaster in the spirit of the social compact to address effectively the delays in the

...[Inaudible.] ... tendencies that act as a stumbling block to the unbundling of Eskom ... Division to then raise competition ... [Inaudible.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Magaxa, you have half minute left and we really can’t hear you now. Can you just conclude.

Ms J TSHABALALA: Chairperson, can I take it as a Whip of Khaya if you cannot hear him. I will conclude in half a minute since comrade Khaya was sweeping. It is safe to say that the DA and Andre de Ruyter are two sides of the same coin, and in that interview he has revealed that corruption and political interference by the ANC-led government which were supposedly beyond his control when he was responsible for Eskom’s poor performance, inefficient management. So, we are not going to take note like Comrade Khaya is saying up until he comes to

the relevant portfolio committees, including Public Enterprises, to come and give evidence on these matters that he spoke about. We thank you, hon Chairperson.

Mr S N SWART: Thank you House Chairperson, the ACDP would like to thank all members who participated in this crucial debate given that the regulations were only gazetted this week and while Parliament has no say over the contents of the regulations or how long they will last. It has given us the opportunity to discuss the implications and we are indeed as hon Groenewald says dealing with the disaster created by the ANC itself.

Mr Mileham correctly asserts that the disaster management is to allow unfettered plundering of state coffers at taxpayers’ expense. The hon Inkosi Buthelezi says the country deserves better and we agree. Hon Mkhwanazi accuses the ACDP of electioneering. This is not true we are facing an unprecedented crisis but we are grateful to my friend hon Judith Tshabalala for electioneering on our behalf and reminding voters of the ACDP’s proposed solutions to the energy crisis and we would add that we need servant leaders who understand good stewardship of state resources where resources are used wisely, honestly and effectively.

The implementation of these regulations by various Ministers could if they are not applied properly and honestly lead to true disaster a total energy blackout that none of us want and that is the ACDP’s deepest concerns that the ANC government could well as in the past instruct Eskom to keep the lights on at all costs, to try and placate anger expressed by many South Africans who are struggling under rolling blackouts and win back support and this could mean different required maintenance and running the power stations even harder leading to a possible blackout that we all need to avoid at all costs.

Hon Chairperson, hon Cachalia says the ANC has one last chance please prove us wrong and the opposition wrong and do the right thing and ensure the lasting and efficient energy security for all in the country. I thank you.

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you very much, hon Swart. Hon members, I must apologise I am on load shedding I know is not good for the Chairperson not to be on the screen. I am actually using a phone because the bigger gadgets could not work. My apologies for that. Hon members, that concludes this debate. Thank you.

Debate concluded.

# EXPANDING DOMESTIC INVESTMENT IN INFRASTRUCTURE DEVELOPMENT TO IMPROVE ACCESS TO BASIC SERVICES FOR COMMUNITIES AND THE OVERALL PERFORMANCE OF THE LOCAL ECONOMY AS PART OF AN INCLUSIVE GROWTH AND DEVELOPMENT

(Subject for Discussion)

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon member. Order, please! We shall now proceed to the second item on the Order Paper which is a Subject for Discussion in the name of the hon Z Burns-Ncamashe on Expanding domestic investment in infrastructure development to improve access to basic services for communities and the overall performance of the local economy as part of an inclusive growth and development. I now recognise the hon Z Burns-Ncamashe.

Prince Z BURNS-NCAMASHE: Thank you very much, hon House Chair and hon members. At the outset, hon House Chair, the forecast of our struggle in the current context is to build an effective developmental state capable of transforming social and economic relations in South Africa. The President of the ANC who is also the President of the Republic, President Matamela Ramaphosa, in the January 8 Statement of the ANC highlighted the need to increase investment in infrastructure

and ensure that construction of projects is undertaken with the necessary urgency. This will improve access to basic services and increase the overall efficiency and competitiveness of the economy.

A thorough growing social and economic transformation requires an economy that is capable of growing, creating employment, reducing poverty and closing the exclusionary and inequality gap. It also requires an economy that is inclusive and in which new businesses are able to emerge and flourish where black people, women and young South Africans are able to advance at all levels and in all areas of the economy and where townships and rural economies are able to grow.

Infrastructure investment is at the heart of ensuring that this materialises. Despite the many existing challenges, the ANC remains the leading force for change in this country.

Central to the ANC’s objectives of socioeconomic transformation is the need for aggressive infrastructure development to reverse the historical legacy of coloniality and injustice of racially institutionalised apartheid exclusion.

House Chair, thus infrastructure represents the engine or rather the wheels of the economic activity in three

complimentary ways. To state the obvious, firstly, adequate and reliable infrastructure is the key factor in the ability of countries to compete in international trade and markets. For example, a reliable and efficient transport network enables a country to export commodities and finished products in addition to importing household goods and technology; secondly, on other hand infrastructure is not only for direct consumption, but for raising productivity and diversifying the production. For example, higher water quality and the ability of electricity are necessary enablers to shift production from raw agricultural and mineral commodities to process foods and goods; and thirdly, more importantly, hon House Chairperson, the infrastructure has a positive impact on improving quality of life and reducing poverty considering the following illustrative examples: access to clean water and sanitation, reduces mortality and mobility rates among the poor while ... [Inaudible.] ... to effective public transport is a key factor in the ability of the poor to obtain employment.

The fact is that the investment in infrastructure is significantly correlated with the economic growth and inclusive development. This is premise on our ideological and practical believe that there is no development that can be led by private entities without the central involvement of the

state. The need for infrastructure development was the premise on the understanding that only a capable and ethical state can deliver sustainable infrastructure even to the most remote areas in this country without considering only profit as the primary driver of development, but a response to social service. The state leading and playing a central role in infrastructure which is largely aimed at crowding in private sector investment as an important part of the economic recovery effort.

In this regard, the state needs to urgently bolster its technical and financial engineering capability to achieve the desired rates of investment. The ANC-led government has a clear focus on infrastructure development as part of the implementation of the Economic Reconstruction and Recovery Plan. The Economic Reconstruction and Recovery Plan was developed to respond to low economic growth and the economic efforts of the coronavirus disease 2019, Covid-19, pandemic. The plan is an infrastructure driven plan which focuses on the development of microeconomics through localisation and industrialisation. It seeks to develop small, medium and micro enterprises, SMMEs, in local areas to industrial parks in urban areas and both primary production and agro-processing in rural areas.

The government has also determined that local markets and development need to be linked to the implementation of the District Development Model. Critical to infrastructure development and implementation of the Economic Reconstruction and Recovery Plan through the District Development Model, DDM, is to reverse challenges of poverty, inequality, unemployment and historical economic exclusion. Therefore, the District Development Model envisages integrated local economic planning and infrastructure development. This is based on both public and private sector participation whose success also depend on creating infrastructure projects which are key inputs for human settlements and economic development such as water, electricity and transport.

In the local government sphere the entities such as municipal infrastructure support agent which is already doing good work in support for municipalities in their quest to reverse the infrastructure backlogs needs to be capacitated to do more to help municipalities to build their own capacities.

Infrastructure development, therefore, House Chairperson, is one of the key drivers for any economy to ensure inclusive economic development and growth. Infrastructure development has an impact on the economy to various demand and supply networks. Investment in technology, energy, manufacturing,

transport networks and telecommunications directly creates jobs for communities and impacts on the growth of the economy. Infrastructure development plays an important role in the development of local economies fund in which historically financially isolated areas such as townships, informal settlements and rural areas.

Better infrastructure development will assist this historically disadvantaged areas to access information, finance and markets. In order for townships economies to grow there needs to be a well-co-ordinated and planned system that allows a simultaneous process of bottom-up and top-down approach addressing the exclusion of the vast majority of our people. The President in his state of the nation address speech highlighted the infrastructure development that it will be imperative in assisting government to achieve its quest of economic reconstruction, revitalisation and recovery. The state of the nation address articulated that through creative funding and improved capabilities government has prioritised infrastructure development through the infrastructure fund.

The fund is predominantly focus on funding projects that focus on the energy, roads and water management. An additional

R18 billion have been allocated that will be spread out from the fiscus to fund the infrastructure part. The money was

directed to the state entities to prepare them for the projects. One of the greatest obstacles to infrastructure investment is the lack of technical skills and project management capacity.

To correct this Infrastructure South Africa will utilise R600 million allocated to it for project preparation, specifically in rural and underresourced areas. This is critical in creating the inclusive economy we yearn for. Currently, there are projects worth R232 billion under construction and projects worth nearly R4 billion have been completed, thus far. These projects have had the effect of attracting investment in our economy. In Gauteng, for instance, 10 newly built factories open in the new Tshwane

auto special economic zone last year, producing parts for the new Ford Ranger bakkie. A total of 3 200 additional manufacturing jobs were created in Ford and its suppliers. The new vehicles will be exported to more than 100 countries across the world ...

*IsiXhosa:*

... siyaqhuba.

*English*:

The ANC-led government has further ensured the establishment of the Welisizwe rural bridges programme which is dedicated to deliver more bridges to society. In the ANC January 8 Statement we said that we must mobilise social partners to urgently finalise a social compact to reduce unemployment, poverty and inequality in our country. All municipalities working within the parameters of the District Development Model once developed clear local economic development plans are focused on competitive advantage and different regions of our country in sectors such as mining, tourism, agriculture, manufacturing and agro-processing.

We have made a clarion call to all ANC members and society that they need to actively campaign against local forum that hold infrastructure and development projects to ransom for tenders and jobs. We reiterate our position that infrastructure development remains a key driver of economic growth as it entails manufacturing and industrial growth.

Through increased spending in infrastructure which produces increases in aggregate demand and subsequently a growth and development of the economy.

As the ANC-led government continues with its infrastructure development projects which are well-captured in the investment

and infrastructure department in the Presidency’s plan. Infrastructure in areas like roads, telecommunication, railroads, irrigation, water supply, sanitation, ports, airports, warehousing facilities and poor supply will play a vital role and power supply. The rate of change in terms of change in the infrastructure and construction sector has not yet been as rampaged as in some sectors. The ANC understands that in order for us to revitalise our industrialisation, manufacturing and local economies, infrastructure development needs to be at the heart of this revitalisation. This will enable our economy to ... [Inaudible.] ... against deindustrialisation and develop the necessary technical skills needed to create jobs. In conclusion, House Chair, as the ANC

... [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, your time has expired. You do have time towards the end and I can take some of the time from your allocation at the end if you want to conclude your speech now.

Prince Z BURNS-NCAMASHE: Can I continue, House Chair?

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, you may and I will adjust your time at the end.

Prince Z BURNS-NCAMASHE: Okay. As the ANC we are confident that the interventions that are in place to respond to the infrastructure backlogs and challenges, particularly those located in our rural and underdevelopment provinces, will positively respond to the needs of our people and our economy at large. Those who have been given the responsibility to implement the ANC’s infrastructure programme must understand that the ANC carries the hopes and aspirations of the millions of unemployed and despondent people of this country. We dare not fail them and we will not fail them. I thank you.

Ms W R ALEXANDER: Good afternoon, House Chair. Political freedoms may have been achieved in South Africa in 1994 but economic inclusion has yet to be achieved. Unemployment affects more than one in four South Africans and four out of

10 South Africans live below the poverty line. Our society remains one of the most unequal in the world and we will not achieve these levels of economic growth if we do not change

our outlook. Transportation, power, water and telecommunications systems—underpin economic activity and remain the catalyst for growth and development within South Africa, and in turn will help reduce poverty. Only when projects generate real tangible public benefits can infrastructure gains be fully realised.

South Africa spends more than R20 billion a year on infrastructure, with local governments spending 30% of this amount. To keep pace with the projected gross domestic product, GDP, growth, however, R9 billion a year will have to be spent through 2026. After nearly three decades of democracy, the South African economy still faces serious challenges, and for our country to achieve the sustainable economic growth performance that is needed to eliminate poverty and reduce inequality, there is still a lot of work to be done.

All countries need efficient transportation, sanitation, energy and communications systems if they are to prosper and to provide a decent standard of living for their population.

In order to achieve radical economic growth and income redistribution, the government must invest in more

infrastructure, especially basic infrastructure.

This country's disappointing economic performance on multiple fronts is a reflection of its structural weakness, restricting its ability to remain resilient in an international environment of growing uncertainty. Critical infrastructure in South Africa has been rated as at risk of failure, which

indicates that the country's growth prospects, revenue generators and international competitiveness are under threat.

Infrastructure investments can be improved in three ways:

Firstly, by creating markets for infrastructure projects and services; secondly, by making infrastructure projects more

attractive for private funding; and thirdly, by redesigning

infrastructure to support radical innovation and productivity.

In order to bring about economic reforms in South Africa, many of the barriers erected by government must be removed. The DA’s market-oriented policy which de-emphasises the state interventionist approach in favour of increased individual economic freedom, will increase a more favourable investment climate and eliminate barriers to foreign investment by streamlining regulations through cutting unnecessary red tape that impede business operations.

Furthermore, a DA government would encourage private-sector development through favourable policies to stimulate local economies by promoting entrepreneurship and job creation.

That’s just the start.

There is still an upward spiralling inflation, sky-high unemployment, a decline in both foreign and domestic private investment, a decline in the GDP per capita, exorbitant living costs, potential food insecurities and political instability in the current fiscal environment. Economic growth will be modest, if positive at all. Poor governance at local, provincial and national levels further exacerbates these issues. With barely functioning state-owned enterprises and corruption on an apocalyptic scale, we face an uphill battle to redirect.

In order to achieve a radical reduction in poverty and unemployment, we would need to raise economic growth on an average of 5% annually. However, the reality is that the growth rate was only 2,5% in 2022 and it is likely to remain less than 1% for the remainder of the 2023-24 period. We can all agree that there is a lot of work to be done. The top priority would be political willingness to see our country prosper and to root ... [No audio] ... that we are polluting our government.

We are regularly exposed to reports by portfolio Ministers, provincial premiers, local mayors and the President telling us all is well with this country. You need only walk in the

streets in a neighbourhood near you to realise how far removed the ANC government is from reality. Planning 101 starts with firstly identifying the issue ... [Inaudible.] ... the ANC government that would ... [Inaudible.] ... sector. We can’t grow this country on disillusionment or the misinformation of the current sitting government, and if you need any further convincing, the man on the street will tell you the real state of this nation.

Mr L N MANGCU: Thank you, hon House Chair. Good afternoon. I trust I am audible, I have load shedding where I am.

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, you are audible, hon member. You can keep your video off, and you may proceed with your input.

Mr L N MANGCU: Thank you very much, House Chair. Good afternoon members, and good afternoon to everyone. It is always very disturbing for a person that you are told it’s her maiden speech, comes around and starts campaigning in such a critical debate. I agree with the hon member that, we need to walk in the streets so that we can see what people are going through. Some of us live in Gauteng, and we have walked the streets of Tshwane under the DA government.

We knew and we could see the collapse and decay of the DA government under our hat. We have also walked the streets of Johannesburg, and we could see where litter is not picked up and the grass is not cut. We could also see the cutting of the red tape that the member is talking about, which led the City of Tshwane to be in a mess, according to the report of the Auditor-General. So, in your maiden speech, do not throw stones at glass houses if you live in one.

Chairperson and hon members, the challenges that are confronting the South African economy have overtime worsen, by sustained low levels of investment and growth in the economy. The economy has also experienced a series of downgrades, including the state-owned enterprises, SOEs. This has impacted adversely on the cost of borrowing. In addition, low levels of growth and challenges pertaining to revenue leakages, have also impacted negatively on resource mobilisation.

These challenges, coupled with an increasing deficit and a rising stock of debt, have constrained the fiscal states. To break the stronghold of these challenges and other economic constraints, it requires a plan that will assist this country to take an advantage of the opportunities presented by the global economy that is also on a mend. That plan is the plan

that the President of this country outlined, amongst other things, in his state of the nation address, Sona, 2023.

The outbreak of COVID-19 pandemic in March 2020, found a vulnerable South African economy, in fact, at a time the pandemic has reached the country’ shores, our economy has already experienced two consecutive quarters of recession. Consequent to the COVID-19 pandemic, was a deepened economic crisis. The provision of infrastructure, therefore, plays a major role in influencing the nature and level of social, cultural and economic activities in the public realm.

The infrastructure can and must deliver the benefits of the economic growth and improve access to basic services for communities. A critical part of expanding domestic investment in the infrastructure development as part of the economic reconstruction and recovery plan, is the development of transport infrastructure, especially, rail and roads. Another important part of improving access to basic services for communities, is an investment to public transport which the government of the ANC, I may add that, it has committed to it, in the form of rail and roads.

A unique feature of the South African economy is that, despite the geographical spread of the population, there is a distinguishable concentration in certain areas of the agricultural and mining economies, as an example. Moreover, the historical exclusion from the economic activities of the majority of the country’s black population and apartheid spatial planning of locating blacks furthest away from economic activities, which is still happening in Cape Town, means that an efficient public transport system at the cheapest possible costs for the poor, is a necessity for an inclusive economic growth.

Chairperson, the important productive sectors of the economy are inland, and they require road and rail to reach the seaports for imports and exports. A number of commuter rail recovery projects have commenced under the ANC government, directly expanding the domestic investments, and improving and or restoring basic services to the local communities. Some of these are the restoration of the Mabopane line in Tshwane, and the Central lines in Cape Town.

The Passenger Rail of Agency of SA, Prasa, received a budget of about R14 billion for the revitalisation of 33 stations, and thus far, they have been fully refurbished. The Prasa

board and management, have the responsibility to ensure that the projects are embarked upon timeously, and that they are executed within the prescribed time and budget. House Chairperson and hon members, it is important that the entity develops a requisite project management capacity, for the development of the remainder of the stations and corridors.

This government’s programme is geared towards the working class and poor communities, gaining access to the most affordable mode of transport. Moreover, it is expected that these activities should be made accessible for the development of the local and township economies, which is fundamental in the economic development and job creation. House Chairperson, the ANC-led government will keenly focus on this development during this financial year.

On 23 March 2022, the Cabinet approved the White Paper on National Rail Policy that takes a holistic view of the trajectory of the development of the country’s rail system. This policy, not only creates policy certainty, but it also introduces structural reforms in the sector. This is intended to open up space for private sector investment, and effective economic regulation that enables equitable access to both the primary and secondary network.

While rail is a well-established industry in the country, it has operated for more than a century without a cohesive National Rail Policy, which provides a seamlessly integrated and holistic strategic direction for the sector. Over time, the challenges have weakened the efficiency of the system and it has limited its contribution to economic growth and connecting communities. The obsolete state of some of the rail infrastructure and rolling stock, the limitations of narrow gauge and the underutilisation of the existing network, presents only a few of the many challenges facing the rail sector.

The policy intends to place rail on a sound footing, to play meaningful role as a backbone of a seamlessly integrated transport value chain and be able to make a meaningful contribution to the economy. House Chairperson, the economy is starting to make slow recovery, and the unemployment has seen a reduction of about 0,2%, which must be welcomed. Transnet, however, will have to develop the ability and capacity, to ensure the speedy movement of goods from roads to rail.

For this to happen, there must be co-operation between Transnet and Prasa. Transnet Freight Rail must become commercially competitive, in order for government policy of

moving goods from roads to rail to be realised in its totality, as the progress in this regard is far too slow. House Chairperson, there must be a review of rail tariffs, as Transnet should not rely on regulated tariffs for its revenue requirements, but rather, on increasing the volume of goods and fright in the market for its profitability.

Increasingly, Transnet needs to regain its commercial position to move the agricultural products for processing or to market. The rail corridor for minerals to Richards Bay must be optimised, as the country’s coal export has increased eighth- fold since the conflict between Russia and its neighbour, Ukraine On the road freight, the SA National Roads Agency Limited, Sanral, has commenced with six major road infrastructure projects, and it has maintained a high standard for national road development and maintenance.

The recent resolution on the Gauteng Freeway Improvement Project, GFIP, commonly known as the e-tolls, will gradually ease pressure on the Sanral balance sheet, enabling the agency to continue with national road development. There must be efficient co-ordination between the three spheres of government, to ensure that budgets are appropriated and grants

are utilised, to improve the condition of our roads networks, thereby, improving the chances of public recovery.

There is a direct correlation, as the hon Burns-Ncamashe has said, between infrastructure investment and the economic growth. Therefore, the implementation of major transport and trans-sectoral investment, needs to occur sooner, rather than later, as this is a catalyst for the implementation of the Economic Reconstruction and Recovery Plan, ERRP. Chairperson, in conclusion, infrastructure investment delivery and maintenance will play a leading role in the South Africa’s economic reconstruction and recovery.

A large-scale infrastructure programme will boost aggregate demand, assist in reviving the construction industry and contribute to employment creation. Efforts will be

strengthened to attract private sector investment in the delivery of infrastructure. Hon Chair, thank you so much.

Ms B MATHULELWA: House Chairperson, am I audible?

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, hon member. You may proceed.

Ms B MATHULELWA: House Chairperson, my afternoon goes to my commander–in-chief, the President Julius Malema, commissars, fighters and the masses on the ground, allow us to first deal with the obvious confusion and misdiagnosis of the problem of infrastructure and a local economy that has crippled municipalities and characterised the ANC today. And then, we will outline some of the basic things that if done today will improve the rollout of infrastructure in municipalities.

Firstly, there is indisputable and concrete evidence to demonstrate that to end poverty, access to electricity is a prerequisite that is non-negotiable, particularly of poor households. It is impossible to imagine how we can eradicate poverty if we cannot give our people dependable and affordable electricity.

Secondly, municipalities cannot rely on third-party service providers and tenders to deliver basic infrastructure. They inflate the prices they build things that they want to fix and maintain at the additional cost within a very short space of time. They use cheap material because municipalities do not have the capacity to enforce contracts and specifications.

Thirdly, many contractors know that municipalities do not have capacity to demand accountability if they do not build much- needed water, sanitation and electricity because there are no consequences.

Fourthly, municipalities do not have sufficient resources enough to cover all the responsibilities that they are responsible for, because the current fiscal policy assumes that municipalities must sell water and electricity for profit to raise revenue.

House Chairperson, this is made worse by levels of corruption that take the little resources that can be used to build much needed infrastructure. These are some of the misdiagnosis that cause confusion that we have exposed many times in other platforms, including in debates here in Parliament and the crisis of poor infrastructure and the lack of infrastructure to basic services has now reached the crisis level. Even the government infrastructure is now cutting on infrastructure spending.

A report on capital expenditure by public sector published by Statistics of SA paints a horrifying picture. Since 2016 spending on infrastructure by government has decreased by 29%

or R82 billion, but ANC Members of Parliament want to come here and celebrate Mr Ramaphosa ribbon cutting gimmicks of opening private sector infrastructure such as Bowling property in Pretoria and the Ford Motor Company in Silverton. Expansion in domestic investment infrastructure development.

The reality is that there is no shortcut infrastructure development to improve access to basic services for communities and the overall performance of the local economy. Municipalities must be given human resources capacity to develop and plan towns and cities and plan infrastructure development in line with the future of towns and cities. We need to give municipalities capacity to develop businesses cases, to access conditional grants for social housing. Water infrastructure and all other infrastructure as a source of funding. We must insist to localisation of down and upstream components of infrastructure development. We insist to operate production of construction parts that are needed for water, sanitation and housing.

We must insist that municipalities must buy these things from local suppliers. This is the only way we will bring water, electricity and houses to our people, but we know that the ANC does not have the capacity to do any of these things. We will

take power in 2024 and demonstrate to our people that they deserve infrastructure like we are doing in the City of Johannesburg with our MMCs in public safety and health, and we will do this in Ekurhuleni, Tshwane, Mogale City and everywhere else where we will remove the DA and IFP coalition. I thank you, Chairperson.

Mr N SINGH: Thank you very much, hon Chairperson, the last speaker must be living in Cloud Cuckoo land. Let me say what the ANC has done today is given us textbook answers to how infrastructure development plays a positive role in growing the economy of any country and I fully agree with what the textbook says. The question we have to ask ourselves: Are we reaping these benefits in our country? Now if we look at what has happened in the past 25 years, we have failed to adequately invest in infrastructure and we have failed hopelessly in maintaining the existing infrastructure. As a result, most of our infrastructure is on the verge of collapse, outdated, inefficient and unreliable. Whether it is electricity, whether it is water or whatever other infrastructure. This has severely impacted the quality of life for citizens throughout the country and since February of this year, placed us in not one, but two states of national disaster, electricity, water and sanitation.

In addition, our poorly maintained roads have resulted in numerous fatalities. At the same time, the South African railway system which is the longest and the most heavily used in Africa continues to be beset by theft, poor maintenance and a lack of investment in its long outdated technology. Our electricity grid is on the verge of total collapse, whether brought to its knees through poor maintenance, Mafia style criminality, government inability, the lack of political will or a diabolical combination of these factors.

Chairperson, the fact remains that we are on the urge of the precipice and about to bear witness the socioeconomic unrest, the likes of which this country has not yet witnessed should the power grid collapse. If we want to improve access to basic services and the overall performance of the local economy, we must continue to invest in infrastructure development and what does this mean? Increasing funding to public works programmes, creating incentives for private sector investment and ensuring that projects are implemented in a timely and efficient manner.

We must also move away from fossil fuel-based energy sources and invest in renewable energy sources such as solar and wind. In addition, we must ensure that infrastructure development is

inclusive and equitable. This means making sure that projects are designed to benefit all citizens, not just the elite and the politically well-connected who seem to be getting all these contracts all the time, whether its roads, harbours whatever it is. We must also ensure that projects are carried out with minimal disruption to local communities and the environment, and we believe that by investing in infrastructure development, we can create a better and more prosperous future for South Africa and we can answer the questions in the textbook. We can improve access to basic services, create jobs and spur economic growth. It is, therefore, essential that the South African government takes necessary steps to invest in and open the legislative and regulatory spaces allowing citizens to share in being a part of the solution to this crisis and to benefit from the wealth that this country has been so abundantly blessed with.

If we engage in public- private partnership, we can go a long way like many countries are doing, but if we want to allow the state to manage state-owned enterprises, and try and think, we can do business, then we have failed the people of this country. I thank you, hon Chairperson.

Mr F J MULDER: Hon House Chairperson, governments around the world, rich and poor alike confront the problem of how to ensure their people have access to efficient, reliable, safe and affordable infrastructure services. This challenge is particularly acute in developing countries like South Africa, with many low income households and communities and where density, distance and resource availability often conspire to increase costs.

Governments and stakeholders have addressed the problem in different ways, providing a rich body of experience with policy responses to this problem. Technology and economic thinking should continue to evolve, opening up new policy options and opportunities for addressing the challenge of improving access. The quality and coverage of infrastructure services such as electricity, water, sanitation, telecommunications and transport have a major impact on living standards and economic growth. In some cases, this lack of access is due to a failure to make such services available in the regions or neighbourhoods where the poor live. In other cases, services may be present, but beyond the affordability of poor households. An understanding of why the poor lacks access is therefore critical to determining the appropriate policy response.

For much of the last century, most governments believed that the best way to provide infrastructure services to their people was through a state-owned monopoly which was mandated to provide a universal service, often within the framework of a system of uniform national tariffs. This approach was expected to take advantage of economies of scale and scope in what were thought to be naturally monopolistic activities to ensure access to stable funding for major investments and to be able to meet the goal of universal access through a system of cross subsidies between high and low-income users.

Chair, the results have been disappointing. Progress in expanding access has been slow and ineffective, particularly in the poorest communities. In South Africa state-owned monopoly provision has become synonymous with high levels of waste and inefficiency not only because of poor governance, corruption and state capture but because of bad socialistic and communistic government policies.

Those denied access to formal services have responded by seeking substitutes where the real, per unit, costs are high relative to the costs of services provided through formal networks. In addition, they may face high non-monetary costs, such as the cost of time women or children spend gathering

firewood or fetching water, rather than attending school or pursuing income generating activities.

Through much of the twentieth century, by contrast, the provision of formal network infrastructure services was in most countries the sole prerogative of state-owned monopolies. At the same time, many of the poorest citizens of developing countries continued to rely on non-public services whether self-provision, or purchases from small, often informal, private vendors.

The current South African Government centralisation policies for the provision of infrastructure and economic growth is not in step with reality and should be redesigned in totality.

Thank you, Chair.

*IsiXhosa*:

Mnu G G MPUMZA: Sihlalo weNdlu ...

*English*:

... the Economic Reconstruction and Recovery Plan, ERRP after the Reconstruction and Development Programme, RDP, is the solution to the infrastructure backlog to ensure the provision of basic services. It is also a programme for driving

inclusive economic development and job creation through the creation of infrastructure development services. Chairperson, local economic development is dependent on the infrastructure which provides communities with the basic services.

*IsiXhosa*:

Kodwa ke oongqondo-gqwirha nooqhimgqoshe worhulumente wengcinezelo bahlutha ngomnyhamnyheko amalungelo abantu abantsundu abaninzi ukuze bangafikeleli kwiinkonzo ezingundoqo babe bona beligcuntswana elibantu bamthubi.

*English*:

Therefore, the provision of access to basic services by local communities through investment in the infrastructure is critical to reverse the historical apartheid legacy of deprivation of providing basic services to the majority of black South Africans and poor apartheid spatial planning for these same communities especially in terms of housing. While the democratic government has made many gains over the past two decades in relation to providing social housing, water, sanitation, telecommunications and electricity for the black majority of the country’s population, more is required to be done in expanding domestic investment in infrastructure

development to further improve access to basic services by communities.

However, the improvement of access to basic services is not just about improving the quality of life of communities in local areas but also to ensure that there is improvement in local economic development through investment. This intended to reverse apartheid spatial planning where the majority of our people stay far away from their places of work. Efficient improvement in basic services encourages local economic investment thereby creating employment in micro economy nearby where people reside.

Basic services such as road infrastructure, telecommunications and the rail link people to markets and ensure that locally manufactured or produced products can reach their appropriate markets at the most competitive prices. Through ensuring the development of road and rail transport multiple urban areas can be integrated as part of the District Development Model to enhance the macro economic development of these areas to ensure job creation.

This is also linked to the development of the township economies as township buying power is dominated by major

players. This does not ensure the development of inclusive economy, investment in small, medium and micro-sized enterprises, SMMEs become impossible in areas which are able to provide for both communities and businesses with basic services. It is local economies which create job opportunities through small, medium and micro-sized enterprises. Therefore, the provision through infrastructure investment of basic services provided on cost recovery basis or utility rate of return is important for the inclusive economic development and reversing the legacy of apartheid spatial planning.

It must not be done like the way the DA is doing it in Cape Town. The City of Cape Town Metropolitan Municipality only works due to high costs which its citizens has to pay for the basic services with super profits being made on electricity and water. This increases the cost of doing business through ensuring structural inflation in that regard. The City of Cape Town Metropolitan Municipality is unable to control its costs and this negatively impacts on the disposable income of the black middle class, working class and the poor households.

The national government is in the process of rolling out plans at improving local government capacity and capability and for management and delivery of basic services. The building of the

developmental state to provide massive infrastructure is a prioritised phenomenon and is ongoing. The funding structure of local government will improve the new budget and the announcement made in the budget encourages infrastructure investment in basic services and favours the development of SMMEs through tax incentives.

However, for major capital investments for basic services, it is imperative that there is greater co-operation and co- ordination of the spheres of government as major capital infrastructure for basic services has to be developed within budget and maintenance of infrastructure is critical to extend its functionality. Therefore, shared expertise will ensure that projects are implemented within the specifications on time.

In many parts of the country, Chair, incremental weather conditions have damaged infrastructure and infrastructure is crumbling. A new investment infrastructure geared towards providing the basic services to the communities must take cognisance of such bad weather conditions. Providing efficient water, sanitation, electricity and public transport ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, hon Buthelezi on the platform is disturbing the proceedings. Can we disconnect that hon member please? Please proceed hon Mpumza.

Mr G G MPUMZA: Providing efficient water, sanitation, electricity and public transport will benefit township students, schools as well as health facilities in local communities. Government provision of grid solutions through solar water seats and solar systems reduce electricity consumption and enabling the working class and poor households to have more disposable income to mitigate the high cost of living.

Efficient and cost effective public transport is critical for both job creation and for youth to obtain educational facilities. Therefore, the ANC-led government sees this as part of the infrastructure development at improving basic service delivery. The implementation of these projects needs to occur in this year to ensure that communities affected in incremental weather have their infrastructure developed and their basic services restored.

One of the key drivers for infrastructure investment is a capable developmental state to provide such basic services and is the need to build capabilities and capacity in the local government for infrastructure development for its maintenance. [Connection problems.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Mpumza, are you still on the platform?

Mr N SINGH: I cannot hear the member, Chair.

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, I cannot hear him either. It seems to be that the member has been disconnected. Hon members, we will proceed to the next speaker.

Mr J N de VILLIERS: House Chair, I shall try with my video on but feel free to tell me if I should rather switch it off.

The HOUSE CHAIRPERSON (Mr C T Frolick): I think you should rather switch it off hon member.

Mr J N de VILLIERS: No problem, will do.

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

Mr J N de VILLIERS: It goes without saying it is difficult to grow our economy, create new jobs, service our communities, be internationally competitive and fight poverty and inequality if we don’t have satisfactory and fit for the future infrastructure. And that makes sense right? Let’s look at the example of a table grape farmer next to the Orange River in the Northern Cape. Typically, that farmer has permanent farm employees and gives work to many more migrant workers in season. But in order to pay the salaries of these workers and thereby help ensure the livelihoods of their families, there are various infrastructure related services that the farmer needs from the government in order to be able to produce and deliver his grapes.

Firstly, and most obviously is electricity. When the farmer in our example does not have electricity, he cannot irrigate his crops because he is dependent on pumping water to his crops, which they need to grow. It’s actually as simple as, if the farmer loses 20% of the time he can irrigate his crops, he can expect these harvest to be 20% lighter. This is an example that all South Africans can relate to, as we have seen water and sewerage services across the country completely disrupted directly because of load shedding and the effects it has on the pump infrastructure.

But not being able ... [Interjections.] But not being able to irrigate crops and use water because he has unfortunately only the start of the farmer’s challenge with infrastructure. After harvesting his grapes, the farmer needs to get his produce to Cape Town Harbour for export. But because the rail infrastructure has collapsed and can’t be used, the farmer needs to have his produce delivered by trucks. So between the Orange River and the Port of Cape Town, his delivery trucks need to survive the pothole infrastructure of the back roads in the Northern Cape.

Fresh produce such as grapes needs to be kept cold and moved timelessly. So any breakdowns from imploding road infrastructure, such as our famous potholes poses a significant threat for its successful delivery. Once the grapes have finally survived the road infrastructure and reached the harbour, the farmer is left at the mercy of a port system that is so unreliable that, there is just no guarantee that the grapes will be packed up and shipped where it is supposed to go.

Every single one of these infrastructure failures affect the ability of the farmer to sustain hundreds of families including his own. Furthermore, it affects food security in

South Africa. More and more farmers just cannot compete with the infrastructure obstacles created by the ruling government. The failing infrastructure also drives up costs as the farmer needs to try and pass on these costs down the line to the consumer, which could only lead to more price inflation at a time where we are already fighting a cost of living crisis.

This simple example of a rural area farmer holds justice through for each and every small and micro business, whether they are rural or urban based. If a small bakery uses hours and hours of electricity, has broken water supply and has delivery issues on the broken roads, it all results in a small business that fails, which leads to a rise in unemployment, poverty and inequality.

So the question might be asked: Are these just theoretical rambles of the opposite opposition politicians? Am I being too dramatical and playing politics as we are so often accused of doing for the ruling ANC. Objectively and without any stories, how is South African infrastructure actually doing and how do we measure that measure this? Luckily, the governing ANC does not have to take my word for it, we can just turn to a recent objective review done by the South African Institute of Civil Engineers. In assessing the country’s infrastructure, there

are five possible scores, from A through to E. Pretty much like school, you really want to score an A and not a D or even an E.

Chair, I sincerely hope that it is no surprise to anyone attending this sitting that South Africa scored a D in the study. In other words, according to the South African Institute of Civil Engineers, South Africa’s infrastructure is at a risk of failure. So we know infrastructure development is important and we know our infrastructure is at the risk of failure. So this begs the next logical question: What is the governing ANC doing about it? A study of the government investment in infrastructure as a percentage of gross domestic product, GDP, reveals that from 2008-2021, the infrastructure to investment percentage has fallen by 40%. Simply translated in the last 13 years, the ANC government has consistently cut spending on much needed infrastructure as a percentage of GDP.

It is common sense to conclude that the governing party’s current infrastructure spending strategy is more likely to move us from a D to an E then to an A on the scorecard. As the DA illustrated in its alternative budget, the immediate and practical solution to this lack of infrastructure development is the issuing of development bonds, also known as impact

bonds. These bonds are specifically raised to promote long- term social and economic development projects. This together with other DA solutions, such as bringing an end to cadre deployment via the professionalization of the state and ending the constant financial bailouts of state owned entity vanity projects such as SA Airways, SAA is what separates the DA’s practical and workable follow-up policies to the proven failed track record of the ANC.

In 2024, voters can choose to vote for the ANC and expect our infrastructure to further crumble, or voters can choose a DA government that will prioritise infrastructure repair and has a track record that proves the DA has the discipline and long- term vision to get things done.

Ms J TSHABALALA: You are campaigning again.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Mpumza are you back on the platform? You still had one-and-a-half-minute hon Mpumza. You can now complete your speech. Hon Mpumza! No, it seems to me the member is not back. I now wish to ask the last speaker, the hon Burns-Ncamashe to deliver his closing remarks. Hon Ncamashe.

Prince Z BURNS-NCAMASHE: Chairperson, in thanking all the participants, allow me to rebut the frivolous, narrow, dichotomous, positivist theoretical orientation of the DA, typical of apartheid apologists, together with the obsessive, compulsive palpitations demonstrated by the EFF about the President of the ANC and the Republic of South Africa.

Perhaps, we may have to arrange some of referral interventions for them to live with the serenity of his Presidency. The President is here, having been democratically elected through legitimate democratic processes.

Chairperson, perhaps it’s important for both ... [Interjections.]

Ms O M C MAOTWE: Chair, on a point of order.

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, hon member, what is your point of order?

Ms O M C MAOTWE: I just want to check if the member on the podium would like to take a question.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, are you prepared to take a question?

Prince Z BURNS-NCAMASHE: No, when I am done.

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

Prince Z BURNS-NCAMASHE: You know, Chairperson ... [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): [Inaudible] ... continue.

Prince Z BURNS-NCAMASHE: Thank you very much, hon Chair. You know, when selective amnesia is conflated with a delusion of grandeur, it leads to a human condition that is characterised by narcissistic and gaslighting posturing. That is what we seem to manifestly witness in the opposition parties.

*IsiXhosa*:

Neqaqa elinqike igqenene liyagquma kowalo umngxuma. Le mibuthwana yoomvundlana noofudwazana, siza kuhlangana ngowama- 2024. (*Translation of isiXhosa paragraph follows*.)

[Every man is a master in his own home. These small parties of rabbits and turtles, we will meet them in 2024.]

*English*:

A key insight of the logic underlying the approach of the ANC and the theory of the developmental state is that, neither the state nor market forces working on their own will be able to achieve the desirable outcomes associated with inclusive growth. Working together and guided by a developmental vision, the state and market forces have the transformative potential to sustainably improve the living standards of millions of South Africans. [Interjections.]

Mr K CEZA: Order! Chairperson! Chairperson!

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, hon member.

Mr K CEZA: Can you please rule on the hon member because you probably did not hear. He is equating the opposition parties with squirrels ...

*IsiXhosa*:

... namagqenene. (*Translation of isiXhosa sentence follows*.)

[... a man’s private part ...]

*English*:

He is actually ... to say that to a person in IsiXhosa is the highest form of insult ... to equate him to an animal and to go on and on again because you can’t hear IsiXhosa.

*IsiXhosa*:

Mnu G G MPUMZA: Hayi sisaci eso Ceza. (*Translation of isiXhosa sentence follows*.)

[Mr G G MPUMZA: No Ceza, that is an idiom.]

Ms J TSHABALALA: Hayi [No] that is not a point of order!

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Tshabalala, you continuously make rulings while you are not a presiding officer! You must know that you are like the other Members of Parliament. There are presiding officers and you can’t make rulings like that.

I will look into the record hon member. I personally ... the translation is very slow on the system and I will make a ruling in that regard.

Mr K CEZA: Thank you Chair.

The HOUSE CHAIRPERSON (Mr C T Frolick): You may continue, hon member.

Prince Z BURNS-NCAMASHE: Chairperson ...

*IsiXhosa*:

... kuza kufuneka ndimfundise incwadi yezaci namaqhalo. (*Translation of isiXhosa sentence follows*.)

[... I will have to teach him a bunch of idioms and proverbs.]

*English*:

Working together and guided by the developmental vision, as I said, the state and market forces have the transformative potential to sustainably improve the living standards of millions of South Africans. The ANC’s vision of a developmental stage is rooted in the realities of South Africa’s mixed economy, informed by the fundamental insight that the inclusive reconstruction and development of South Africa requires a vibrant mixed economy in which there is a synergistic and mutually reinforcing relationship between the public and private sectors.

Furthermore, an effective developmental state is required to correctly incentivise private sector behaviour, including clamping down on anti-competitive behaviour, to promote competitive markets, to open up the economy for new players, to strengthen the monitoring of labour protections, employment equity requirements and BEE compliance, to identify and remove regulatory areas that impede private sector investment and collaborating, and to ensure increased export of manufacturing goods and services.

*IsiXhosa*:

Sihlalo ... (*Translation of isiXhosa sentence follows*.)

[Chairperson ...]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, your time has now expired.

*IsiXhosa*:

Inkosi Z BURNS-NCAMASHE: Enkosi, Sihlalo. (*Translation of isiXhosa sentence follows*.)

[Prince Z BURNS-NCAMASHE: Thank you, Chairperson.]

Debate concluded.

The Mini-Plenary rose at 16:34