**UNREVISED HANSARD**

**MINI PLENARY - NATIONAL ASSEMBLY WEDNESDAY, 17 MAY 2023**

**VOTE NO 30 – COMMUNICATIONS AND DIGITAL TECHNOLOGIES**

**PROCEEDINGS OF *MINI-PLENARY SESSIONS - COMMITTEE ROOM M46***

Members of the mini-plenary session met at Committee Room M46 at 15:00.

House Chairperson Mr M L D Ntombela took the Chair and requested members to observe a moment of silence for prayer or meditation.

**APPROPRIATION BILL**

Debate on Vote 30 - Communications and Digital Technologies:

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: House

Chairperson, hon Deputy Minister of Communications and Digital Technologies, Mr Philly Mapulane, Ministers and Deputy Ministers, chairperson of the portfolio committee, Mr Boyce Maneli, and members of the portfolio committee, hon Members of Parliament, the Acting Director-General of the Department of

Communications and Digital Technologies, Ms Nonkqubela Jordan- Dyani, her team, ladies and gentlemen joining us from various platforms, good afternoon.

Growing up as a young man in eNgcobo, in the Eastern Cape, I could never have imagined a time when my fellow villagers would be able to sit in the comfort of their homes in eCaba and watch a live budget vote debate taking place in Cape Town through their televisions, radios, and various online digital platforms. It is astounding how far the communications and digital technologies have come over the years.

Today, my daughter Lihle Gungubele, is currently following this very debate on her mobile phone via the *SABC Plus* app while she is abroad in Cuba – it is remarkable! [Applause.] As a citizen, I am happy to see this advancement in our society, and how technology has made it possible for people to stay informed, regardless of their location.

As the Department of Communications and Digital Technologies, DCDT, our goal is to enable the digital sector to grow to its full potential while guaranteeing that everyone has access to reliable, affordable, and high-speed connectivity. To ensure

an inclusive digital economy, we will massify digital skills creation and create an enabling environment that support the creation of innovative digital solutions that can be commercialised to support livelihoods.

This Budget Vote debate coincides with the commemoration of World Telecommunication and Information Society Day, WTISD, observed annually on 17 May worldwide since 1969. The main objective of the WTISD is to reduce the global digital divide by promoting awareness of the socioeconomic impacts of the Internet and new information and communication technologies.

Hon Chair, ladies and gentlemen, it is imperative that we provide policy certainty to allow growth of our digital economy. As such, we must shift from the traditional ‘one-size fit all’ regulations that sometimes inhibit innovation and global competitiveness, as well as deny agility, to new entrants and small enterprises. Our philosophy should be to implement smarter policies and regulations that will significantly increase the sector’s growth, whilst protecting the digital sovereignty of our nation and our inclusivity imperatives.

In his 2023 State of the Nation Address, His Excellency President Cyril Ramaphosa highlighted the country’s vision of providing affordable high-speed internet access to all. As a department, we are committed to realising this vision through various programmes and legislative interventions.

In connecting our country, South Africa is widely recognised as having one of the most advanced digital ecosystems in the continent. Its key features include over 300 000 kilometres of fibre distributed across the country, which is the result of significant investment by both the public and private sectors.

This country has the advantage of being connected to eight undersea cables that physically connect this continent to neighbouring continents. We want to acknowledge the landing of the *2Africa* submarine cable by Vodacom in the Eastern Cape earlier this year. We also want to highlight the *Equiano* cable by *Google*, working with Telkom which will provide exponential capacity to the digital ecosystem. I recently visited its location here in the Western Cape and it is exciting to know that this cable alone will triple the internet speeds in the country and significantly reduce the cost of data.

Through our flagship programme, *SA Connect*, we are dedicated to bridging the digital divide by providing Wi-Fi access to communities and ensuring universal access to the internet.

This year, we plan to deploy 9 900 hotspots in 16 districts across the country. We aim to reach 80% connectivity by 2024. To fund this project, we have allocated R1,3 billion.

In the previous financial year, the department was successful in maintaining its 970 connected sites. In addition, during that period, Sita connected 781 government sites in Eastern Cape, while Broadband Infraco, BBI, connected 110 Universal Service and Access Agency of South Africa, Usaasa, sites.

Furthermore, the department played an instrumental role in facilitating the development of the SA Connect Draft Implementation Plan.

Our aim is to enhance connectivity to government facilities such as schools, health facilities, and government offices with high-speed internet access, which enable them to serve as connectivity hubs for their users and surrounding communities.

Complementing the *SA Connect* programme, Sita will launch a national broadband project worth at least R6 billion, that

will be awarded per region and ensure that government reduces the cost and duplication of connectivity infrastructure from municipalities up to national government level. This project must also ensure that designated groups such as enterprises owned by women and youth are empowered with at least 40% value of this project, whilst creating opportunities for innovative locally developed solutions to find traction in our market.

It is important to note that while big business plays a significant role in driving growth and innovation, we should not overlook the potential of small start-ups to be game changers in innovation, as demonstrated by success stories like Steve jobs and Elon Musk. Lessons from Silicon Valley show that new small enterprises can become the basis for new digital ‘unicorns’. Therefore, inclusion is not just a moral imperative, but it is also an economic necessity.

Furthermore, I would like to add that we have witnessed significant investments in data centres and cloud services providers, which will contribute significantly to the economy by enabling efficient storage and dissemination of data, as well as access to digital solutions. The country has a total

of 65 data centres, making us the leading African digital economy.

As a department, we are committed to maximising the benefits of this investment by ensuring policy certainty through launching the National Cloud and Data Policy later this year. The policy will outline guidelines for government departments to consume cloud services appropriately while adhering to data privacy and security measures agreed upon with relevant providers. This will help the government to make informed decisions and choose the best cloud services in line with our requirements and standards.

With regard the next generation spectrum, hon Chair, ladies and gentlemen, spectrum is a very important resource in the digital economy. It allows for the transmission of radio frequencies that allow wireless signals travel. These signals are essential in enabling us to make calls, chat on social media, and supporting digital communication in areas, such as defence, aviation and maritime.

In essence, Spectrum is the backbone that supports our connected world and without it we would not be able to stay

connected with each other. I am pleased to inform you that the department has published the Draft Next Generation Spectrum Policy for public comment in September 2022. The Policy aims to allocate as much of the spectrum as possible to support the modernisation of the economy.

The new set aside provisions for allocation of spectrum for women, youth and SMMEs are a game changer for this policy. It allows new entrants to participate in the economy and stimulate growth. I will be issuing the final spectrum policy by September 2023, and after that, Independent Communications Authority of South Africa, Icasa, will be responsible for the licensing.

Hon members, hon Chair, we understand that South Africa has some of the most expensive mobile data plans in the world. In fact, the country ranks 136th out of 233 countries. To address this issue, Icasa will be publishing the outcomes of the Call Termination Rate and Data Market study this financial year.

This will give more transparency and help to respond to the public outcry regarding the high cost of data in South Africa. We are committed to the struggle for #DataMustFall.

On the migration of the broadcasting television, when delivering the 2023 Sona, the President announced that:

During the course of this year, we will migrate the remaining households to digital television signal and complete the switch-off of analogue transmission. This will release valuable spectrum for the roll-out of 5G mobile networks and will reduce the cost of data.

A total of five, of our nine provinces - Free State, Northern Cape, North West, Limpopo and Mpumalanga - have already successfully switched off and are currently receiving television broadcast on digital platform.

Despite the successful switch-off of the five provinces, the Minister of the department faced legal action – my predecessor

- from stakeholders who argued that the switch off process should not be concluded without greater engagement with stakeholders. The court ruled that further consultation with stakeholders was necessary before proceeding with the analogue switch off.

In December 2022, the Minister proposed 31 March 2023 as the date for the analogue switch off, and stakeholders who would be affected by this were invited to provide their feedback and suggestions - which they did by the end of September. On December 9, 2022, a Government Gazette was published, which notified and invited the industry, affected parties and members of the public to make substantive submissions.

The Department is extensively engaging with the various stakeholders and role-players to ensure broad and substantive consultations regarding the transition from analogue to digital broadcasting. In the meantime, we are continuing to install set-top boxes for outstanding households. Once this consultation process is completed, we will announce the final date for analogue switch-off, very soon, which will free up much needed spectrum in accordance with the President’s directive.

We must state that there is consensus in the sector, that it is deemed necessary to conclude the Broadcast Digital Migration, BDM, project. Hence, we have decided to switch-off the remaining 151 transmitters in the remaining four provinces. The department aims to conclude the distribution of

available set-top boxes to registered indigent households as soon as possible.

On the digitalisation of the state, House Chairperson, the department welcomes the initiatives by government departments, including Home Affairs, the SA Police Service and others towards digitising their paper-based records into digital format. However, our department and its entities remain committed to ensuring that government fully digitalise its services in the Medium-Term Expenditure Framework, MTEF, period.

The State Information Technology Agency, Sita, needs to re- establish itself as the leading expert on ICT matters in government, rather than just being an IT procurement shop. To achieve this, the agency must prioritise the integration of core government services within this financial year, to facilitate seamless exchange of citizen data across departments for effective and efficient delivery of government services. Additionally, Sita needs to ensure full digitalisation within the MTEF.

On the post office of tomorrow, hon members, we are all aware of the challenges facing the SA Post Office, Sapo. We want to assure you that we have been working tirelessly with the entity to explore various options to find an optimal approach within the legal framework and under the provisional liquidation order. Our aim is to save the entity and ensure business continuity. We have also engaged with Cabinet, as we previously reported to this House, to find an optimal approach to ensure business continuity.

It is important to note that the SA Post Office remains fully operational and committed to delivering essential services to the people of South Africa. Despite the current challenges, the public can still expect to receive their letter posts, courier packages, renew their vehicle licenses, withdraw their social grants and receive their chronic medication through Sapo.

The Post Office of Tomorrow strategy will also aim to improve the customer experience by simplifying and streamlining processes, as well as increasing accessibility and convenience. This will be achieved through innovative technology solutions, such as online portals and mobile

applications, as well as enhancing the efficiency of existing postal services. With these efforts, Sapo will be able to remain relevant and competitive in the rapidly evolving digital age.

Aligned to the MTSF framework 2019-2024, the Post Office of Tomorrow plan revises the strategic role of the SA Post Office from a conveyor of letter-post to an integrated logistics and *e-commerce* service provider, including designation as the national authentication authority.

Repositioning our broadcaster, after a necessary process of cross checking and clarification, the SA Broadcasting Corporation Board, SABC Board, was appointed by the President on 18 April 2023. Our commitment is to support and guide the board in their process of taking the SA Broadcasting Corporation to great heights in their five-year term.

I wish to commend the management of the SA Broadcasting Corporation for keeping the public broadcaster afloat in the extended absence of the Board. The SABC faces three critical imperatives to succeed as a public broadcaster: To establish trust; to showcase multilingual content; and to promote

developmental quality programming. Additionally, it must successfully transition to the new digital landscape, and achieve commercial and financial sustainability.

The newly appointed board is tasked with finding an optimal strategy and business model that can meet all three of these objectives. However, this process also requires an enabling policy and regulatory framework that is both agile and balanced, which the government must provide. The resulting guidelines should inform the SA Broadcasting Corporation’s Corporate Plan for 2023-24, 2024-25 and 2025-26.

Among the interventions we are making, is to improve how we acquire content to enable the SA Broadcasting Corporation to compete for the best content with other commercial broadcasters. In addition, we have applied and have been granted for a limited period, exemptions from some of the public procurement regulations.

We will also be introducing the SA Broadcasting Corporation Amendment Bill to Parliament, which aims to among other separate the public and commercial services of the SA Broadcasting Corporation to enhance the monetising of

commercial opportunities. It will also allow the public broadcaster an expanded set of platforms for its execution of its public service mandate, which will include disseminating the content of community broadcasters.

The department will use its budget to bridge the digital divide and build an inclusive digital economy. The total budget for the DCDT for 2023-24 is R3,5 billion, of which R1,6 billion is for transfers and subsidies for ICT enterprise development and state-owned enterprises oversight. The Deputy Minister will further elaborate on the work we are doing in relation to digital skills and the interface with various international bodies, among other.

In conclusion, hon members, we have accepted the responsibility as the executive and yourselves as legislators, to be worthy custodians of the digital future of our country. If we fall behind in our execution, we will lose our ability to trade effectively. We would have especially betrayed our young people who are intended to be the biggest beneficiaries of a fast growing and inclusive digital economy. We dare not fail them. The appropriation for the DCDT is hereby tabled and

I invite members to support this budget. I thank you. [Applause.]

Mr B M MANELI: Hon House Chairperson, hon Minister Gungubele, Deputy Minister Mapulane and hon members, capitalism, coronavirus and war, Professor Radhika Desai argues that the world order is changing towards multipolarity wherein the majority breaks free from imperialism and neoliberalism. Our generation bears witness to a profound geopolitical transformation last seen a century ago. The majority of people and countries around the world are rejecting the so-called, and I quote “Washington Conesus”, which prescribed privatisation of state-owned enterprises, SEOs, deregulation, contracting out of public services and a tax on our wages. The ANC has always advocated for a mixed economy with public and private ownership playing complementary roles in economic development. A decision on public or private ownership in a given economic sector should be made on the balance of evidence. Our mandate is to deal decisively with the structural inequalities, unemployment and poverty we inherited from the apartheid rule.

The government’s vision for a digital revolution will position the department as a leader in enabling a connected and a digital transformed South Africa. Communications and digital technologies contribute to the lowering the cost of living, doing business, enabling better government service provision, increasing productivity, encouraging innovation, reducing unemployment and providing the poor with access to economic opportunities. Communication technologies can also enhance the development goals of the country. That is why we welcome the focus of the department over the medium-term on co-ordinating the roll-out of broadband into unserviced areas throughout South Africa through AfricaConnect project.

Hon Chair, I want to say that Hope Town in the Northern Cape, the clinic, primary school and the community hall are now hot spot areas that benefit the immediate communities out of such projects enabling digital transformation and inclusion through legislative and regulatory interventions.

The ANC government is committed to an information and communications technology, ICT, value chain and a sector that is transformative in nature wherein everyone is included with

a particular focus on the marginalised areas of our country such as rural areas and townships.

Hon House Chair, we note that an estimated 52,7%, which is R5,1 billion of the department’s budget of R10,5 billion over the Medium-Term Expenditure Framework, MTEF, period, is allocated to transfers to entities for their operations and for the project specific funding. Of this amount R1,6 billion is allocated to the SA Post Office for its universal service obligations to provide postal services in underservices areas. An amount of R720,8 million is for the SA Broadcasting Corporation to support its mandate including R35 million for the covered of the national and provincial elections.

We note that the total expenditure is expected to decrease at an average annual rate of 3,9% from R2,9 billion in 2022-23 to R2,6 billion in 2025-26 as additional allocations to the Independent Communications Authority of South Africa, Icasa, and the Universal Service and Access Fund, Usaf, for broadcasting digital migration come to an end.

Hon members, as we debated the issue about the provisional liquidation of the SA Post Office, Sapo, two weeks ago, we

made it categorically clear that the ANC remains committed to keeping the SA Post Office operational and helping it plead its business case by successfully implementing the Sapo of tomorrow strategy. This entity’s geographic footprint is an irreplaceable resource for the country. The SA Post Office has access to 12 million households throughout the national address database. It administers around 800 000 parcels in terms of volume.

In terms of the Post Bank, South Africa remains one of the few countries that do not have a state bank. This has left a vacuum for commercial banks to monopolise the financial sector and exclude millions of poor people from banking services and stretching the middle strata with high interest rates and rising cost of living. A process of converting Post Bank into a full-fledged bank must be completed and finalised.

The ANC has long envisioned an inclusive financial sector wherein its activities help transform social power relationships and build institutional capacity in historically oppressed communities to break the cycle of dependency. We are encouraged to see the Post Bank has established a clear plan and vision to ensure that the necessary competencies are in

place and that the bank optimally functions to deliver on its core mandate. This include without exhausting them growing the liability book by an average of 8% per annum for the 2024 financial year, given the expected finalisation of critical enabling information technology, IT, projects and the introduction of new products and channels, launch of ATM channels, point of sale, POS, and pilot branches, resolving outstanding audit issues and finalising submission of the banking license.

If hon members in the opposition benches can attest that good work is being done in the entity as we are all impressed by the Post Bank’s presentation when they appeared before the committee a couple weeks ago. Of course, denying it we would be debating is always an expected thing that they will not stand with the truth when that truth coincide with what they regard as what the opponents has said.

We note that the SABC has not tabled its annual performance plan before the committee owing to the induction of the new board. We also note that they have been able to meet 96% of implementation in terms of its turnaround plan which is in line with the conditions of the bailout. The committee has

also noted that 93% of the R3,2 billion bailout funding provided by the National Treasury has been utilised and we can attest to some of the progress particularly as it relates to content and the creation of *SABC Plus* which provides 24 hour viewership to SABC sports and news. The ANC supports that over the medium-term the corporation will focus on implementing the growth phase of its turnaround plan which involves initiatives to improve performance by offering new content and multiple platforms and optimising operations to generate revenue and ensured financial recovery.

On the state digital company, as I conclude, hon members I look forward to the work government is doing to create the state digital company. This has been the merger of the Broadband Infraco, BBI, and Sentech. Sentech has made an offer to acquire 74% of BBI shares held by government through the Minister and has subsequently drafted and submitted a due diligence report which will be to ensure that the interests of both parties are taken into account.

We are pleased by the work of Sentech and the healthy balance sheet the entity has generated for itself considering that it is not funded by government, and this is a good story that you

will never hear being told. We are confident that the necessary competences and restores in place to lead our state digital company for the benefit of our people. The broadcasting digital migration that has provided the people of Senekal in the Free State access to more SABC channels and for the first time, the Parliament channel, so that when you say fellow South Africans you not talk only to those that have paly channels, but even to the poor. That is for the first time. Complements to the ANC for bring this to our people. [Applause.] This serve therefore as evidence.

The repurposing of the State Information Technology Agency, Sita, another state-owned enterprise that is self-funded, not funded by government, is on course and better positioned to support the state digital infrastructure company as the state information and communications technology, ICT, company. This guarantee the digitalisation of both government and society in general. The repurposing of the State Information Technology Agency has already started playing this role by keeping our sights where BBI has played a role of putting the infrastructure to keep them working.

As people who go out and do oversight, this committee boast itself for having visited these areas including the constituency that is claimed on the left. We have testimony of a principal who was very happy with the services that are given by government. This includes, for that matter, a municipality in Hope Town. In that municipality the mayor comes from the EFF, and not from us. They also concede that the ANC has delivered the services to the people and that they can access broadband. [Applause.] I thank you, hon House Chair. [Applause.]

Ms N W A MAZZONE: Hon Minister, hon Deputy Minister, a special greeting to the Minister’s daughter who is watching us today in Cuba. I would like to say, hallow to her too.

Unfortunately, my 84-year-old mother who is in Pretoria cannot watch me today because she is in the grips of load shedding.

Unfortunately, we are living in a country with little ability to communicate. After what can only be described as a laughable interrogation by the countless entities that fall within this department, all draining the national fiscal, and so many that could be incorporated into the same entity, one can see that this department is nothing more than a job creating centre for the ANC and a place to put its cadres when

they are sent or moved from other departments, or need a place to be deployed.

Apart from State Information Technology Agency, Sita, I saw little to no enthusiasm or possibility of functionality, and we have to be honest, given the state of the post office, who is going to trust the post bank? So, Deputy Minister I am afraid, I am one of the people who came up openly and told the post bank that I have no trust in them. Without a doubt, the biggest concern for South Africa at the moment is our electricity crisis and the crisis of the post office.

It can now be declared without any doubt that the ANC has the reverse Midas touch, everything in touches turns to broke, and the gold is long gone. The struggling state-owned entity has been in a dreadful economic state for years but it has now reached its low financial crisis. Since 2013, the SA Post Office has been losing millions in taxpayer’s money and these loses have been steadily increasing. As a result, it has been forced to cut most of its workforce and most post offices including Cape Town had been shut down.

We are told yet again that the SA Post Office has developed a bankable strategy to transform the entity and make it into a profitable business once again – what a beautiful dream. A new strategy suited to this age and time. What a wonderful dream. We have heard and seen it all before, the question remains: who stole the billions of rand and where are these massive bailouts supposed to come from? My Broadband reported that the company’s latest financial statements for the period ending March 2022 showed that its debt was R4 billion more than its assets, and it owed over R4,4 billion to its creditors.

Imagine where we stand, one year later.

SA Post Office was placed in provisional liquidation this month following a creditor approaching the Pretoria High Court to recover back rent. Legal experts from Barnard Inc Attorneys noted that the company is technically insolvent. Management and creditors have until 1 June 2023 to argue their case, said the legal experts. During provisional liquidation, a company’s assets are temporarily frozen – allowing for investigations into its financial status.

SA Post Office has appointed provisional liquidators to manage its assets, verify its creditor’s claims, and collect its

debts. Private companies are now competing where the post office should be winning and our failing institution continues to lose just more money. What do we ask for? Another bailout. Where is the R8 billion in bailouts that the SA Post Office received? At what point will the ANC realised that there is no more money left? It is gone, finished. The company has been a consistent drain on the economy and it is yet another example of mismanagement at a state-owned entity. Some have argued that its liquidation would be more beneficial to the country than trying to get it to run profitably.

How can we not see the corruption and mismanagement to a cause, when the Postbank Spokesperson, Dr Bongani Diako said that social grant recipients can continue to use their expired cards at ATM’s and point of sales without the need to collect new cards or switch to other banks. The writing is on the wall, but the most vulnerable of our society are told that this is great news and they do not have to worry. Yet, we can already see the disaster unfolding before our eyes.

The fact is, we have to worry all the time and the reality is that the SA Post Office is a state captured entity as per the Zondo Commission Reports, and we dare not rest. Minister,

please listen to me. We dare not rest until a full enquiry like the Eskom style to find out who stole the money and where the money went? I can guarantee you, we might find quite a lot in Dubai and where a certain family has taken refuge from being able to be expedited to South Africa.

The feeding from the trough will never end. We did it with Eskom and Chief Justice Zondo has made it clear that we have a job to expose those who robbed South Africa blind. I realised that we have very little time left before the elections Minister and Deputy Minister but I think that if we have done it once we will do it again. Let us show South Africa what Team South Africa really is about yet again. Let us restore some kind of hope because many feel incredibly hopeless. This is especially me after I returned to this entity I loved with all my heart.

This, I can guarantee Minister, before my term is ended, I will find these people. I will lay charges. I will make sure that they are punished and I will make sure that by the time this term ends, they are sitting in orange overalls in Kgosi Mampuru prison in Pretoria where they belong. I thank you.

Mr S TAMBO: Hon Chairperson, the leadership of the Chris Hani cabal Minister Mondli Gungubele, I want to take this opportunity to wish the revolutionary party, the EFF a happy 10th anniversary. This is the only movement that is consistently growing in South Africa and is going to lead this country in 2024. We thank the people of South Africa who have consistently been donating towards the 10th anniversary of the EFF which will be hosted at FNB Stadium on 29 July 2023. Let us continue to support this revolutionary movement.

House Chair, the EFF stands to reject this budget as meaningless and unsubstantial pretext of an intervention in a department that has been run to its knees by the incompetent ruling party. The reality of the matter in South Africa is that it is unable to play a meaningful role in the communications and digital technologies space globally due to lack of visionary leadership and allocations for allocation sake without any meaningful interrogation as to whether projects are seen to be a completion effectively and equitable.

Reports stipulate that four provinces are yet to finalise the process of broadcast digital migration primarily ceasing all

transmissions of analogue by 17 June 2015 as per the resolution by the international telecommunications room. This means that very soon, South Africa will operate with outdated and incompatible broadcasting infrastructure in terms of global standards in the Chris Hani Region, in the Eastern Cape, KwaZulu-Natal, Western Cape and Gauteng. Not only does this further weaken South Africa’s competence, ability in the communication’s sphere but it is a gross incompetence that undermines the fundamental rights of access to information of millions of South Africans even those that the Minister is bragging that can watch us today.

This is a department that is in perpetual process of finalising but never implementing. The SA Connect Programme which was adopted in 2013 and sought to prioritise access to free public Wifi in schools, clinics, police stations and other facilities as one such as constantly being implemented programme has not materialised into reality. Today, the most basic internal systems in the above-mentioned facilities that ought to have free access to Wifi are inadequate. Police stations do not have basic digital systems and are still subjected to hard copy documents that go missing jeopardising the fight against crime.

Public hospitals and clinics are plagued by long queues and records patients that are not kept securely. The question is, what is happening with the budget of SA Connect which has been part of the allocation to goods and services that amount to R620 million? There is no meaningful reflection in this budget on the impact of load shedding on telecommunications, how it is going to be averted or how cellphone network providers will be compelled through legislation or penalties that will restrict their access to spectrum in order for them to be reduced drastically their discriminatory costs of data.

Shamefully, over the MTEF, travel constituted the bulk spending and increase from R5 million in 2023/24 to

R5,5 million in 2026. While the budgeted amount for travelling for the purposes of IT research is R17,4 million. This shows that the parasitic apatite to waste money on travelling and accommodation, turning this department into a vacation agency has been inherited by the new Minister. As we all know his predecessors spent R3 million on accommodation and travelling three years during the restricted COVID-19 pandemic.

Across its six programmes where department intends to spend R3,5 billion in the budget, R79,1 million is spent on

consultancy firms, the so-called advisories revealing grave internal state incapacity and the rot. The film and publication board has become a shell of an entity with no verifiable per person. This is sadly by no fault of its own because our friends in the Arts and Culture Department are given them little to no publication of films to regulate.

Hence their 1% of revenues is purely from the transfers of the department.

Perhaps, the most laughable presumptions of this budget is that the revenue at the SA Post Office is expected to increase at an annual rate of 4,7% from R5,5 billion in 2021/22 to R6,3 billion in 2025. People of South Africa, if you did not know, the SA Post Office is currently under provisional liquidation and is about to close almost 60% of its operating centres due to failure to pay rent and litigation from the landlords. It is so broke and I am sure that those they call their competitors in Post Net are considering buying them out.

The budget is inadequate, misleading and its projections are uninspiring. The EFF therefore, rejects this budget. I thank you.

Ms Z MAJOZI: Hon House Chairperson, before I delve into the concerns regarding this department and its subsequent entities, allow me to open this debate with the wise words of Pope Francis who said, and I quote,

Every man, every woman who has to take up the service of government, must ask themselves two questions: Do I love my people in order to serve them better? Am I humble and do I listen to everybody, to diverse opinions in order to choose the best path? If you don’t ask those questions, your governance will not be good.

The current state of our country clearly indicates that the ruling party is not giving any consideration to the questions raised by the Pope. Over 5000 pages in the Zondo report go into ridiculous forensic detail about the way state resources were plundered by our government. Furthermore, the Public Service Commission has revealed that 520 officials, in national and provincial departments, have been investigated for corruption, theft, fraud and irregular expenditure amounting to R1,2 billion. Unfortunately, this department and its entities are no different.

Since 2013 the SA Post Office, Sapo, has been losing millions in taxpayers’ money year on year with these loses steadily increasing. The entity has been defaulting on rental payments to landlords, is owing the SA Revenue Service, Sars, millions of rands for taxes relating to salary payments, and it also could not afford to pay statutory contributions on behalf of its workers. SA Post Office owes its creditors R4,4 billion as of 31 March 2022 and its total liability at group level exceeds its total assets by R4 billion.

The state cannot continue in bailing out these entities, it does not make financial sense. Therefore, the IFP notes with concern the Minister’s enthusiasm for developing a bankable strategy to transform the entity and make it profitable for business once again. Considering that the last profit Sapo reported dates all the way back to 2006, it is impossible to believe that this entity will be able to navigate the dire financial situation it has been in for nearly 16 years. This entity has been a consistent strain on the economy and is another example of mismanagement as a state-owned entity. In no time we will also be here again to approve another bailout for Post Bank.

By the standard of other state-owned entities, the Media Development and Diversity Agency, MDDA, is minuscule in an annual budget, barely R100 million. However, that does not mean its function is unnecessary; this is an important state agency that contributes to wider diverse South Africa ... [Inaudible.] ... people in South Africa for access to news and information. However, various civil society organisations have raised significant concerns regarding the MDDA’s lack of transparency when it comes to the community media projects it funds. Currently there is no public list available of the projects being financed by the entity.

Over the 2022-23 financial year the agency’s legal bill amounted to over R7 million, however, allocations of the budget for litigations are estimated at R750 000 annually meaning that the MDDA is currently overspending by 10 times in that department.

The impact of corruption goes beyond the institutional weaknesses in the various government departments as it heavily hinges on corrupt individuals. Currently our country does not have effective systems in place to deal with individuals who are corrupt hence they continue to be in the position of

power. This speaks to the inadequate systems of checks and balances and law enforcement ineffectiveness in dealing with corruption. Also, the department must deal with its salary bill which is above threshold and the bloated staff they have, not only in the department but all its entities.

We are still talking today about #DataMustFall. Minister, let us finalise the issue of spectrum, we cannot speak about one thing over and over again. We expect to see a positive change with these entities and the department at large. The IFP supports the budget. Thank you.

Mr W W WESSELS: Hon House Chairperson, the Minister briefly touched on a very important aspect and that is the fact that regulations are one of the biggest problems facing the communication environment. One example is mobile networks and the effect that load shedding has on our mobile networks and the profitability but also the sustainability of those companies. House Chair, the problem is that there are regulations out there that are making it impossible for those mobile networks to comply and to actually survive.

The state of disaster was intended to actually do something about that, but nothing was done. The regulations were published when the state of disaster ended, and it is extremely important that the Department of Communications intervenes and does something about this because people without connectivity are in a very dangerous and detrimental situation with regards to actual economic development and taking this country forward. We can’t talk about data affordability whilst load shedding has that effect and whilst it makes it impossible for mobile networks to operate. There are regulations not only with Independent Communications Authority of South Africa, ICASA, but also with other departments. The Competition Act makes it impossible for networks to share generators on one site. That is something that can be addressed to make it more affordable whilst we are facing the crises of load shedding.

On the post office the Minister says that he acknowledges the problems and the challenges, and we welcome that, but he does say that people can still expect to receive their post and their parcels and that they are still able to renew their motor vehicle licenses, but that is not true. That is not true at all because currently the probability of receiving a parcel

is less than 60%. A number of 92 branches were recently closed, 105 post office branches are currently locked out because of arears of unpaid bills, arears to landlords and unpaid municipal bills. The amount of arears to landlords currently stand at more than R340 million. A bailout of R2,4 billion does not address the problems that are actually facing the post office.

Only 1 122 post office branches are currently functioning, but what the Minister did not mention at all is the fact that a lot of SA Social Security Agency, Sassa, beneficiaries can’t receive their Sassa grants. One example is from the Eastern Cape where the post office in Paterson is closed down. An Expanded Public Work Programme, EPWP, worker or Sassa pensioner must travel at a cost of more than R100 to Cradock to receive a grant of R800 or an EPWP stipend of R850. They must spend R100 and when they get to Cradock the post office is closed due to a system that is down or electricity that is not paid or cash that is not there and then the person must spend another R120 to get to Alexandria. How is that fair to the people out there?

The hon chairperson of committee says that the criticism of the opposition is just empty rhetoric. Go and tell that to the Sassa beneficiaries out there who are not getting their Sassa grants, that can’t renew their Sassa or Post Bank cards due to post office that is closed or just not functioning. That should be addressed, and it is not criticism; it is reality out there and that should also be acknowledged.

The delay in appointing the South African Broadcasting Corporation, SABC, board further created instability at the public broadcaster and the Minister must maybe explain to this Parliament why the executive and the President delayed the appointment of the board because that was unacceptable. After this Parliament unanimously supported the board members, it was delayed due to political reasons and was completely unacceptable and that is the problem with communication and the entities of communication and that should be addressed. I thank you.

The DEPUTY MINISTER OF COMMUNICATIONS AND DIGITAL

TECHNOLOGIES: Hon House Chairperson; hon Minister Gungubele; Chairperson of the Portfolio Committee on Communications, Mr Boyce Maneli and members of the portfolio committee; hon

Members of Parliament; the Acting director-general and other senior departmental officials; esteemed guests, fellow South Africans; hon Majozi, thank you very much for the support with the Budget Vote, but unfortunately, the MDDA does not fall within our portfolio. It is in GCIS. You might have been debated on the wrong Budget Vote.

Yesterday, I had an opportunity to visit Langa Township to host an ICT career expo at the Langa Civic Hall and to hand over electronic gadgets towards Khulani High School’s computer laboratory. Langa, the oldest township in Cape Town, established by colonial settlers as a reservoir for cheap labour after the passing of the Urban Areas Act in 1923, is celebrating its centenary.

The rich history of this township attests to the unbreakable human spirit in fighting against segregation and injustice. Despite attempts by colonialists to subjugate the people of Langa, the township became a theatre of fierce struggles against colonialism and apartheid. We dare not forget and dishonour the memory of the sons and daughters of this historic township, who refused to be treated as subhumans in the land of their birth.

My Budget Vote Speech today is dedicated to the undefeated spirit of the people of Langa, the home of King Langalibalele, of the inimitable MaBrr, the late Brenda Fassie, the home of cricketer Temba Bhavuma, of playwright and theatre director Fatima Dike, of Thabo Mngomeni, a football star.

Despite the decline in other sectors of the economy, the digital economy continues to show a robust positive growth trajectory. Growing at an average rate of 15,6% globally and accounting for 45% of global GDP. It has become a new economic growth engine for developing countries, growing at an average of 22,3% in developing countries.

We continue to implement the National Digital and Future Skills Strategy that was approved by Cabinet in 2020, which sets out a structured series of initiatives intended to contribute to the capacities of South Africans to contend with the rapidly changing skills landscape.

To this end, I reported to this house last year that through Nemisa, we trained 6 000 people on digital literacy and a total of 7 000 on other digital skills. It is my pleasure to report that a further massive 57 000 were trained in digital literacy

in the 2022-23 financial year and we have set ourselves a target to train 80 000 more in this financial year, as part of our fight against the existing digital skills divide.

These fellow compatriots have been set up to use a variety of digital tools in their devices, they have established online presence and have been provided basic skills in cyber security, etc.

One of the programmes I have had a pleasure to champion and launch in several districts across the country is the Yarona Digital Ambassadors programme, which is a d skills massification drive that seeks to intervene in addressing unemployment and to empower and upskill the unemployed youth with basic digital skills.

Through this programme, we placed 124 such ambassadors in various municipalities that we have partnered with. The aim is to increase the number of new recruits to 150 or more in the 2023-24 financial year.

In addition, through Nemisa, we have also trained 149 young people in Cell phone repair. All of them emerged from the

course with registered businesses. We will increase the number to 90 000 this financial year. We have trained 506 young people in creative media short courses such as digital photography, Vlogging and storytelling, using a digital device.

Many of these young people have started their own enterprises while others are freelancing. Our target for 2023-24 is to train 1 000 more.

Last year, we expressed our delight at the operationalisation of the Films and Publications Amendment Act that expanded the mandate of FPB from being a mere classification authority to being a truly online content regulator with powers to issue content distribution licences and so forth.

We are delighted to report that the FPB has moved with speed to develop the Online Content Regulator of the Future Strategy, which will guide it in implementing the expanded mandate and has developed new regulations for effective compliance with the Act. In addition, the FPB has established the Enforcement Committee to deal with cases of noncompliance.

We welcome the recent Johannesburg High Court judgement, which found Mr Gerhard Ackerman guilty of over 720 charges of child pornography. We commend the FPB team for over 2 000 materials of videos and images that the team meticulously analysed, in support of this case resulting in a successful prosecution.

On Monday, I personally witnessed in action the close collaboration between FPB and the Police in ridding our country of the proliferation of illegal video material flooding the market, when I was part of the joint raid together with the police in Athlone, here in Cape Town.

Cybersecurity has become an urgent priority in this era of the rapid advance of digital technologies and the growing confidence of society to transact online. We have a constitutional duty to protect and promote the fundamental rights of our people. It is for this reason that the department established a cybersecurity hub aimed at co- ordinating the cybersecurity domain in the private sector and civil society.

With regard to the international work, South Africa continues to play a pivotal role in the international community, where

we are a strong voice advocating the interests of developing countries in creating a sustainable and secure global ICT environment that supports inclusive development.

We are a member of the International Telecommunications Union, ITU, and during last year’s ITU plenipotentiary conference, South Africa was successfully re-elected onto the Council. We further successfully campaigned for the election of a SADC candidate, Mr Cosmoc Zavazava, from Zimbabwe for the position of Director for Telecommunications Development.

Later this year, we will be participating in the ITU World Radio Communication Conference, which is held every three to five years.

After Cabinet approval, South Africa successfully hosted the prestigious International Philately conference in November 2022 in the Cape Town. This was a stamp show that attracted about 1 000 stamp collectors under the theme, South Africa’s Road to Democracy through the stamps that were issued around the globe in support of the struggle for liberation in this country.

In conclusion, among the many lessons we learn from the indestructible spirit of the people of Langa is that we should not allow ourselves to drift into accepting any divide to characterise our society.

It is absolutely essential that this digital economy is inclusive and no one is left behind, because, to paraphrase an African proverb: “If the young are not initiated into the tribe, they will burn down the village just to feel its warmth.” I thank you. [Applause.]

Mr T T GUMBU: House Chairperson, hon Minister and Deputy Minister, hon members, fellow South Africans, it is without a doubt that modern day developments in science and technology are fundamentally altering the way people live, how they connect, how they communicate and how they transact. This had profound effects on economic development – both negative and positive. Nevertheless, technology impacts on almost everything we do and it is underpinned by global economic advances and improvements in areas such as health, education and infrastructure, amongst others.

In the annual celebrations of the National Technology Day on

11 May, hon Prime Minister Shri Narendra Modi of India alluded that their government remains committed to investing in technology and strengthening their scientific institutions as they are fundamental to addressing societal challenges and fostering economic growth. The World Bank estimates that every 10% increases in mobile internet penetration in Africa could generate a 2,5% increase in GDP. Currently, over 60% of Africa is covered by 4G mobile phone networks with an estimated

570 million internet users. However, accessibility and affordability of information and communications technology, ICT, infrastructure and the cost to communicate remain challenging for many, particularly those residing in far flung and referral areas.

This is why the ANC remains committed to see the South African connect project expand and doing more for our people. We welcome that the department supported by the relevant state- owned entities such as Broadband Infraco, Sentech and State Information Technology Agency, Sita, will continue to provide broadband connectivity to 970 government facilities over the MTEF period through phase one of the SA Connect project.

Furthermore, an additional R3 billion in 2023-24 and 2024-25 is allocated to the department to implement phase 2 of the project for capital equipment and new fibre infrastructure or to lease existing fibre to expand ICT networks into underserviced areas. We call on the department to work with speed to ensure that the most rural parts of our country get to leverage this programme so that young people in particular are able to assess the various opportunities that exists for them through online platforms, be it to look for employment, to start a business or to facilitate and process school- related applications. Through phase 2 of the SA Connect we also wish to see Seta upgrading and connecting government sites as well as the Independent Communications Authority of South Africa, Icasa, imposing universal services obligations or mobile network operators to connect 18 036 schools, 3 873 health facilities and 8 241 tribal authority sites. Both phase

1 and 2 had been allocated 3,8 billion over the next three years.

High levels of structural inequality and economic marginalisation continue to plaque our society. This means that many advancements might be made and infrastructure be implemented. Many people, particularly the poor in lower

structure of society still cannot afford the price of data. We implore the department to have continuous negotiation with the telecommunications service providers, Telcos, and the Competition Commission to significantly drop the price of data. Equally, we call on Icasa for fast-track the second phase of spectrum auctioning and we recommend the Minister to propose a policy directive that is going to accommodate the smaller Telcos for inclusivity and create competition to minimise the monopolisation of the sector by more prominent players such as Vodacom and MTN.

We also request that the Ministry and Department of Communications and Digital Technologies adequately address and attend to all impending issues raised by the curt that has stalled the finalisation of the analogue switch-off process.

We look forward to hearing the pronouncement of the next new final switch-off date in the remaining four provinces, that is Western Cape, Eastern Cape, KwaZulu-Natal and Gauteng province.

The delays in these projects have negatively affected the country’s ICT sector development. We have seen that the delay switch from analogue to digital TV transmission has led to

network congestion in South Africa economy hubs, particularly in Gauteng and KwaZulu-Natal. In addition, migration to digital TV is an essential step towards making available the 700 MHz to 800 MHz radio frequency spectrum band currently occupied by the analogue TV signals.

When digital migration of the television signal is completed, it will release new frequencies for 5G and reduce the cost of data, thereby paving the way for the realization of affordable high speed internet access for all. We are encouraged by the President’s pronouncement in his state of the nation address that commitments made by several companies during the investment conference we have held in the country have resulted in them investing in new factories, call centres, solar power plants, undersea fibre optic cables, expansion of production line and the adoption of new technologies.

It is also exciting to see the inclusion of women in the sector, as part of our role is to ensure that it is conducive and allows for the inclusion of the marginalised women, youth and persons with disabilities in the main. We welcome the fact that 44% of the set-top boxes installer enterprises are women owned. We trust that they will fast-track the process of

insuring that qualifying and registered households are installed with digital decoders nationwide. Government must ensure its effort to reach everyone across the country through public awareness and registration campaign that they have been carrying out using platforms such as radio, TV, print media, mobile network operators through SMS and door to door.

In conclusion, the ANC welcomes the expenditure in the ICT policy development and research programme set to increase at an average annual rate of 1,4% from 45,3 million in 2022-23 and 47,2 million 2025-26, thus enabling the department to continue to provide a supporting and enabling legislative environment by developing relevant policies, strategies and legislation over the MTEF period.

This will include finalising the audiovisual Bill introducing the SA Broadcast Corporation Bill to Parliament, submitting the digital economy framework and strategy for approval to Cabinet, finalising the National Cloud Computing Policy and developing the postal services Amendment Bill. Lastly, if the hon Tambo was on that oversight visit, he will know that we received ... [Interjections.] ... I am not panicking. [Laughter.] If the hon Tambo was on that oversight visit, he

will know that we called EFF councillor who received us. He is called the EFF mayor and not the municipal mayor by the Chairperson. But I think that is the matter for another day.

Thank you, Chairperson.

*Tshivenda*:

Ro livhuwa.

The CHAIRPERSON (Mr S O R Mahumapelo): With the powers now fully vested in me as the Presiding Officer ... hon Madisha, your name is written in pen here and I am told that you are allocated three minutes to say whatever you want to say. Over to you.

*Sesotho*:

Mong M W MADISHA: Ke utlwile, ntate!

*English*:

Hon Chair, moving around and alleging to be looking for advanced research consultants for more than R30 million which is allocated ... The department is well-equipped with people whose continuous skills development needs can be done in-house instead of hiring workers who possess the identified skill ...

as it has been proven. The majority have all the skills and if you were to get other people then what we get throughout which is corruption and theft will be promoted. It is unfortunate that South Africa's digital steps are put at the same level as what is happening in Brics, and if we follow that then will become a problem. Why? Because those countries are far more advanced. They are rich, whereas when it comes to South Africa, we are very far much down, if one were to put it in that way.

I, for nine years in this Parliament, pleaded that the department must contribute to the reduction of the more than 700 unnecessary SOEs which will go on and create problems in our country and this department has contributed as well.

Although I'm talking about 700 SOEs, this department too has a lot of SOEs, which are extremely unnecessary. The SABC is very important to the ordinary people of South Africa, particularly the working-class and the poor in townships rural areas.

As we debate here, as we speak of digital technology, they are watching *Generations*, *Muvhango*, and sport and waiting for the news but instead of us acknowledging and respecting what those poor people must, without a doubt, access ... some among us

agree to reduce members of staff, cut their salaries, promote whatever they want to promote at that particular level. Thank you very much. [Time expired.]

*Sepedi*:

Thobela!

Mr M G E HENDRICKS: Hon House Chair, last time you told me to do the right thing and I'm here and when I'm here you send me back to my seat but that is fine. I'm very happy the Minister of Communications is here because you will block the interference when you tell me your time is up and I'm thrown out of this House because I couldn't hear the previous Chair. I hope the Minister will do his job and make sure that I hear you when you tell me my time is up.

The digital agenda your Ministry is responsible for holds a number of the solutions South Africa needs, and that is to build a smart nation. Government departments cannot work in silos. Your presence Minister must be felt wider in all the departments. So let us advise you to build a pipeline of transformation by preparing the youth in primary schools, all the way to university for the Fourth Industrial Revolution.

Support the youth who don't make the transition after matric with digital skill certification to be globally employable. There are no jobs in South Africa so go and work out of South Africa. Support women and girls with digital skills certification to be globally employable. Design and implement a scheme for global and remote internships. Design and implement a scheme for global and remote jobs as our captains of industry are not creating jobs here in South Africa.

Our hon President said in his Sona in 2022 we need a new abnormal. You were there. You are in the Presidency. I repeat this because we need to focus on the digital economy that is beginning to require many traditional job opportunities and the new ones that are being created places skills in this area as mandatory. The jobs we have today will not exist in 2030.

The stone age jobs we still have in South Africa will eventually disappear. So either way, Minister, you were in the Presidency then, now as the Minister of Communication, you can implement the vision of His Excellency Cyril Ramaphosa. We can learn from our ... [Interjections.] ... deploying smart labs, incorporating coding, robotics, artificial intelligence, numeracy and literacy. Al Jama-ah’s executive mayor in the

City of Johannesburg, when he was the political advisor to the three mayors, one would die from COVID-19 and two from car accidents convinced them to embrace the Fourth Industrial Revolution. They implemented his plan to form a structure which is ready to start implementing his well-researched plans. The Minister must assist municipalities and the City of Johannesburg is ready to be assisted. The new abnormal, Minister, is about creating our future. I recommend this to our hon new Minister. Al Jamah-ah supports the budget. Thank you very much. [Applause.]

The CAIRPERSON (Mr S O R Mahumapelo): Thank you very much, hon Hendricks, you made the time. [Interjections.] You are inducting me ... okay.

Mr M S MALATSI: Chair, it is ironic that the Department of Communications and Digital Technologies is struggling to live up to its name and fulfil its basic mandate. While world over digital technologies is used as core contributors to job creation and providing user-friendly services, the South African Department of Communications and Digital Technologies is still stuck in the primitive era of redundancy. This Department is supposed to spearhead the government’s service

provision towards digitisation and leveraging ICT as a key enabler for inclusive economic growth.

Yet any assessment of every metric of the government’s use of technological interventions will reveal the obvious truth that it lacks both the infrastructure and innovation to fully migrate its services to digital. This Department is overpopulated with multiple SOEs, many of which we can do away with by streamlining functions for more focused and maximum results. Yet instead of amalgamating some of these entities for a much leaner, more effective and centralised focus, the department will now have others in the form of the State Digital Infrastructure Company and State Digital Services Company. As things stand, the department is currently unable to conduct vigilant oversight over the army of the SOEs in its portfolio to ensure that they all function as optimally as they should. On the other hand, there is nothing as regular as load shedding in our country, as is the reshuffling of Ministers in this department.

The appointment of Minister Gungubele means he is now the 14th Minister in this department in 14 years! This is a contender for a Guinness World Record, but on a more serious level, this

is not the way to achieve organisational stability. The cumulative effect of this has been endless conflicts between different Ministers and some of the management of these state- owned entities.

To aggravate matters, the department is once again yet to appoint a director-general. All these factors contribute to the general state of mediocrity engulfing the department where poor performance goes unpunished and where there is no accountability unfortunately unethical conduct in public service continues and wrongdoing always thrives. All the while, millions of rand of taxpayer’s monies are then lost in very lucrative investigations that are wasted investigating the rot planted by the beneficiaries of cadre deployment. One of the worrying developments in the department and its entities is the ever-growing number of accounting and financial management concerns which have been highlighted by the Auditor-General, from the SABC, State Information Technology Agency, Sita, SA Post Office and Postbank are all beset by material irregularities some of which have led to arbitration and court proceedings due to a legacy of wrongdoing that has compromised the financial sustainability of all these entities.

However, on a more positive note, we welcome the appointment of the SABC board. The filibustering efforts by the President to delay the finalisation of the appointment of the SABC board must never be allowed to happen again. In this case, credit must go to the portfolio committee for delivering a pool of diverse, skilled and competent individuals to be part of the current board despite some unprecedented bullying by the Presidency and the Ministry. The executive must respect the separation of powers that empowers legislators to do their work without any fear or favour simply because the executive does not like the outcomes of a fair, robust and credible parliamentary process does not give them powers to stonewall the work of the government.

Minister, a government that respects the rule of law and appreciates the doctrine of the separation of powers doesn’t need to be dragged to court to do the right thing. It does because it is the right thing to do. We all agree that the SABC is a strategic asset of national importance. While we may often disagree with how certain operational matters are handled and complain about the disproportionate coverage we get, we must all fight to protect the editorial independence of the SABC.

The SABC is far too important in educating, informing and entertaining our society to be handicapped by overzealous political interference masquerading as executive oversight. Where the SABC deviates from its mandate and values, we will not flinch in holding both the board and management accountable. We just have one plea to the SABC ahead of the 2024 elections campaign, please cover all of us fairly and impartially.

Hon members, we need to work together to eliminate the cumbersome red tape that is driving high data costs to enhance meaningful access to the internet for poor South Africans. To this end, the DA’s vision is to position South Africa as the innovation and technology hub of Africa by advocating for more affordable data costs and faster connectivity for all South Africans, closing the digital divide by reaching high levels of digital competency and skills and pushing for rapid digitisation of government, industries and the private sector. The reality is this department has a lot of potentials but has been let down by the constant reshuffling of Ministers by successive ANC presidents to provide the leadership it needs to succeed.

Perhaps it will only reach its full potential when a new government that will prioritise South Africa’s quest for digital competitiveness and innovation comes to power in 2024, and at the rate that the post office is closing branches, Minister, there won’t be a Post Office of Tomorrow. Branches are closing all over and the digital advances that its competitors have made have left the post office behind.

It’s been sleeping for the past 10 years because it has not been able to adopt the innovative interventions that it needs. It should be a reliable courier. It should be a reliable mover of posts and packages for the South African public. So for many people who have the option to use a private service, they have already left the post office because it is unreliable. So all that talk about the Post Office of Tomorrow might never come true. Thanks, Chair.

Ms N J KUBHEKA: Hon House Chairperson, hon Minister and Deputy Minister, hon members, and fellow South Africans, in his Budget Speech earlier this year, the Minister of Finance, hon Enoch Godongwana, indicated that South Africa is seized with load shedding which has become more persistent and prolonged impacting service delivery and threatening the survival of

many businesses. Furthermore, households are under pressure from the rising cost of living and unemployment remains stubbornly high. At the same time, our economy grows by an estimated 2,5% in 2022, indicating an upward by an estimated revision from the 1,9% projection in the 2022 Medium-Term Budget Policy Statement, MTBPS. More still needs to be done through the progressive approach that our government has taken off using a whole of government approach of tackling unemployment and reducing poverty. Through various measures and initiatives, we have seen our government providing opportunities for young people while at the same time lobbying the private sector to increase its contribution to employment, particularly for young people all across the country.

We are happy that over one million opportunities have been delivered through the Presidential Employment Stimulus. These include jobs created, work experience provided, livelihood strengthened, skills developed, and small business owners supported and promoted. These opportunities are helping to provide for poor and are capitating the economic recovery of local and informal economies, more so in the township and rural areas of our country. A report released this year by Stats SA revealed that South Africa unemployment rate

decreased by 0,2 of a percentage point to 32,7% in quarter three 2022. While is this not a drastic decrease, it shows that our government’s initiatives have an impact.

It is, however, concerning that woman still represent the face of poverty and remained vulnerable in the labour market compared to men and women are more likely to remain unemployed for extended periods, which eventually affects their chances of employment. Women are the most vulnerable in the labour market. With that being said, it gives us great pleasure to see that 44% of the set-top boxes installer enterprises are women-own. The set-top box installation process employs local small medium and micro enterprise, SMMEs, and creates employment opportunities for youth and women across all nine provinces. Capacity for installers has been enhanced across the country. These companies have created over 3 000 jobs since the inception of the project.

The report by Stats SA also revealed that the level of education plays a vital role in the employability of unemployed person in the labour market. The findings suggest that unemployed persons with less than a matric level of education and a matric qualification have a higher likelihood

of being in long-term unemployed than those with tertiary qualifications. Our government together with its state-owned enterprises such as the National Youth Development Agency and the National Electronic Media Institutes of South Africa, amongst others, must strengthen it, resolve and heightening the skills capacity. We have in the country working with our various institutions of higher learning by encouraging more young people to acquire various skills and knowledge, particularly in information and communications technology, ICT, related skills which are regarded as the skills of the future. We are not that over the medium-term.

The institute will focus on providing digital skills in collaboration with government, education business and civil society. The ANC welcomes the targets of our institute to train 9 900 citizens in digital technologies, 650 citizens in ICT skills-base programme, and 440 000 citizens in digital literacy over the Medium-Term Expenditure Framework, MTEF, period. National Electronic Media Institute of South Africa, Nemisa, must utilise a dynamic and futuristic research approach to continuously review its curriculum and learning programmes to quickly respond to emerging and new skills required in the market.

Research shows that in South Africa there are two significant contributors of the local scarcity of certain skills.

Expensive tertiary education results in a smaller proportion of the population receiving tertiary education. Low wages resulting in high-skilled workers leaving South Africa employers for better paid jobs and opportunities overseas.

According to *CareerJunction* the job sectors in South Africa hit hardest by skills shortages are the information technology and finance sector. However, the shortages are being felt almost across the board including in medical and health engineering, etcetera.

Looking at the information technology, IT, sector, in particular, businesses and recruiters are particularly struggling to source skills talent in the following: software development technical, business architecture, database design development, administration, system analysis, data analysis, data warehouse and business analysis. This gives rise to the burning need for our government to pay attention to the skills revolution and create a conducive environment for the skills gap to be addressed for it left unattended. It might be a significant constraint on our prospects for achieving a kind of sustained economic growth that will open the way for much

wider participation in economy as well as reduce the triple challenges of poverty, unemployment against the backdrop.

We welcome that other entities with the department have been playing their role towards increasing work opportunities and skills development opportunities through various training sessions and bursary allocation for a number of young people across the country. Sector Education and Training Authority, Seta, spent R943 568 and 4 cents in 2022-23 towards bursaries to external beneficiaries. 35 placement of youth awarded bursaries were placed in Seta as interns to fulfil their work back obligation. For 2023-24 Seta intend to recruit 180 interns through Finance and Accounting Services Sector Education and Training Authority, Fasset, funding and 40 through Media Information and Communication Technologies, MICT, funding. 84 interns from 2021 have been converted to experimental trainees. There are currently 35 interns. Seta has also employed 84 graduates who completed the internship programme as fixed-term contracts to enable them to acquire further work experience.

Universal Service and Access Agency of South Africa, USAASA, has employed 33 new graduates to district co-ordinators across

the country. While on the other hand the Film and Publication Board during the 2022-23 financial year has created opportunities for the youth in the form of internship and in the near future plans on having a learnership intake through relevant Setas Film and Publication Board, FPB, also awarded 83% of transaction to SMMEs and 36% of all awards were made to businesses owned by women and youth. Furthermore, workshops were held with suppliers every quarter during which they were empowered with information regarding conducting businesses with the state of positioning themselves to be better appointable. These are just a few of the department’s intervention and some of its entities.

The ANC appreciates that they have yielded to the call to address the high levels of unemployment country has been riddled with and we hope to see these efforts multiply in the current financial year. The ANC supports this Budget Vote 30. Before I can conclude that I would like to say that on the side of the DA, DA understands that on the site of SA Post Office, SAPO, we will keep on supporting the issue of the turnaround strategy because they are coming with the post office of tomorrow. Therefore, indeed, we need to support the issue of SAPO in order that it can get to its feet. Don’t

forget that SAPO has have not started now these recent years. It has a legacy. Therefore, we need to address all those things and we can’t say we will just leave it. The SAPO we will continue supporting it.

Hon Tambo, if you were managed to visit in the oversight in Kimberly you can see that the SA Connect has managed to place a more important role by the department. They have managed to play a role also in the place knowing by Douglas, that’s where also the Post Office has managed also to work. There’s no Post Office which is closed. Hon Acting House Chairperson, I thank you. [Time expired.] [Applause.]

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES:

Chair, I thought it would be important that maybe I share with the South Africans. Let me first thank all of you for the constructive engagement on this very important item. Again, you have demonstrated that ours is a robust democracy. We must always appreciate that. The physics that I once tried to do has taught me that progress is only possible where opposite activities take place, then the results enforce them to be kept determined in that direction. So, we always derive happiness when there are these debates.I thought it would be

important to share with the South Africans that we are going on in corpratising the Postbank.

The Amendment Bill is in process, which is at one particular stage of licensing, and which will enable the registration of the grand controlling company for the Postbank in terms of section 43 of the Banks Act. This is the last step in the banking license application process which is intended to see Postbank awarded a fully fleshed banking license. This is important because, stats do still confirm the fact that 67% of the adult population in the country finds that the commercial bank is still very expensive, and 23% of the population remain excluded from that banking system.

It is also important to note that 62% of our *small, medium and*

*micro enterprises,* SMMEs, still cannot access credit facilities, even the 38% that access 81% still cannot access quite a significant number of those facilities. I thought it is important just to raise that. What is also important is that having listened to the members, reminded me of the Presidential Commission which was launched in 2018 for industrial revolution and its report.

It reached the point that rather, it saw it important to center the requirement to invest in our country as primary in anchoring this on two related features of the nation, which is the societal wellbeing and economic competitiveness. In other words, it’s saying that this is what we should actually focus on. We spoke about the investment in infrastructure, the billions that the foreign investors are doing in this area, whether it’s clout services, status services or so on.

Actually, it is reducing the cost of our intervention as the government. Rather than doing the clout service, what we do, we focus on the essential issues that matter and rely on that infrastructure.

Now, again, there is an attempt to implicate that ours is just do and glow. If you look at that Commission’s report when he speaks about these two outcomes, on the economic competitiveness, it will say to you that South Africa’s global position on the economic competitiveness improved in 2019, with the country going up seven places to 60 out of 141. It further says, South Africa is placed as we speak, at 46 of 149 countries in terms of innovations. This is a positive indication, and these are independent... Private sector is a South African life and not an American life.

So, when you say private, I don’t understand what you are saying. Those are the South Africans. It is happening in our country, in an environment where we are governing as the ANC, right? So, South Africa performs. Where it acknowledges poor performance, it’s in two critical areas, skills and health.

That is why it indicates that 16,4% of the employed South Africans are considered people working poor, 47% working force are considered skilled. Again, when you come to the social wellbeing it continues says, 54% of the population are internet users in South Africa, and 84% of the population has access to improved water, and 73% to actually improved sanitation.

I thought it is important to further say, as a matter of practical sense, we have improved, I’m talking about the social wellbeing now. In this country, we have improved the turnaround time for the processes of water use licenses application, from an average of 300 a day to the current situation, where we are processing 70% of applications within

90 days. We have also eradicated the old backlog of water use licenses.

We won some major national water use infrastructure projects that were delayed, for example, finding solutions have been found for Mzimvubu Dam and then uMkhomazi project in KwaZulu- Natal. The latter has been made affordable through blended finance arrangement, put in place by the infrastructure fund, in terms of which the project will be ... [Inaudible.] ... I just want to highlight in the area of social wellbeing that there are major interventions that are being made, and we really appreciate the leadership of the Minister, Senzo Mchunu.

Now, we’ve said in my speech that we have listed what the State IT Agency, Sita, is doing in terms of the R6 billion investment, and the R3 billion that has been given also for SA Connect. All these are the things we are doing, to actually try to create this environment of economic competitiveness and so on, which is very important. So, I’m saying that we can sit here and try to deal with all the incidents that have got a potential to defocus us, and we will refuse.

We are going to make sure that we accept criticism, but make sure that we spend more time actually putting the post office on the right path, which is what we are doing now. I thought

it was important to say, for instance, when you say that post office should not be trusted, you are actually casting aspersions on a South African institution for the hatred of a party, and it has got implications for the country. I’m sure that our politics do not go this far.

So, you don’t go in America and say, don’t trust FNB or don’t trust the reserve Bank because you are angry with the ANC. You are dealing with the institutions, and they are very critical for revival. These post offices serve no less than 700 million SMMEs, at the same time, they process not less than 6,9 grants for beneficiaries and so on. So, I’m saying, you can attack us for poorly running it, but if you send the message that, don’t trust it, it’s a problem because, I also wanted to respond to hon Wessels. Hon Wessels, for Addo, we’ve got a confirmed information that the post office is operating as we speak ... [Interjections.] ...

No, no, we’ve got it. Secondly, the other one of Petersfield is a private entity, where the owner stole the cash. That is why it is not operating. It is not a government post office. So, having said all that, hon members, I think that we need to continue engaging in this constructive way. I can tell you,

the House that is under challenge now, was constructed by the ANC. It will only be rebuilt and reconstructed by the ANC. You, all the other people, are architects of a house you don’t know how it was constructed.

We are very confident, we have accepted our weaknesses, and we are on the move to intervene and develop. Based on that, we will refuse to actually be diverted by incidental. Having said that, I want to thank all of you for the great participation, from both ruling and opposite. [Applause.]

The CHAIRPERSON (Mr S O R Mahumapelo): Thank you very much, hon members. Please be reminded that Home Affairs budget debates are going to be taking place at Good Hope at 17h15 this afternoon.

Debate concluded.

The mini-plenary session rose at 16:55.