**UNREVISED HANSARD**

**MINI PLENARY - NATIONAL ASSEMBLY TUESDAY, 23 MAY 2023**

**VOTE NO 10 – PUBLIC ENTERPRISES**

***PROCEEDINGS OF HYBRID MINIPLENARY – GOOD HOPE CHAMBER***

Members of the mini plenary session met at Good Hope Chamber at 16:15.

House Chairperson Ms M G Boroto took the Chair and requested members to observe a moment of silence for prayers or meditation.

**APPROPRIATION BILL**

Debate on Vote No 10 – Public Enterprises:

The MINISTER OF PUBLIC ENTERPRISES: Good afternoon, Chairperson, hon members, ladies and gentlemen, I have the honour to present the Budget Vote for the Department of Public Enterprises for the year 2023-24. Around this time next year, South Africans will once again show the world our intent as a

nation to unite and to choose a path that will set this country on yet another course to realise its true potential.

Next year’s general elections mark a critical milestone in our ongoing quest to create a just and an equitable society, where no one is left behind. As government, our fundamental responsibility is to create an enabling environment where the dreams of our people are not held hostage by selfish interests driven by greed, cynicism and saboteurs, involving treasonous acts on our infrastructure and pillaging of state resources.

Our socioeconomic transformation agenda is predicated on the urgent need to deliver on our commitment to social justice and affirm the ideals enshrined in our Constitution. State-owned enterprises, we believe, play a vital role in creating and enhancing the economic and social wellbeing of all South Africans. This reality underpins our work to revitalise our SOEs and reclaim them from criminals and the beneficiaries of state capture, whose treasonous acts mean that Eskom cannot deliver safe and reliable electricity supply.

The network industries, including energy and the logistics sector, are key to South Africa’s ability for faster and a

more inclusive way to generate economic growth. Our people need a reliable supply of electricity, as we have all learnt, to run their small businesses, light up their streets and for their children to learn. Our people need reliable trains to work. Our miners and farmers need efficient ports that enable them to export their produce and remain competitive. There is an urgent need to overhaul of our rail, ports and logistics infrastructure in order to cut the cost of doing business, create more jobs, and boost business confidence.

This is a national imperative. This task should unify all of us to work together as South Africans to shoulder the responsibility of creating a bright future for our country. The solutions of yesterday, regrettably, will not take us much further. Our world faces serious tectonic shifts that require decisive leadership, visionary execution and a capable state to tackle our daunting triple challenges of unemployment, poverty and inequality.

The war in Europe has underlined the fragility of our world, not only in economic terms, but also in the way that global governance structures are being tested. Having just emerged from the debilitating COVID-19 pandemic, we are now confronted

with supply chain disruptions, soaring food and energy prices and the spectre of more geopolitical shocks. Granted of course that many of these factors are out of our control, hence the importance of seizing this opportunity to fix, repurpose and realign our SOEs to deliver on our developmental agenda.

Therefore, reform of our SOEs and indeed of our broader society and economy is an absolute imperative. The National Development Plan suggests that the significant SOEs need a clear public interest mandate and straightforward governance structures, enabling them to balance and reconcile their economic and social objectives. For the large SOEs, it says, that are involved in economic infrastructure provision, their mandate should include the imperative of financial viability and sustaining their asset base and balance sheet to maintain and expand services.

Secondly, state capture and corruption have played a significant role in hollowing out and preventing our SOEs from playing their developmental role. The Zondo Commission’s observation and recommendations have outlined the devastating impact of state capture and corruption. We now know that SOEs’

finances balance sheets, operations, governance, culture, and skills base have been compromised and require reform.

Furthermore, SOEs aim to deliver economic and social development, leading to social justice for all. South Africa is a middle income country and it finds itself in a middle income trap where it cannot transit to higher levels of economic development unless we do things differently. The SOEs must play a crucial role in helping South Africa to move to a higher level of development. We need SOEs to drive skills development and introduce the adoption of new technologies to optimise and streamline business processes as part of the Fourth Industrial Revolution.

So what is then the strategy for SOE reform? SOEs being as central as they are to advancing the national objectives through providing economic and social infrastructure, the SOE reform process is not unique in the world. Many countries are undertaking similar processes. For example, in Malaysia, reforms to make SOEs more efficient, fit-for-purpose, and to develop new systems of accountability in order to grow their economies as part of their objective, they established their outfit called Khazana, some 10 to 12 years ago, starting with

five SOEs. Today over 100 SOEs fall under the banner of Khazana.

The President announced on the basis of this evidence, the creation of the Presidential State-Owned Enterprises Council – Psec as we call it, in June 2020 - in the midst of the COVID-

19 pandemic, to provide independent guidance and views on the dependence of SOEs or based on the fact that the dependence of SOEs on the fiscus was no longer sustainable. The SOEs are key implementing agents of the developmental state and thus must be marshalled accordingly.

Although evidence on international best practices on the governance of SOEs showed the importance of separating the policy function from operational and regulatory functions, leveraging the collective balance sheet of the SOEs whilst the lessons that was learnt from elsewhere in the world. The global experience shows that the maturation of the new entity such as the one that we envisaged for South Africa takes many years, in China for example it took 20 years to develop to the point where they have the Southern African Sustainable Energy Conference, Sasec, today. Temasek in Singapore is a product of

30 years of work by that nation to safeguard the wealth of

that nation but also to lay the basis for future generations as well. Of course, strengthening the framework governing SOEs is a critical objective to protect them from criminality, selfish interests and sabotage. Finding innovative ways to manage the risk of future corruption, political and business capture was equally important.

Accordingly, the following measures were proposed by the Psec

... [Inaudible.] ... : An appropriate centralised Shareholder Ownership Model that has been developed further, introduction of an overarching Act or legislation governing SOEs – we have a draft already; improve governance, financial control, risk management and the infusion of the requisite skills in the boards, both of the central entity and each SOEs itself – that’s work in progress; having undertaken a financial analysis of over 30 other SOEs, it has made proposals which need further business analysis through experts, to determine which of these should be merged and which should be considered for closing down and a deep financial analysis of Eskom was also undertaken.

So what we have is a policy statement that clearly sets out what is the objective of this exercise, a business case for a

state-owned holding company, a Shareholder Bill that reflects the aspirations of government and any proposals made to government itself and to ensure a seamless transition to a state-owned holding company, we have sought in the last four years to inculcate a sense of urgency into the boards. We have demanded continuous review of the current business models and development of financial stability plans to make SOEs financially self-reliant.

Of course, in the process, we have to overcome the legacy of state capture and to improve operational effectiveness.

Although it is now common knowledge, it is important to remind ourselves of the damage caused by state capture and the tough challenge in overcoming the damage inflicted on systems, plant, processes, governance and of course people. While much has been done to restore core operations and bring many corrupt companies and individuals to book, the deleterious effects of patronage, middlemen or middlewomen and thieves highlights the depraved nature of some of those that have been entrusted with the safeguarding of the public interest and have abused it.

Similarly, in the post-Zondo Commission period, entities have engaged with many original equipment manufacturers, OEMs, and particularly those implicated in Transnet as well, in recent times. Our approach to OEMS is to own up to unlawful payments made, to co-operating in addressing the wrongs of the past, to ensure that we address the irregularities – regularised the businesses of the OEMs and ensure that the court plays its rightful role in this particular regard. No immunity from prosecution is guaranteed, and where applicable, equipment is essential to restore full and proper operations in SOEs that is due and some of these OEMs.

Three weeks ago, I led a delegation comprised of Eskom and Transnet executives to explore ways to unlock some of the solutions needed by these two critical SOEs. This is still work in progress, and given the complexity of what is being dealt with, it will take a bit of time to conclude the negotiations that have commenced or recommenced. But certainly, we will reach, I believe, an optimistic end.

Let me go through three entities very quickly, and that is: Eskom, Transnet, and the SA Airways, SAA. Firstly, as far as Eskom is concerned, we now know that we have to, as a country

the economy is affected load shedding of a significant order and until the end of the year at least. Nonetheless, the terms have been made by government to ensure that the recovery of the generation capacity of Eskom must be complemented by the introduction of new capacity to end load shedding.

The generation recovery plan to increase Energy Availability Factor to 70% by 31 March 2025 is in place. The debt relief provided by National Treasury of R254 billion over the next three years has been extremely helpful, financially speaking and the operationalisation of the National Transmission Company of SA by November 2003. The board is expected to be announced shortly. The distribution subsidiary will be corporatised by the end of December 2023.

The process of identifying and appointing the group CEO is already underway and within the next month or so there should be some announcement in this regard. This is the matter in the hands of the board at the moment. Some of the strategic initiatives we can expect from Eskom are expansion and strengthening of the grid as per the Transmission Development Plan to allow new generation capacity in the form of

independent power producers, IPPs, gas, batteries and other renewables to be developed.

The Koeberg life extension plan is underway and the replacements are due by 31 March 2024 of both unit 1 and unit

2. The Kusile unit, as Minister Ramokgopa reported yesterday, we hope will be in operation by the end of the year. The completion of new build programme of the remaining units at Kusile and Medupi will be on schedule – we hope as well. The National Energy Regulator of South Africa will issue a licence to ensure that we can build trading, but also import and export electricity as far as Eskom is concerned. The due diligence for the establishment of a generation company and new holding company will be completed by 31 March 2023. So, Eskom will no longer be the old Eskom as we know it by the time we get to the end of this financial year.

As far as Transnet is concerned, immediate aim is to get more locomotives into service, repair existing trains – locomotives and other infrastructure so that speed restrictions are removed. Tackle cable theft and vandalism, and law enforcements needs to do a lot more in this particular regard. And of course digitise the operations of Eskom and introduce

new technologies that will remove the hand of the individuals in many instances and avoid some of the problems that Transnet faces at the moment.

The strategic initiatives are interesting and far reaching in Transnet. The finalisation of the roadmap for the future of Transnet should be completed in the next three months.

Preparation for rail reform, particularly the establishment of the infrastructure manager within Transnet Freight Rail will be done by October 2023. And there will be the relaunch of slot sales by 1 April, in the first instance of this year, and the second instance in a month or two from now. Optimisation of implementation of private partnership – roads, rail and ports. The overhaul of the freight rail infrastructure to recapture freight volumes is part of the objectives that Transnet is working towards.

The SA Airways today should be dead, its assets should have been sold, and it should have been in liquidation – and it wasn’t. Through the determined effort of government, SAA has been saved. It has been restructured. Hundreds of people have retained their jobs, and as we sit today, at the end of March 2023, SAA operates 12 destinations, 10 of which are regional

and two are domestic. It currently has a total of 12 planes, and it has stabilised its operations and it has turned its small property in the previous financial year as well.

Although it is not unable to generate funds that will ensure its sustainability into the future. As part of its strategic initiatives, the first round of hearing of the Competition Commission process has been concluded. The second round of the Competition Tribunal will commence shortly and it is intended by March 2024, SAA will operate 20 destinations - 1 intercontinental, 16 regional and 3 local.

Additional routes for revenue generation that are planned, include Lubumbashi, Gaborone, Maputo, Accra-Abidjan, Lagos- Abuja, Nairobi and Sao Paulo to connect the South American continent with us. So, if you look at the investment picture of all these SOEs, which is quite an important part of the role of SOEs as well, we are forecasting that over the next five years, SOEs that we mentioned will spend more than R200 billion on expanding and improving infrastructure.

Eskom alone will spend R290 billion over next five years; R152 billion for optimising generation and R74 billion to strengthen transmission. Transnet plans to spend R122 billion

over the next five years. The investment is targeted mainly at rail with R85 billion, and the ports authority will also see a significant R13 billion being spent to upgrade our ports as well.

Capital will be directed primarily towards restoring the rail and port asset base of Transnet and the utilisation to deliver on revenue commitments in the key commodities. Transparency and frankness with the public demands, but notwithstanding the good work that has happened, there are shortcomings that we need to own up to. The electricity insecurity that we experience at the moment, some of the operational difficulties on the rail sector. There is more work to be done as far as red tape is concerned, both in the logistics area and in respect of the energy area. Implementation of our plans takes too long. Renewables elsewhere in the world take a much shorter time to implement than in South Africa, and we have the opportunity to shorten much of the red tape that is required and the processes required if we have the political will and the administrative will to actually do so.

Similarly, had I have been 19 ... [Inaudible] ... two years ago, maybe we will be in a better position than we are

currently at this point in time. Clearly, a new - if you like, vaccine of urgency, needs to be inserted into our systems to ensure that red tape is reduced and many of the problems that we have faced can be overcome over a period of time.

Similarly, our commitment to Just Energy Transition remains in place and both the just part and the energy transition part has detailed plans that Eskom has developed, especially top flag manager, has been implemented for this project or hired for this project. The implementation of some of the recommendations will commence shortly as well.

The fifth system of course is a critical component of economic competitiveness and we will see lots of progress in this particular regard, both in the short term an in the long term as well. Critical to many of the successes, both in the transmission area and in the area of logistics is going to be the type of creative partnerships that we can develop with the private sector. And the plans to introduce partners in the Durban Container Terminal, Pier 2 and Ngqura Container Terminals, has registered good progress. And a decision on Pier 2 is about to be made. The acquisition of a Strategic Equity Partner for the Durban Container Terminal is also well on its way. Similar projects are being undertaken at this

point in time to ensure that this good work actually carries on.

So, in conclusion, as far as the budget of the department is concerned, expenditure for the department is expected to increase at an average annual rate of 2,9%, from R303 million to R330 million. The department’s main cost driver is compensation of employees. And to ensure that the department remains within the expenditure ceiling for compensation of employees over the Medium-Term Expenditure Framework, MTEF, period, only critical vacant posts will be filled. I thank you.

Mr N E DLAMINI: Hon House Chairperson, Minister and Deputy Minister, and hon members, I greet you. The ANC supports Budget Vote 10 because the department’s effort aimed at restructuring and reforming state-owned entities, SOEs, are aligned with the ANC’s mixed economy approach. In his Budget Vote report the Portfolio Committee on Public Enterprises has recommended, amongst others, the Department of Public Enterprises issues ensure that SOEs strike a balance between serving commercial and noncommercial mandates thereby suggesting that SOEs should not only focus solely on improving

their finances and efficiency, but also improve the standard of living of most of the population by expanding service delivery through infrastructure services that are competitively priced and accessible and that provide an opportunity for economic participation. While there’s nothing inherently wrong with SOEs serving commercial and noncommercial mandates as his mandates translating to widespread improvements in service delivery, opposition parties are less enthusiastic about the department realising this recommendation, especially under the leadership of the current Minister, hon Pravin Gordhan, to this extent the most critical ... [Inaudible.] ... are the EFF.

Ironically, under the leadership of the current Minister, hon Pravin Gordhan, the department has in effect ... [Inaudible.]

... up its photo structure to restructure and reform SOEs to ensure that the balance between commercial and noncommercial mandate is appropriately addressed. In another words, better co-ordinated or commercial and noncommercial mandates is overriding objective of the restructuring and the reforming initiatives of SOEs. Of course, balancing commercial and noncommercial mandates of SOEs can be a complex undertaking,

particularly given that the difference stakeholders champion for difference restructuring and reform objectives.

Nevertheless, it is fair to say that the department has made significant progress in ensuring that the ... [Inaudible.] ... restructuring and reforming of SOEs balance commercial and noncommercial mandates whilst reconciling the different objectives of the concerned stakeholders. To begin with the department has embarked on a series of sequential steps to unbundle Eskom into three divisions responsible for generation, transmission and distribution as part of effecting a comprehensive restructuring and reforming initiatives in Eskom. The first step has been completed by establishing the national transmission company of South Africa aimed at incentivising competition in the electricity markets for more efficient and reliable supply of electricity.

The second step is currently underway and involve getting a licence approval from the National Energy Regulator of South Africa, Nersa, obtaining lender’s content on transmission debt and appointing the board of directors for the national transmission company. The commercialisation and operationalisation of the company, which is the priority of

the department is in the current financial year would deliver the stated goal of balancing commercial and noncommercial mandates of SOEs, impart because the high-level end of independent power producers, IPPs, through the national transmission company would promote competitive electricity market, even as the transmission network remains a natural monopoly.

In turn, the competition will incentivise complementary investment in renewable energies and in the required expansion of the transmission grid infrastructure with potential additional jobs created in green economy on the one hand and it would ... [Inaudible.] ... inefficiencies and ultimately reduce monopoly electricity tariffs which catalysed the culture of nonpayment across municipality and electricity theft. The culture of nonpayment and electricity theft in the main partly contribute to load shedding and energy and security in the country.

Among other significant signs of progress, the department has successfully restructured Denel business model from six to three co-business units, namely: engineering, manufacturing, maintenance and overhaul. The restructuring and reforming of

Denel’s business model is ideal consistent in balancing commercial and noncommercial mandates of SOEs. For example, the three new business units will enable Denel to develop new products and keep up with the new technologies and this will in turn improve local procurement policy across SOEs as Denel’s competitiveness will result in direct supports of black and women-owned small medium and micro enterprises, SMMEs, within the defence industry, especially those that have local capabilities who should be producing food required for difference products manufactured by Denel. While opposition parties, in particular, the EFF may ... [Inaudible.] ... that’s whether local procurement policy will be effective since the SOEs have struggle to use this policy to effectively dilute skewed ownership patterns in the economy and support industrial development in the past.

The department seeks to correct this in the current financial year by capacitating business ... [Inaudible.] ... to monitor and evaluate SOEs performance in leveraging ... [Inaudible.]

... financial performance stands to produce goods and services from SMMEs own by black women, youth and people with disability. In general, the objective of the restructuring and reforming of Denel discourage soft budget constraints of SOEs

that encourage dependent on state bailouts while enhancing their technical defence capabilities of Denel that form an integral part of the defence forces capabilities and have contributed to South Africa’s general impact ... [Inaudible.]

... security through its strategic grid as well as to ensure its statical and industrial sovereign aimed at supporting peace keeping machines in internationally and continental politics.

The organisation for economy co-operation and development SOE guideline proposes that the state’s prime responsibilities include setting and monitoring and implementation of broad mandates and objective for the SOEs including financial targets, capital structure objectives and ... [Inaudible.] ... levels. In South African the department discharges responsibility through the Organisation for Economic Cooperation and Development, OECD, international best practice suggest should be expected from the state. For example, the department is pressing aggressively restructuring and reforming initiatives intended to improve competition in South Africa’s railway network in the current financial year.

In particular, the department plans to fast track establishment of a competent rail infrastructure manager dedicated to the monitoring and supervision of Transnet Freight Rail sale of slot to private sector players, which is crucial for introducing competition and improving supply chain efficiency in the corridors focusing on iron ore, manganese, coal, chrome magnetics, auto and containers, fruits and green fuel and gas, which are the backbone of Transnet key industry supply chain. This is particularly important even that the South African economy is reorienting itself towards regional and international markets and Transnet Freight Rail, TFR, sale of slots ... [Inaudible.] ... supports this global repositioning through incentivising investment in rail network and infrastructure and expansion to take advantage of the African continental free trade area policies. While simultaneously promoting African Renaissance often in partnership with SOEs in other countries.

Most importantly, the restructuring and reforming of TFR are, in fact, attempt to balance commercial and noncommercial mandates of SOEs. Overhaul, while the TFR sale of slots catalyse investment in the railway network it increases the shore of rail bulk freight relative to the road thereby

contributing to the migration from roads to rail enrouting cost of logistics as well as of that of doing business in the country. Going further, the structuring and reforming of SA Airways, SAA, equally strikes a balance between commercial and noncommercial mandates of SOE. While decision to bring in the strategic equity... [Inaudible.] ... to SAA may be done to raise the necessary working capital for national carrier in the short run, it is done to gain access to key markets through public-private partnerships to improve the connectivity of cities between countries that contributed to the growth in tourism and local and regional level in the long run.

However, the success of this restructuring and reforming initiative of SOEs hinges on absence of political interference in the affairs of SOEs as well as the presence of uniform governance framework to ensure that these initiatives achieve their intended objectives. Thus, the department’s plans to develop a National State Enterprises Bill and SOEs holding company aimed at ensuring that the restructuring and reforming after the process of SOEs are impervious to capture by private interests as was the case during the state capture, whilst at the same time introducing external expertise and greater

professionalisation into the oversight process ... [Inaudible.] ... to prime shareholders responsibilities of the state.

The implementation of the National State Enterprises Bill and SOE shareholding company aligns with the work of the Presidential SOE Council who ... [Inaudible.] ... objectives include addressing governance weaknesses and lowering probability capture of corrupt officials across key strategic SOE. As the department’s budget in the governance and legal assurance ... [Inaudible.] ... is geared towards providing strategic secretariat support to the Presidential State-owned Enterprises Council, PSEC, in the current financial year. The ANC supports the Budget Vote on Public Enterprises. Thank you.

Mr G K Y CACHALIA: House Chairperson, we are here to confront an issue that has been plaguing our nation for far too long, the incompetence and negligence of the Department of Public Enterprises. This department, which was supposed to be the custodian of our state-owned companies, has instead become an accomplice in their downfall. It is with a heavy heart and a fire in my words that I speak of the acts of commission and omission that have led to the destruction of the capabilities

of these once-thriving entities. From Eskom, through Transnet, Denel, SAA, Alexkor and SA Express we see no green shoots as the Minister is fond of saying. And still that phrase having worms its way into the lexicon of the department and its fellow travellers in committee.

The department is entrusted with the responsibility to nurture and guide our state-owned companies, advise and monitor targets, but instead it has forsaken its duty and contributed to their demise. Through their gross mismanagement and lack of foresight, the Department of Public Enterprises has turned these institutions into mere shells of their former selves, more it has facilitated corruption. Companies that were once the pride of our nation, providing essential services and driving economic growth, now lie in ruins, bleeding taxpayers' money while failing to deliver on their mandates.

The net effect on the fiscus, on our economy and on the lives of honest South Africans trying to eke out a living, Minister to, and educate the old and the young does not need detailing with statistics. You know it; I know it and the world knows it because, of late, a day doesn’t pass without globally respected media reporting on this rank failure. What has the

department done to address the deep-rooted issues facing these state-owned enterprises? Nothing but empty promises and half- hearted attempts at reform. It has facilitated corruption to continue, by creating an environment where funds meant for development and progress are siphoned off. A culture perpetuating impunity and a disregard for accountability remains the sad output.

This inaction and lack of vision has resulted in the deterioration of crucial infrastructure – electricity, rail, ports, airlines and more. All of this while we citizens and businesses sit in darkness, while we are unable to meet the export needs of the economy at our ports, and while we wait in vain to see if the albatross that is SAA will fly with its six aircraft waiting for manna to fall from heaven in the guise of the Takatso consortium. That elusive entity which key member, Gidon Novick, has now left, citing issues of inadequate communication and an inability to raise funds.

The department’s acts of commission in focusing on inconsequential and impeding elements that stand in the way of progress, and acts of omission which speak to their failure to

take decisive action to rectify the dire situation, is plain. They are complicit wittingly and unwittingly.

What we demand is a complete overhaul of the system to ensure transparency, integrity and meritocracy. We demand competent and visionary leadership that will restore these companies to their former glory and privatised as appropriate. What we don’t need is the constant shooting down of whistle-blowers when we should we taking action to support them. Witness the inexcusable silence from committee and the department as the chair of Eskom, Mpho Makwana declares publicly that he will throw the book at former CEO André de Ruyter for various offences he might have committed arising from his public statements. And as if that isn’t shamefully enough, Makwana’s mentor and protector-in-chief, Minister Gordhan, says he will encourage the board to take action against De Ruyter's violation of the confidentiality clause in his employment contract.

Surely, things should be the other way round when the entire nation is looking for answers.

Mr N E DLAMINI: I just want to check if hon Cachalia can take a question.

The HOUSE CHAIRPERSON (Ms M G Boroto): Are you ready for the question, hon Cachalia?

Mr G K Y CACHALIA: NO, I won’t take it.

The HOUSE CHAIRPERSON (Ms M G Boroto): No, please take your seat. Proceed, hon Cachalia.

Mr G K Y CACHALIA: Surely, this is the time to back the brave instead of hiding behind false formalities. Alas, Makwana, Minister Gordhan and the department are on the wrong side of the equation.

Know this, for a Minister to hold back on key information and not divulge information that would expose criminal activities and the complicity of other Ministers in government, is in itself a crime, possibly even treason as mentioned by the Minister himself.

But let’s focus on the deeply troubling practice that has infected the budgets of this department for far too long, the insidious box-ticking exercises that serve as a mere facade of progress, while achieving very little in reality. For years, we have witnessed the sorry state of affairs within this department. Budgets are presented with great fanfare, promising transformative change and progress for our nation.

Yet, time and time again, we are left disappointed and disillusioned as these allocations become nothing more than token gestures, mere checkboxes on a bureaucratic checklist. All this, while Rome burns.

The department, which should be the driving force behind our state-owned companies, has instead become a symbol of stagnation and inefficiency. Its budgetary allocations, carefully crafted to give the appearance of action, have yielded little substantive change. It would be remiss to overlook the role played by the Minister who once showed promise in fixing our revenue services, but has since prioritised party interests above the welfare of the public.

The once-respected individual who fought for the interests of the public has succumbed to the lure of political expediency,

heading a department in disarray. The people of South Africa deserve a government that is committed to genuine progress and meaningful change. We demand accountability from the Department of Public Enterprises and its Minister. No longer should our budgets be reduced to mere box-ticking exercises, serving as smoke and mirrors to distract us from the lack of substantive action. We must demand a thorough review of the budgetary allocations and ensure that they align with the real needs of our nation. Let us hold the department accountable for every cent spent and demand tangible results that benefit the people.

To the Minister of Public Enterprises, I implore you to remember your initial commitment to the Public Service. Put the interests of the people above party loyalty. Rise above the temptation of political expediency and prioritise the welfare of our nation. Show true leadership and steer the department towards a path of genuine reform and progress.

The time for complacency is over. We, in the DA, will raise our voices and demand change and condemn the box-ticking exercises that have plagued this department for far too long. Join us as we build a future where budgets are not mere

illusions, but tangible instruments of progress and prosperity. I trust that you have woken up after last week speakers which lack last in the extreme. Thank you.

Ms O M C MAOTWE: House Chair, greetings to the president and the commander-in-chief of the EFF who is joining us virtually, greetings to the officials of the EFF national chair, commissars and fighters, the year 2023 marks 10 years since the formation of the economic emancipation movement in South Africa and the African continent. It was 10 years ago when our people responded to the clarion call on what is to be done.

After a thorough and correct assessment, we realised that the post-1994 government under the ANC had weakened its capacity to provide services, drive economic growth and development. As a result we correctly proposed the nationalisation of mines, banks and other strategic sectors of the economy without compensation. We insisted on the need to build state and government capacity which will lead to the abolishment of tenders. We call for the massive protected industrial development to create millions of sustainable jobs including the introduction of minimum wages. We did all these because we understood that the robust development state necessarily has

the political power and technical capacity to give developmental mandates to state-owned entities.

Today, we celebrate 10 years of advocating for the building of state capacity, a decade of unbroken commitment to a developmental state, 10 years of unwavering dedication to the idea of a developmental state, and definately 10 of unbroken struggle for economic freedom. As we commemorate these 10 years since the formation of the EFF we invite progressive businesses to join us in this celebration and contribute to their revolution.

House Chair, the EFF rejects the proposed R316 million budget for the Department of Public Enterprises. We are of the believe that a department that was created to facilitate privatisation of strategic-owned companies under apartheid cannot drive investment, cannot drive productivity, and definitely cannot drive transformation because it is the same state-owned company that it wishes to privatise.

The current confusion around the roles and responsibilities between the Minister of Public of Enterprises, the Minister of Minerals and Energy and the Minister of Electricity Tourism is

a clear indication that the Department of Public Enterprise should not exist as a department. Our firm proposal is that SA Airways, Transnet and the now collapsed SA Express should be under the oversight pf the Department of Transport, Denel under Defence oversight, Eskom and Alexkor under the oversight of Minerals and Energy and the SA Forestry Company, Safcol, under the Department of Forestry. Having one Minister as a shareholder representative of government is neither sustainable nor practical. We should have multiple shareholder representatives. These are proposals we have been making since our arrival in Parliament in 2014, and they remain superior by the way.

Hon members, allow me to turn to the crisis of the collapse of the state-owned enterprises, SOEs, and electricity blackouts. It is clear that the Minister of the Department of Public Enterprise was deployed to cause and fast-track the collapse of the state-owned entities, frustrate all of us and then turnaround and declare that the same SOEs are not working and therefore should be privatised. This tactic of privatisation driven by greed ignores all other national interests. The Minister has no interest in the survival of Eskom. We stated in 2019 that since his appointment as the Minister he led a

racist project to undermine Africans at SOEs reinforcing the falls wood that Africans cannot manage strategic and complex entities. He appointed a person who fail to manage beverage packaging, but he was expected to comprehend the complex task of managing electricity generation that run 24 hours a day and

365 days a year. He repeated the same at Transnet, Denel, SAA and Alexkor appointing matriculants because they are whites or otherwise because they are puppets. Today, none of these entities are functional.

Eskom cannot generate the required electricity to supply dependable and affordable electricity to all. We are in a permanent load shedding mode which is killing businesses, jobs and livelihoods. Our people wake up in the dark, go to work in the dark and come back home to darkness. Transnet trains are not moving. Our buses are congested, goods get stuck at the harbour for over seven weeks. Transnet issued a letter confirming and declaring their own inefficiencies and incompetence to the whole world. We know these are the attempts to create chaos so that they can privatise. Today, Denel cannot deliver on its projects and fail to pay employees’ salaries. Alexkor is riddled with inefficiencies and corruption. On top of everything, you have suspended a

director-general, DG, who test anyone who cares to listen that the Minister is corrupt. And to this day, nothing has happened to the Minister. If anything, he continues with his agenda of collapsing the SOEs. We cannot support the proposed budget for the deliberate sabotage of our national and food security.

Chair, we want to make it very clear today in this House that we reject the proposed budget of the Department of Public Enterprises. We have made substantive and practical proposals to fix load shedding, repair Transnet, mend Denel and other SOEs, but there appears to be no interest in rectifying these organisations. Our people are suffering, dear Minister. Our people need jobs, our people are hungry. The sun rises and set with no hope of ever changing their lives. Perhaps we must take this opportunity, Minister, to remind you about the mandate of this Department of Public Enterprise because we believe that you have abandoned the mandate, the vision and the mission of this department. Let us tell you, it is meant to create an enabling environment in which SOEs at real economic value by focusing on operational excellence, commercial viability and fiscal prudence. This would drive developmental objectives, industrialization, job creation and skills development. Sadly so, you have abandoned all these,

Minister. You have gone astray. Instead of creating jobs, you are laying off employees; instead of industrialisation, you are privatising. This is your legacy. You will be remembered as the Minister of load shedding, the Minister of darkness.

Our advice to you, Minister, is to do the honourable thing and resign with immediate effect. Our people can’t take it anymore. Your continued stay in this department means another day of misery to our people. How long must our people perish. [Time expired.]

Mr E M BUTHELEZI: Hon House Chairperson, Solomon once said in the Holy Book: “It’s better to be a smart little boy than to be an old king who does not want to be shown off.” I think the ANC should listen very carefully to that. Year after year, it pains us, as committee members, to rise before this House and debate a Budget report of a department that has become synonymous with overseeing failure.

This department is failing spectacularly in managing all the affairs of companies under its control, except Safcol. This is proven by the disaster that these companies have become and what they are doing is totally opposite of what they are meant

for. Even the report that we are discussing today expresses the committee’s concern about what was said by the Auditor- General regarding the annual performance plan of this department, that some of it targets are ambiguous and unmeasurable. Some activities are not mentioned in the annual performance plan, but only appear in the operational plan and some targets serve to not achieve the outcome and have no relevance to ... [Inaudible.] ... of the department. This department is truly becoming an utter mess, a joke, a disaster and a total waste of public funds.

With Eskom, it is even worse. As we speak, our country is dark. Businesses are closing down and people are losing their jobs. Investors are reluctant to invest their money, because the power utility is collapsing and energy supply is not guaranteed, let alone the despicable and catastrophic impacts of load shedding, not only on our economy but also on the lives and livelihoods of people.

These SOEs, instead of creating jobs, have added masses of people on the list of the unemployed. We know now that these companies that should be working for our people, in particular, Eskom is no longer doing that, but has become a

feeding truck to those very greedy insensitive, corrupt and noncaring leaders from the ANC.

Year after year, a bail out check must be written in this House and rubber stamped by Parliament to approve failure. This is the problem to be solved. As we all know, if you have eaten or drunk something poisonous, you don’t have to take the very same product to try and save yourself, but rather take an antidote and save yourself.

So, it is simple. We know what needs to be done. The IFP reiterates, we need rid ourselves of the rod, which is the unscrupulous compromised leaders in the ruling party. We need to elect leaders who are beyond reproach and have a strong political will to solve our problems and bring our SOEs back into work. We need leaders who put SOEs back on the trajectory of recovery and growth.

South Africans must terminate their contract with the ANC. It is no longer serving their interests. Returning the same party in next year’s election amounts to nothing but drinking the same poison and trying to help yourselves. All South Africans who believe in good will, clean governance and integrity must

unite and drive against the enemy, the one so-called jurist movement of our days.

At the start, it should begin here and now. As the IFP, we therefore reject this Budget represented by the committee. We reject it, as we call all South Africans to reject the ANC in the next coming elections. We have taken us for a ride for quite too long now. I think you must shape up, ANC and do what is right. We reject this Budget.

You see, I don’t think some of the members hauling this side are very proud of themselves, and proud to be part of this mess, because it is high time now that, when we are addressing matters of the country ... We have an invested interest in our country. Some of you are simply seated there, knowing nothing accept to haul when we are telling you how many ...

{inaudible.] So, I think ... [Interjections.] ... because there is no one in this House, or on this part of the House that will ever do that which is right and that which needs to be done. So, we reject this Budget.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon members, please. Some of the words I hear from there where you are don’t go

with our Rules, especially Rule 85. Please, I don’t want to talk to you one by one. Let us respect each other in this House.

Ms H DENNER: Hon House Chair, I sometimes wonder how the hon embers of the ANC can deliver their speeches with straight faces.

*Afrikaans*:

Maar dit daar gelaat.

*English*:

The vision of the Department of Public Enterprises is to create an enabling environment in which state-owned companies can add real economic value to the economy of South Africa by focusing on operational excellence, commercial viability, and fiscal prudence.

*Afrikaans*: Dis baie mooi.

*English*:

And the targets on the report card against which these achievements are measured include the provision of a strategic direction and oversight over the six SOCs under the department’s purview to ensure that they are, one, financially sustainable, adequately funded and operationally robust; and two, that they provide reliable, high quality and cost- effective services and infrastructure to industry and our citizens.

If the past five to ten years was an exam written by die DPE and this was the criteria, this department would fail on each and every question. So would Eskom, Denel, the SAA, Transnet and Alexkor as well. Safcol might get five out of ten. And why is this? Why is it that every single entity that this government touches is in need of a turnaround strategy? And why has not one single turnaround strategy been successful? Is it incompetence? Is a lack of political will? Is it corruption? Is it outdated political ideologies or is it (e), all of the above?

Is it operational excellence if we’ve had 3 788 hours of load shedding in the year 2022 and not even by the end of the fifth month of 2023, we have already had more than 3 000 hours of

load shedding? Will this enable job creation and economic growth in line with the national development plan objectives? Does it qualify as operational excellence and commercial viability of an entire state-owned airline has been run into the ground despite receiving bail-out after bail-out after bail-out and now the department, the Minister and the entity is bailing out through a questionable so-called merger under a cloud of too many questions, such as: how much is SAA worth?

Is it R14 billion, R3 billion or R51? What process was followed in identifying Takatso Consortium? What criteria was used? How much is the 51% stake being sold for? What is the oversight committee’s input on this? What is the Minister’s role in this? Why are there so many unanswered questions?

In his 2023 state of the nation address, the President set the following priorities for government for this year: load shedding, that has subsequently worsened to stage six and possibly beyond; unemployment, that is more that 40% with youth unemployment rapidly nearing 70%, which will worsen with governments apartheid-recipe race-based legislation; poverty and the rising cost of living that worsens every day due to factors such as load shedding and rising unemployment; and

crime and corruption that is literally killing citizens of this country.

So another question that arises is: Why is it that when something is made a priority by this government it automatically worsens the situation? I ask again, is it incompetence? Is a lack of political will? Is it corruption? Is it outdated political ideologies or is it (e) all of the above? It’s (e), all of the above.

*Afrikaans*:

Maar moenie glo nie, hierdie regering – en dis duidelik aan die kommentaar hier aan my regterkant - sal nie die verantwoordelikheid vir sy eie wandade aanvaar nie. Selfs die Minister van hierdie departement, van wie vele Suid-Afrikaners meer verwag het, maak homself skuldig daaraan. As dit nie Jan van Riebeeck is nie, dan is dit apartheid of die wit man of “white monopoly capital” en wonder bo wonder, hierdie keer is dit André de Ruyter se skuld, maar dit is nooit die plunderende ANC-kaders se skuld nie.

Die skurke in dasse en blink hoë hakskoene, wat sonder gewete or voorbehoud die koffers van elke staatsbeheerde entiteit,

elke departement en elke munisipaliteit in hierdie land geplunder het, tot waar Suid-Afrikaners honger en werkloos in donker moet sit.

Die ANC het nou 30 jaar hierdie toets gepluk. Hulle het gedruip. En ons sal hulle nie langer duld nie. Ek dank u.

Mr S N SWART: House Chairperson, hon Minister, the power crisis, besides devastating households and businesses, is eroding the nation’s economic growth prospects, disrupting supply chains and stoking inflation. Public anger is growing about the government’s inability to deal with this crisis.

This, the ACDP understands. Whilst there has been a lot of mudslinging between former CEO, De Ruyter, and various Ministers, the average citizen just wants the load shedding to be reduced and removed totally.

Load shedding is not only devastating businesses and the economy, but it is having an increasing negative impact on the nation’s psyche, on its citizens’ mental health.

The Minister of Electricity has warned that South Africans should brace for a cold winter that may include stage eight

power cuts. This is unprecedented terrain, as stage six means eight to ten hours of power cuts per day, stage eight would see 12 hours with blocks of four hours per time possibly.

Stage nine and ten would be even more.

Government’s attempts to solve the energy crisis have failed spectacularly. I say that with full knowledge of the role that state capture and corruption played. This, however, has been confirmed by the recent full bench of the Northern Gauteng High Court that said that it is clear that whatever the President and his Cabinet Ministers avert, the consequences of policy decision resulted in the need for load shedding.

As we know, the court found repeated breaches by the state of its constitutional and statutory duties. We know that that judgment is being appealed again.

So, we know that one of the ways of reducing Winter load shedding will be to run the open cycled gas turbines more frequently. That will come out on increased costs but it is coming unavoidable. Additional funds must be made available to purchase diesel and to save the economy and jobs. An estimated

850 000 jobs could be lost, this in addition to 650 000 jobs lost last year.

Businesses are affected by load shedding with retailers alone estimated to be spending R500 billion per year to buy diesel. If all sectors are added together, it could run to billions. Is it then not immoral for the state to benefit from taxes on the purchase of diesel, when government itself has caused this unprecedented crisis?

Minister, if businesses should get the rebate on tax on diesel, then the ACDP believes this will go some way to save businesses, many of whom are closing as a result of load shedding.

As far as Transnet is concerned, it is also ... We are fully aware of the challenges there. The country is estimated to have lost R50 billion in 2022 and R35 billion because of Transnet’s challenge. The Mineral Council has said

R150 billion could be gained in additional exports, creating

40 000 jobs, if all rails and ports were run at designed capacity.

He country cannot afford to lose this benefit. Therefore, the challenges need to be addressed. I thank you.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chairperson,

Ministers, the Acting Director-General and officials of the department, ladies and gentlemen, I extend my greetings to all hon members in this august House in the month of May, the Africa month. I am grateful for the opportunity to share with you the highlights of some of the State- Owned Enterprises SOEs, as part of the Budget Vote 10 for the Department of Public Enterprises for the 2023/24 financial year.

Let me further indicate, that the challenges faced by our SOEs are structural, operational and strategic in nature. I am encouraged by the fact that we are beginning to see significant progress in our efforts to deliver on the vision by President Ramaphosa when he charged us to undertake far- reaching reforms that will make our SOEs more efficient, competitive, accountable and sustainable and developmental.

It is permissible and granted, that the running of our SOEs involves factors both external and internal. Take for example, the COVID-19 pandemic, climate change that is with us, the war

in Europe, and the disruption of trade and supply chain due to high levels of corruption and state capture which is documented in the Zondo report. I therefore, present the following key highlights on the state-owned entities, as economic enablers and job creators for economic growth for the success of our country and its people.

The Minister has already presented on Transnet, SAA and Eskom and I will therefore focus specifically on Denel, Alexkor and Safcol. Hon Cachalia, I thought you were going to say Safcol is a green shoot as you said there is none of them that are green shoots and you just said all of them when you were leaving the podium. Acknowledge where there is progress and successes. Is it because this one was never captured in the state capture because the five ones were captured and this one was not captured? Definitely, if it was captured by corruption, we would be saying something else. Therefore, corruption and state capture was the cause of these particular SOEs. That is why we have turnaround strategies that are here to repurpose and restructure and ensure that they are able to do their developmental goals. So, that is what is happening here now.

The commitments with regard to Safcol relate to its strategy to realise a 50:50 revenue split between log sales and processed products and the diversification of its product portfolio by entering strategic partnerships with the private sector and this is not privatisation when we say private sector involvement. It is far from privatisation. I know the DA wants them to be privatised. We all agree that Safcol presents a model of how SOEs ought to function.

On climate change it should be noted that Safcol’s major challenge includes the effects of climate change to its operations, such as cyclones that continually affect its Industrias Florestais de Manica, Ifloma, operations in Mozambique and the acquisition of more plantations. Therefore, the strategy to expand its plantation assets has been put in place, both locally and in Africa. So, it is going to be expanding into Africa.

On its financial situation, despite a rapid increase in the cost of doing business in South Africa and a gloomy global economic outlook, Safcol maintained a stable growth in the past three years, where the company is the only state-owned company to declare a dividend of R1 million during the 2021/22

financial year. This performance continued in the 2022/23 financial year, as reflected in log sales of R970,8 million, which represent an achievement of 10% above target.

Furthermore, the Average Selling Price, ASP, for logs for the year reached the 12% mark, allowing Safcol to generate a total revenue of over R1 billion. Can you clap hands for that? Hon Cachalia. You can’t do that?

On developmental objectives, Safcol’s business is key to building relationships with communities and continues to invest in projects that will benefit all members of these communities. For example, projects such as Sukumani Youth Advisory Centre, which is 100% complete, provides the community of Diepdale in Mpumalanga with youth development skills. You can go there now. Moreover, Safcol has proactively succeeded in addressing classroom shortage for the eDwaleni primary school, where children were learning under a garage covered with plastic material and others in the library. Go there now you will see happiness in their faces as I had handed over the classrooms together with the board and management of SAFCOL on 4th of May 2023 just a few weeks ago. Therefore, there are quite a number of activities that Safcol is doing.

On the issue with Alexkor, our commitments on Alexkor related to strengthening the executive management team. Corruption did hit them and were affected by it and therefore we cannot undermine what happened there. Diamonds were stolen, new houses opened somewhere there in Europe and South Africans do not why it is suffering. It is because of that incident.

Therefore we have put in a new interim board with six members in January 2022. They have a short stability and the executive level is now beginning to come together.

The board has accordingly embarked on a recruitment process of a CEO and a CFO, with the conclusion of this process expected by the end of the second quarter of the current financial year. Revitalisation of the diamond operations has grown to an output of improvement by 30% since the new board came into being. Thirty percent, yes, compared to the two prior years due to the Covid 19 pandemic and other operational challenges that hit them.

The stabilisation of their finances is growing where they are now beginning to realise favourable revenues, mainly driven by the strong global rough diamond prices. Improving operational efficiency, however, remains key to ensuring a strong

financial position. Once the new CEO and CFO are there, we will begin to see more strides in the business. So, both Alexkor and Safcol have both made significant strides.

I just want to say that Denel was also affected by the state capture and the COVID-19 2019/20, one thing became even worse. Workers could not be paid for months and have to stay home with COVID-19. They only started operations this year in March. Even the Minister of Finance with the amount of

R3,4 billion which was appropriated in the Policy Budget Statement could only be released this year. It was not released in October but at the end of March, this year. That is why the workers are now back at Denel, hon Maotwe. So, they are slowly coming back, machines are running and production has started. Yes, you can go in there and visit the site as hon members for the oversight. Do not tell the lies that nothing is happening and workers have lost their jobs. Yes, they are back and they are now producing.

Ms O M C MAOTWE: Hon House Chairperson, on a point of order: You can have water, Minister. I want to ask if he is prepared to take a question.

The CHAIRPERSON (Mr S S Somyo): Hon Deputy Minister.

Ms O M C MAOTWE: No, I am not asking the ANC people, I am asking the Deputy Minister. What is your problem? Deputy Minister you want to impress Jamnandas?

The CHAIRPERSON (Mr S S Somyo): Hon Maotwe, he is not prepared. You may continue, Deputy Minister.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Indeed, Denel is

now able to able turnaround and ensure that the plan is there that will ensure that it support the Department of Defence and Military Veterans in order to secure our country’s strategic defence and security of the defence’s supply capabilities. We have stabilised at the level of the board and they are in process of appointing the Group CEO and the CFO which has been vacant for two years.

Yes, we have lost quite a number of engineers. Out of a number of 161, only 61 have come back and the other 100 had gone to other companies all over the world. Now, we have to rebuild and restart again. We are encouraged now that Denel is starting a programme of Hoefyster project with the defence and

Denel is refuting the assertions in the media that they are not true contrary to what is being said that Hoefyster is in jeopardy. No, their negotiations have been completed and the Minister of Defence and Military Veterans will be announcing that and the contracts will continue and obviously under different objectives and conditions.

As earlier alluded that Denel is rationalising from six to four to manage the costs but we are also engaging with the organise labour to ensure that we are able to respond to this issue of the restructuring. Denel sells to 13 countries through the permission of the National Convention on Arms Control Committee. Currently we are serving 13 countries and Russia is not one of them because we are regulated who to sell to.

Let me go towards my conclusion because of time by quoting Maya Angelou:

I’ve learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel.

The ANC is here to make the people of South Africa feel good. Yes, albeit challenges which are doing very well and we will resolve to the satisfaction of the people. We therefore, say that we support this budget to allow the department to deliver on its oversight mandate and the ANC will definitely continue to do so. Thank you. [Time expired.]

*IsiXhosa*:

Mnu N L S KWANKWA: Sihlalo, lo rhulumente ukhokelwa yi-ANC wenza abantu bazive ngcono, ngokutsho kukaMphathiswa. Lo rhulumente, ngulo esithe samsa kwiinkundla zamatyala ukumnyanzelisa ukuba umbane ungacinywa ezibhedlele kuba abantu nabantwana bayasweleka xa kuthe kwacima umbane. Kwizikhululo zamapolisa kuyavalwa ebusuku kuba...

*English*:

...they do not have back-up generators.

*IsiXhosa*:

Amapolisa ayazitshixela ngaphakathi kuba besoyika kungene imigewu xa kumke umbane. Loo nto ibangela ukuba bangakwazi ukuphuma baye ezilokishini ukuya kunqanda ubugewu. Ngulo rhulumente lo ofuna ukuba abantu bazive ngcono kodwa ubhenile

kwisigwebo senkundla esimnyanzelisa ukuba umbane ungacimi ezikolweni ukuze abantwana bethu bafumane imfundo ekumgangatho ophezulu. Kufuneka abantu baseMzantsi Afrika bayazi ukuba uthetha ukuthini xa esithi abantu mabazive ngcono.

Kwiindawo ezifana nee...

*English:*

... Durban South Beach CBD...

*IsiXhosa*:

...akukho mbane ukususela izolo, ngentsimbi yeshumi kusasa ukuza kuthi ga namhlanje ngentsimbi yesixhenxe, ngorhatya...

*English*:

... nearly 24 hours later without an explanation as to whether it is load shedding or it is a technical fault or a problem.

*IsiXhosa*:

Ngulo rhulumente kaMongameli uCyril Matamela Ramaphosa obangela ukuba kusoloko kunikwa imali rhoqo la mashishini karhulumente afedayo. Kulula ukunika la mashishini

karhulumente imali kuba kutya amaqabane kodwa eyona nto inzima yeyokuba ityala loomasipala linyuke laba ngaphezulu kwe-

R50 billion. Kutheni lento kulula ukunceda la mashishini karhulumente uninzi lwawo angeloncedo?

Kulo rhulumente akululanga ukukhawulelana nemicimbi yoomasipala abanceda abantu abahluphekayo ezilalini. Aba masipala abakwazi ukumelana neenkonzo zabantu kuba abanamali kwaye bangoomasipala abahluphekileyo kwaye baxhasa abantu abahluphekileyo. Aba masipala abaqashi bantu abakwaziyo ukulawula ngendlela engqingqwa nenengqondo.

Ngulo rhulumente we-ANC ebethe kwintetho yobume belizwe kulo nyaka uza kuyilungisa ingxaki kacimi-cimi yombane.

*English*:

Three months later, load shedding has taken a turn for the worse. In fact, we are going to stage 10, 12 or 14. I do not know, probably a complete blackout if you still consider the poor leadership of this government on this issue of load shedding.

*IsiXhosa*:

Oosomashishini ebendihleli nabo bebekhalaza ngelithi kufikelele kwisigaba sokuba basebenzise iiyure ezine kuphela ngemini ngenxa yesi sigaba sitsha. Abasebenzi bayanqunyanyiswa emisebenzini bathunyelwe emakhaya babe beluxanduva lwamashishini lawo. Urhulumente akakwazi ukubanika imali nangona bekhala ngendlala nje. Aba somashishini bacebisa ukuba ungacinywa umbane ngeli xesha lasemini kusaxakekwe ngumsebenzi.

Hayi mani nenza ngabom, la masela. [Kwaphela ixesha.]

Mr A M SHAIK EMAM: Hon House Chair, while in South Africa we are experiencing load shedding for two, four and six hours a day, people of Palestine have no electricity for most of the day. Deprived and discontinued by the apartheid Israeli government to deliberately withhold electricity or energy supply to the Palestinian people. Yet, there are people in this very House that will support the atrocities that are committed by the Israeli government.

Let me, at the outset, say that the National Freedom Party will support this Budget Vote. Not that we are entirely happy and satisfied with what is going on. I had a chat with the

Minister of Finance the other day and according to him there is not one state owned company that is providing any revenue to the fiscus. This is how bad the situation is.

On the issue of Eskom, I think we are quite satisfied and convinced that this problem will take the best part of nine to

10 years to sort out. Any indication that we will have uninterrupted supply of energy in one or two years from today is just a pipe dream; it is clearly not going to happen. What we need in South Africa is to build more coal fired power stations and also concurrently deal with renewable energy. China is building almost two coalfired power stations almost every week at this point and time. I am not sure why we are in such a hurry to move from one extreme to the other.

Yes, there is climate change, but your people will die with no food because businesses are closing and people don’t have electricity, your water is being affected so you might die.

Yes, I agree with you, but I think we can ensure, and the Minister of Energy had made it clear that you need a baseload when it comes to coal and that is what all other countries are doing. The United States said that they will get rid of it

2054 but we are in a hurry to get rid of it in a month. Where is common sense in that because I don’t understand.

On the issue of the South Africa Airways, SAA, through you, House Chairperson, Minister, we still have not received an explanation why was an entire fleet of SAA, which we were told were freehold, was sold by this Coleman Andrews to his company and then re-lease again to SAA. To date, we have never received an explanation. We would like to know exactly what is going on there.

Another thing I want to say, Minister, Denel is the pride and joy of this country. Let us save Denel at any cost. Denel had a reputation next to none internationally in arms and ammunition. Look at who is benefiting today, the United States’s arms turnover was seven-fold more last year in any other country in the world. While we support this, we believe a lot of work needs to be done but I think a private partnership will work ... [Time expired.] ... Thank you very much. The NFP supports this Budget Vote.

*Sepedi*:

Moh M C PHIRI: Modulasetulo, e re ke thome ka go tamiia baetapele ba mokgatlo wa badimo le batho – mokgatlo wa ANC. Ke mokgatlo woo o etilwego pele ke batho ba hlogo tia go tiea gabotse, bao ba tsebago gore setihaba sa Afrika Borwa se tshephile bona. Ke boa gape ke tamiia Tona ya rena, Ntate Gordhan, Motlatiatona wa rena, le yoo a dutiego setulong sa go ba modulasetulo, maloko a komiti kamoka, gammogo le ba mekgatlo ya kganetio. Modulasetulo ...

*English*:

... the ANC supports Budget Vote 10 because the work to be undertaken by the Department of Public Enterprise in the 2023-

24 financial year to improve government at our state owned enterprises is critical for development trajectory of our country. We are all aware of the state most of our state owned enterprises, SOEs, were in at the start of this Sixth Parliament which necessitated the need to restructure and reform them. Of course, the opposition parties will advocate for privatisation of SOEs, but when run correctly, the SOEs are drivers of any country’s economic development with recent examples like China, Malaysia and others.

We support the decision of the Cabinet to establish an SOEs holding company. This will go a long way in standardising the government’s arrangement within the SOEs and their professionalisation. This work must entail creating a system for the selection and appointment of boards, their remuneration and performance evaluation.

This system must be anchored on the principles of fostering transparency, workload balance and accountability. This system must also read our SOEs boards for carrier board members who apply for board membership, irrespective of their lack of knowledge of a specific sector. In addition, the SOE holding company will also standardise the remuneration system of executives of the SOEs.

Without an effective incentive system, we will not win the fight against corruption within the SOEs as management will continue to abuse the procurement within the entities for kickbacks. This will also assist in dealing with the scourge of greed in the remuneration of some of these executives.

In the last four financial years the Department of Employment and Labour has designed a clear incentive system and ejected

professionalism to boost the appointment of credible objective and skilled board members and executive management, so as to protect and enhance the national interest of South Africa through the SOEs. This is in line with the Organisation for Economic Co-operation and Development’s released SOEs guidelines that propose the state prime responsibility established as a clear remuneration policy for SOEs’ boards that fosters the long and medium-term interest of the enterprise and can attract and motivate qualified professionals.

The department, under the stewardship of Minister Pravin Gordhan, the Minister who was appointed by the President, has stated to give effect of the professionalism when he appoints the board and against an executive management of Transnet. The team brought in a blend of knowledge, skills, objectives, experience and commitment to the SOE. The board and executive management are pursuing the growth and renewal strategy premised on a private sector participation model as a restructuring and reforming tool which, over time, will enable Transnet to address most historical barriers to entry for new participants in ports, rails, pipelines and businesses — where

Maotwe was working, and this is the legacy that was left by Maotwe.

The growth and renewal strategies implemented by the Department of Transport’s National Rails Policy is aimed at achieving, amongst others, improved efficiency, service quality and competition of the rail business through the introduction of the third-party access across the various categories of rail lines in the country.

The attraction and crowding of private sector investment into the rail sector through the provision of policy certainty and recommending the development of the PSP framework to guide participation across different corridors.

Hon House chair, while the recent floods in KwaZulu-Natal might have slowed down the implementation of this strategy, evidence on the ground indicates that this strategy has already incentivised private sector participation in rail network with Traxtion as the first privately owned trained operating company operating the Cape Corridor between Kroonstad and East London.

Furthermore, the board and the executive are taking action that fully aligns with the ANC-led government’s overall objective of eradicating corruption and crime, in particular, they are supporting and partnering with law enforcement agencies and private security industry to address cable theft and vandalism of the freight rail network through the use of advanced technologies and additional security personnel. In this regard, we are eagerly awaiting the department’s completion of the fourth quarter progress report on interventions to reduce loss of SOEs infrastructure through theft and vandalism. Similarly, the department recently appointed a new board at Eskom, led by a capable chairperson with skills and competent personnel from the Engineering Council of South Africa.

Through the State Capture Task Team, which work collaboratively with the National Prosecuting Authority and the Special Investigating Unit, the board is proactively implementing the recommendation of the Commission of Inquiry into State Capture. Just to illustrate, this task team has made serious progress to recover unlawful payment of over R3,1 billion from … [Inaudible.] … and countless other service provider through collaborative partnership with NPA and SIU.

Additionally, Eskom is currently pursuing approximately R4,8 billion through Civil Aviation against its former executive and directors that were the brain and heart of state capture. This is done in collaboration with the SIU and South African Police Services. Furthermore, Eskom board is vigorously driving the plant performance recovery plan to improve the lives of our people and recovery of Medupi, Kendal, Matla, Majuba, Duvha, Tutuka and Kusile power stations, and ultimately reached the desirable energy available fact. The department is closely monitoring these in the current financial year in the hope of increasing the EAF above 65% by 2024.

Of course, House Chair, opposition parties like your DA Freedom Front Plus as well as you know the false vanguard, in Tshivenda called them ...

*Tshivenda:*

... mufashauļa ...

*English:*

... like your EFF, the UDM, the IFP and the ACDP, these ...

*Tshivenda:*

... mufashauļa ...

*English:*

... treat Eskom like a supermarket, that is, they take what they like and leave what they don’t like whenever they want. They think these utilities are treated like a supermarket. As expected, opposition parties lament that ... [Interjections.]

As expected, opposition parties lament that the present load shedding and the harmful effects thereof indicate that the Eskom board is inefficient in the task of security of supply of electricity. Thus, the department’s incentive system and imperative of professionalism have not yet yielded gains and achievements.

While potential mechanisms of overcoming load shedding are in escapable demand for the citizens, this requires a collaborative effort; we must work together and support the board in ensuring that Eskom not only supply electricity to the nation but ensure that the electricity is affordable.

Eskom will continue to support the task assigned to the Minister of Electricity, ensuring that we urgently end load shedding. Other gains and achievements of the department’s incentive system, imperative or professionalism, including the appointment of business heavyweights and experts of part of the Denel group board tasked with the responsibility to implement SOE turnaround strategy. As it stands, the board has been has appointed the chief restructuring officer to lead the turnaround initiative to achieve, amongst others, the repositioning of the SOEs for sustainability as well as the restructuring of the SOEs to reduce the cost base.

With regards to Alexkor, the interim board appointed is taking assertive action to accelerate turnaround strategy of the SOE’s diamond mining operation while the department conducts a comprehensive study to determine the appropriate shareholding structure for it. While the lack of capital acts as a stumbling block to an effective implementation of Alexkor’s turnaround strategy, the interim board nevertheless commits to identifying the procurement services from large mining contractors with financial and technical capabilities to undertake the large-scale mining operative ... [Time expired.]

... Hon House Chair, the ANC supports the Budget Vote.

Mr F ESSACK: Through you, Chairperson, fellow South Africans, the ANC’s R331 billion swindle is theft from the people of South Africa. ... [Inaudible.] ... Chairperson, in 1999 this ANC government established the Department of Public Enterprises, supposedly, to accelerate the restructuring, professionalisation, good governance and of course, management of state-owned enterprises, SOEs. Some 24 years later, none of these aspirations have been attained, instead, the country is saddled with highly indebted SOEs that are completely dysfunctional and have become cesspools of corruption for connected cadres and cartels.

After spending R331 billion out these monuments of corruption since 2013, the South African taxpayer has literally been forced in the dark as Eskom has all but collapsed, exporters are failing to get their goods to ports due to a floundering Transnet, Denel is always knocking at Treasury’s door asking for more bailouts and of course, the SA Airways, SAA, well, the less said about this doddering entity the better. Such is the destruction and mayhem that the failing ANC government has brought to SOEs. They should all hang their heads in shame for ruining the promise that this country once upon a time had.

Hon Chairperson, everyone knows that Eskom has been hollowed out by cartels and corrupt politicians, but here is the cold hard truth, in the short term, South Africa needs every megawatt that we can squeeze out of the struggling coal power plants. However, this will not be possible, if the ANC government keeps insisting on racial bean counting which has limited Eskom’s ability to hire retired and experienced engineers who have offered to assist with running these old power plants.

Eskom is suffering from a lack of skills, which is evident in the repetitive breakdowns and low quality of the maintenance being undertaken, affecting the performance of the generation units, and thus leading to high levels of load shedding. The warning by Eskom that the country faces the risk of stage eight loadshedding during winter, while hardly surprising, will be devastating for our economy which, of course, as most of you know, is already in the intensive care unit, ICU. At Denel, mam please listen out, gross mismanagement, declining competitiveness, and a local defense industry in decline, have all combined to render the entity a shadow of its former self.

Denel suffers from high fixed costs and an outdated operating model, Minister, an outdated operating model, which requires large amounts of initial capital investment before profits can be realised. Due to Denel’s redundant model, the company has failed to capitalise on a potential order book of R8 billion, severely compromising its ability to hold on to clients that it had built a relationship with over the years. The loss of Denel’s export market share will be a death knell for the company due to the shrinking local defense market.

The fall of Denel’s revenue from a high of R8,2 billion in 2015-16 to below R2 billion in 2021-22, has been precipitated by the declining South African defence budget spend in relation to Gross Domestic Product, GDP. If the recent report by Treasury on Defence’s terrible, financial state is anything to go by, Denel’s prospects for local orders are decreasing by the day. The grim outlook for state-owned enterprises, SOEs, is symptomatic of the general malaise that has infested our national economy, as a result of the ANC’s disastrous policies.

Alexkor is still a problem child, mam, in the cacophony of struggling SOEs, as it continues to ask for more bailouts. The

impoverished Richtersveld community in the Northern Cape has still not benefited from their successful land claim.

Minister, you’ll again come up here to the podium and give assurances that your department turnaround strategies are on course. It is a line that the ANC government itself loves to band about whenever they are called upon to account on failing SOE’s.

The South Africans have now had enough of this empty rhetoric. In conclusion, hon Chairperson, the ANC’s R331 billion SOE swindle was theft from taxpayers and South Africans will return the favour when they kick them out of office in the 2024 elections. ... [Interjections.] [Time expired.] I thank you.

Ms J C N MKHWANAZI: Hon House Chairperson, Minister, the Deputy Minister, the Chairperson of our portfolio committee

...

*IsiZulu*:

... uBaba uKhaya Magaxa ...

*English*:

... we wish him a speedy recovery, hon members and the South Africans ...

*IsiZulu*:

... sanibonani. Ningangibangeli umsindo.

*English*:

Chairperson, we must somberly critique as well as honestly evaluate and assess the work of the Department of Public Enterprises as the public representatives, so that it can know which areas to strengthen, and which areas to improve.

However, the critique evaluation and assessment of the Department of Public Enterprises’ work must be informed by a logical mind, rather than a feeling of resentment and rage towards the Minister and the ANC.

Moreover, the critique evaluation and assessment of the Department of Public Enterprises’ work, must not narrowly focus on exposing the inefficient and inconsistent of often done through condemnation and mockery without considering the Department of Public enterprise’s positive role. At the same time, hon Chairperson, the critique evaluation and assessment

of the department’s work must equally, not driven by the desire to humiliate if you disagree with a certain hon member.

Of course, I’m not trying to intimidate the hon members by insinuating that, if you don’t have nice things to say about the department, you better not say anything at all. The point I’m driving home, hon Chairperson ... [Interjections.] ... If you can listen, listen. It’s sometimes disappointing to receive the submission of the opposition parties on critique evaluation and assessment on the department’s work that reflects the type of simplicity thinking that the lecturer discouraged undergraduate students from adopting.

Hon Chairperson, for instance, the opposition parties with statistics underpinning such as the EFF, asking that the restructuring of the SOEs under the portfolio, is a precursor- auto privatization, implementing that the Department of Public Enterprises is not immune to class relations as it sells the SOEs to the greedy capitalists. While avoiding the EFF argument altogether, is to turn a blind eye.

It is never less misleading in terms of comprehending the nature of restructuring and turnaround plan of the SOEs

proposed by the Department of Public Enterprises in line with the recommendations of the Presidential State-Owned Enterprise Council, PSEC. In particular, the restructuring and turnaround plan of the SOEs are informed by the ANC-led government, which is currently in power.

In the mixed-economy approach, inclusive economy development is not purely a private sector process, but a joint process between the public and private sectors in which the state plays a leading role. Most importantly, Chair, the restructuring and turnaround plans are aimed at recreating efficient and competitive markets which can provide high quality enviro services at lower cost to end-users. For the illustration, Chairperson ...

*IsiZulu*:

... siyasebenza ...

*English*:

We are a government at work, and ...

*IsiZulu*:

... siqhuba ngangokunokwenzeka.

*English*:

For the illustration ... [Interjections.] ... listen. For the illustration, the restructuring of the SA Airways, SAA, benefited customers for so far in sense that the resumption of SAA operation improved the supply site, and in the South African airline market following the existence of Comair Group Kulula.com and the British Airways. To be clearer, the resumption of the SAA’s operation prevented the South African airline market from becoming a candidate for excessive pricing by making it possible for customers flying between Johannesburg and Cape Town ...

*IsiZulu*:

... yini labo.

*English*:

... to switch airlines in response to price increase after Comair Group decided to suspend flights indefinitely. In short, hon Chairperson, the resumption of SAA operations has not only brought about significant improvement in the quantity and quality of the services provided by the South African airline, but it also triggered competition that delivered flight price reduction for customers, therefore enable them to

save money in the middle of the rising inflation and cost of living.

Hon Chairperson and hon Minister, the case of the SAA whilst is about the opposition party critique evaluation and assessment on the department’s work, whose intended objective is to blind us to the major gains and achievements that the restructuring and turnaround plan of the SOEs has brought about the economy, but thanks to the leadership of the ANC, His Excellency, the President, hon Minister and his competent team. Another illustration that the restructuring and turnaround plans are aimed at, are at the returning SOEs to the ambit of the citizens concern is the case of Eskom.

While critiquing Eskom for being inefficient in the task of supplying electricity without interruption, it is fundamental to an open and democratic society. We need to look at the issues of load shedding in the context and take two factors, largely ignored by the opposition parties, into consideration. Hon Chair, the first instant is the US dominated debt incurred while building the much-needed Kusile and Medupi Power Stations, exposed Eskom to a current mismatch between economic

generating activities and debt servicing costs by the exchanging rate voluntary team.

As a result, Eskom’s investment in generation capacity has declined because the revenue raised from sale volume was not adequate to cover both debt services costs and the investment project. Consequently, the maintenance activities were often cut back to cover debt servicing cost in turn to quality of service to the existing customers was compromised. Hon Chairperson, whilst the National Treasury has agreed to take the debt of Eskom to give the utility space to invest the expansion of the transition grid and in reliability maintenance across its conflict, addressing the backlog of maintenance is desirable.

However, aseptically, it is impossible to achieve it in one electoral subtle year, as much as the root causes of load shedding are not one dimensional as the opposition parties would like to believe. Secondly, the trade of between supplying electricity at affordable prices and ensuring that all costs are covered and sufficiently returned, is made on investments. It is nonexistent in the South African electricity and markets.

Hon Chairperson, electricity tariffs have been kept too low to accessories to assist the electricity whereas the poorly household to afford to purchase the electricity they are connected to. This has been done in a manner that does not balance the need to secure Eskom’s financial position, while protecting poor households and small business against the rising electricity tariffs. Consequently, the prolonged lower electricity tariffs have resulted in a debt waste loss, the way Eskom struggled to supply electricity in a social optimal level due to the tariff methodology which does not cover the cost of generation electricity.

As the opposition parties’ critique of Eskom, is destructive, incomplete, shortsighted and suffers from selective buyers. In short, the opposition has not evaluated and accessed evidence before attributing load shedding to the Department of Public Enterprises. Hon Chairperson, the two factors that are largely ignored by the opposition party has just discourse at a great line, and it suggests that Eskom addresses the issue of load shedding, restructuring and the turnaround plans must be implemented.

Hence, the Department of Public Enterprises is driving the unbundling of Eskom to foster fair pricing to ensure full cost recovery, while also promoting competitive and promoting poor households against the monopoly practice in the electricity market. Hon Chairperson, of course, the EFF is critical of the unbundling of Eskom, and they have declared that it must not be pursued as if it is likely to be used as a tool of white monopoly capital to exploit state assets.

By being critical, hon ... [Inaudible.] ... does not mean finding faults, but rather implies assessing unforeseeable evidence and making reasonable conclusions, and as expected, the EFF has not demonstrated how, when, and why the unbundling of Eskom would capitalise capture by the monopoly capital. As such as the opposition parties poorly esteemed the disguise of the revolutionary thought, grounded in the deep insecurity of white people, must not allow the unbundling of Eskom to be in reverse rather than forward.

*IsiZulu*:

... siyaqhuba siyaphambili, mhlonishwa Sihlalo.

*English*:

They are good at only creating a climate of fear in the population than driving the country forward. Hon Chairperson, we remain focused to deliver the affordable and accessible electricity and we will not be disturbed by loud howlers and marshals. Chairperson, the attitude towards load shedding by the opposition parties ought to find elements as full, that solution of load shedding can be fight in the court of law.

Of course, the UDM and the IFP’s decision to use the court of law to compel the department to exempt public services institutions such as schools, hospitals, clinics, and the police stations from load shedding was done for nothing but

...

*IsiZulu*:

... ukubukwa ...

*English*:

... spectacles. Exempting public services institutions from load shedding involves high risk for permanent grid, collapsed and damaged grid. Unfortunately, when Eskom’s grid collapses due to the exemption demand, the same opposition parties will run to the ANC-led government to demand an immediate solution.

We must be clear that we are in the year of decisive action to advance the people’s interest.

The ANC will boldly mobilise the social parties around the economic reconstruction and recovery, to increase job creation, investment, improve delivery in the basic services and maintenance infrastructure, strengthening and fight corruption in our SOEs. We will deliver and implement the mandate as given to us by the majority of the South Africans. We remain focus, we are a government at work. The ANC supports the budget.

*IsiZulu*:

Amandla!

The CHAIRPERSON (Mr S S Somyo): They were not so generous, hon Minister. They left nothing for you except five minutes.

The MINISTER OF PUBLIC ENTERPRISES: Five to seven!

The CHAIRPERSON (Mr S S Somyo): Seven, hey!

The MINISTER OF PUBLIC ENTERPRISES: Chairperson, thank you for adjusting from five to seven minutes. It is very clear as the hon Mkhwanazi was suggesting that facts and politicking are really poor bad fellows because of the one thing: Whilst you want the ANC and the DPE to confess ‘to all sorts of things’, if there was an examiner in this room, to examine your election speeches, you would have failed absolutely miserably, as a collective.

Secondly, the shocking thing about all the presentations here is the collective amnesia that you demonstrate for the South African public. Zondo didn’t take place. [Interjections.]

The CHAIRPERSON (Mr S S Somyo): Keep it low. Keep it low! Hon members keep it low!

The MINISTER OF PUBLIC ENTERPRISES: None of you captured municipalities or municipal entities. None of you were part of coalitions in various metros. None of you are responsible for tenders being allocated in different places. If you really want to talk facts, let’s talk about them. That happened on the DA’s watch in many of these institutions!

Hopefully, there will be a similar Zondo Commission one day, to discuss and to expose the role of the DA, the IFP, the UDM and the EFF in the way in which municipal tenders were shared. Just like the way the book was paid for! [Interjections.]

The CHAIRPERSON (Mr S S Somyo): Keep it low! Hon members, at least you can learn to keep it low. Not that high, please.

The MINISTER OF PUBLIC ENTERPRISES: Yeah, the truth,

Chairperson, is very difficult to face. But, of course, we live in a period of fake news and all sorts of cooked up stories. So it is not surprising at all. But, let me remind you: It was an ANC member of the Committee on Public Enterprises, in 2017, who initiated the Eskom inquiry; but you think that a certain CEO is the first person to talk about corruption in Eskom. It is well recorded!

The question is not how much more you want to expose it. The question is: How do you want to correct it? What is this government about? Of course, hon ...

The CHAIRPERSON (Mr S S Somyo): No, no, no. To be fair, hon members, please. Please don’t drown the speaker on the floor.

*Afrikaans*:

Asseblief! Asseblief!

The MINISTER OF PUBLIC ENTERPRISES: Chairperson, theatrics and facts also are strange bad fellows. They don’t get together.

So, you can have all sorts of verbiage on this platform, but no facts at all to back up any suggestion, whatsoever. No solutions provided. There is loadshedding. What do we actually do about it?

If one looks Inkosi Buthelezi, he comes from KwaZulu-Natal. The key railway line that takes coal to Richards Bay cuts through the province that he and I come from. What has he mobilised to make sure that communities don’t disrupt the rail operations of that particular community. Nothing! Nobody has shared with us a vision for SOEs. [Interjections.]

The CHAIRPERSON (Mr S S Somyo): Minister! Hon Minister! Just a minute. Hon Buthelezi.

Inkosi E M BUTHELEZI: Thank you, Chair. May I kindly ask for a point of privilege and address you for a moment.

The CHAIRPERSON (Mr S S Somyo): There is no privilege. No privilege granted. Nothing like that. Hon Minister. [Interjections.]

The MINISTER OF PUBLIC ENTERPRISES: So, the only solution we have coming from opposition incorporated is privatised; or on the other hand nationalised, so that more plundering can actually take place. The day ... [Interjections.]

The CHAIRPERSON (Mr S S Somyo): Hon members, you are too active. Keep it low please. Yeah! No, no, keep it low, please. No problem. Keep it low. Keep it low.

The MINISTER OF PUBLIC ENTERPRISES: So, hon Chairperson, instead of talking about Jan van Riebeeck, in some instances, we actually need to talk about *Rip Van Winkle* because we seem to have forgotten or actually stepped through a revolution.

Jan van Riebeeck is the symbol of colonialism in South Africa. It is a symbol of taking land away from South Africans. It is a symbol of taking our resources away from the people of South Africa.

The day we begin to forget those sorts of things and talk about the exploitation of black people in South Africa, is the day we forget about history itself. We forget about the Frontier Wars. We forget about the repression. We forget about how people were kept in reserves that became Bantustans a little later.

So, hon Denner, you also failed, if you think I failed in your history lesson. Go and read your history books again, please, because history is something that you cannot deny. Any one of us! To hon Swart, I want to say that the National Treasury will be informed about your suggestions around a rebate on diesel, although I am not sure whether that will work.

Hon Kwankwa, hon Mkhwanazi actually addressed some of your issues. But, here are some facts: Transnet will increase the volume of coal being exported, from 40 million tons per annum to 63 million tons per annum during this financial year. As far as chrome and magnetite is concerned, it will increase from 9,6 million tons to 15,6 million tons during the course of this financial year: By adding more than 150 wagons to the one instance; and 160 wagons to the other.

As far as iron ore is concerned, 51 million tons per year will be increased to 60 million tons per year. Once we get these locomotives moving from China, that will improve even further.

As far as manganese is concerned, there are a whole lot of new points of departure, both within Nelson Mandela Bay, but also via East London and Saldana, and there will be almost a million tons increase in the export of manganese itself.

I don’t have the time, but we can give chapter and verse on the number of cases that have been referred to professional bodies: One from Denel; one from Eskom; four SA Airways; and one from Transnet, in our quest to fight corruption, not just talk about it, through these entities.

As far as the delinquency of directors is concerned, 73 former board members and executives are implicated in this: 10 from Denel; 13 from Eskom; 25 from SA Airways; and 25 from Transnet. I hope none of you are involved in there.

As far as Eskom is concerned, contracts amounting to

R14,7 billion were subject to State Capture; and approximately R4,8 billion has been claimed against former contractors.

There are lots of numbers in that regard. If we take law enforcement agencies investigating 12 criminal cases in Transnet, R56 billion is affected by this.

In conclusion, Chairperson, if you allow me - because of the interruptions, I want to say that the DPE and the ANC, follow the philosophy of Nelson Mandela who says:

I am fundamentally an optimist. Whether that comes from nature or nurture, I cannot say. Part of being optimistic is keeping one’s head pointed towards the sun, one’s feet moving forward. There are many dark moments when my faith in humanity, like now, was solely tested. But I would not and could not give myself up to despair. That way lays defeat and death.

As the ANC, we will succeed in getting the SOEs right. Thank you very much.

Debate concluded.

The Business of the Mini Plenary session was completed.

The mini plenary rose at 18:18.