**UNREVISED HANSARD**

**MINI PLENARY - NATIONAL ASSEMBLY (VIRTUAL) THURSDAY, 15 June 2023**

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

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

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

# ANNOUNCEMENTS

The CHAIRPERSON (Ms R M M Lesoma): Hon members, before we proceed I would like to remind you that this virtual mini- plenary session is deemed to be in the precinct of Parliament and it constitutes a meeting of the National Assembly for debating purposes only.

In addition to the rules of a virtual sittings, the rules of the National Assembly, including of the rules of debate applies.

Members enjoy the same powers and privileges that apply in a sitting of National Assembly. Members should equally note that anything said in the virtual platform is deemed to have been said in the House and may be ruled upon.

All members who have logged in shall be considered to be present and are requested to mute their microphones and only unmute when recognised to speak. This is because the mics are very sensitive and will pick up noise which might disturb the attention of other members. When recognised to speak, please unmute your microphone and where connectivity permits or is stable connect your video.

Members may make use of the icon on the bottom of their screens which I believe they are familiar by now which has an option that allows a member to put up his or her hand to raise a point or points of order. The secretariat will assist in alerting the Chairperson to members requesting to speak.

When using the virtual system members are urged to desist or refrain to making unnecessary points of orders or interjections.

Lastly hon members, I wish to remind you that we are meeting in a mini-plenary session and therefore any decision to be taken in a full plenary session of the Assembly – the first item on the Order Paper is the subject for discussion in the name of the hon M G Mahlaule on overcoming challenges in the mining sector, to ensure the development of a transformed sector with local beneficiation as strategies to realise inclusive economic growth. I now recognise the hon member M G Mahlaule. Over to you, Sir.

# OVERCOMING CHALLENGES IN THE MINING SECTOR, TO ENSURE THE DEVELOPMENT OF A TRANSFORMED SECTOR WITH LOCAL BENEFICIATION AS STRATEGIES TO REALISE INCLUSIVE ECONOMIC GROWTH

**SUBJECT FOR DISCUSSION (Mr M G MAHLAULE):**

Mr M G MAHLAULE: Hon Chairperson, the South African mining industry, has tipped the scale in favour of our country during the challenging economic conditions such as the COVID-19 pandemic and the Russia Ukraine war. Thus the South African mining industry plays a key role in the reconstruction and recovery in our economy as outlined in the Economic Reconstruction and Recovery Plan.

However, the key concern is that the South African mining industry appears inadequate to the task of reviving our economy in large part because the country’s position in the global economic hierarchy clearly runs downwards, partly due to the decreasing inefficiency enhancing competitiveness of South African mining industry.

While there are endogenous and exogenous challenges faced by the South African mining industry, key concerns especially for the government are the backlog of mining licences and permit applications, load shedding, water shortages and port and rail infrastructure disruptions which depress mining production and act as barriers to entry into mining global value-chains. That deny South African Mining companies access to greater competencies including industry standards, efficiencies, process knowledge and desired knowledge skills.

The more stringed the backlog of mining licences ... [Inaudible.]

The CHAIRPERSON (Ms R M M Lesoma): Hon Mahlaule, may I request that you switch off your video because it seems as if you do not have a stable connectivity network and you do not brake.

If you may.

Mr M G MAHLAULE: Thank you, Chairperson. Put simply, this inherent constraint make the mining industry vulnerable to negative economic profits as they increase operating costs for mining companies and in turn a risk redistributive state via mining royalties and income taxes fall apart.

High operating costs and low profit margins have two implications for the sustainability of the mining industry. The first implication is that high operating costs discourage investment in the mining industry. In so doing, affect the nexus between high-levels of profitability and reinvestment which is critical for infrastructure and mining industry.

Thus seen high operating costs do not only inhibit mining companies to unlock greater cost-saving and subsequently redirecting those savings in enhancing productive capabilities, but also discourage diversification opportunities within the mining industry.

For an example, leading mining companies in the world are entering into strategic partnerships with the right partners in the mining value-chain such as smelters, processors and original equipment manufacturers, OEMs, in the automotive industry. Such strategic partnerships do not only enable

smelters and OEMs in the automotive industry to secure suppliers of critical minerals as key input. But also catalyse the mining industry to transition to more profitable economic niches within the mining value-chain that increases the integration between the upstream and downstream supply chain. Typical leading to potential benefit for mineral beneficiation.

By contrast, the South African mining industry’s outward rather than inward look since the export of raw material instead of supplying critical raw material to the domestic smelters, processors and OEMs in the automotive industry as key inputs. As such, there is no linking back between the upstream and the downward production system in the mining value-chain in a manner that fosters mineral diversification and structural transformation. This explains why mineral beneficiation are limited in the country.

The second implication is that high operating costs limit investments in the long-term cycles of learning and innovation in the mining industry. In particular, leading mining companies in the world are investing heavily in new technologies that assist them to decarbonise a significant proportion of mining production and processing activities. In

short, automation, digitisation and artificial intelligence give leading mining companies a competitive urge.

Ironically a South African mining company is less capable to capture new technologies and related automation and digitisation dividends given that mining companies have negative net flows and low profit margins. Thus are not well- positioned to take advantage of new opportunities in the mining value-chain.

More importantly, technologies are complex to operate and therefore requires skilled workers that have become ever more elusive for mining companies to attract. Thus it should not be surprising that the South African mining industry is quickly approaching a laggard status in both production capacity and quality of inputs as it struggles in keeping pace with technological changes that have the potential to be both production and quality enhancing in the mining value-chain.

While the picture is no brighter in the South African mining industry, the industry is nonetheless prime for growth in the short to medium-term, due to positive innovation reforms that are already materialising or rather yielding positive results.

To begin with, one of the key reforms in the mining industry in recent years has been the raising of the licencing regime for thresholds for self-generation from one megawatt to 100 megawatts in 2020. Indeed raising the licencing threshold from one megawatt to 100 megawatts is ground breaking as it enables incumbent mining companies with stronger balance sheets engaged in self-generation without a licence being required.

Therefore enabling mining companies to offset the constraining impact of perpetual load shedding.

Additionally, raising the licencing threshold from one megawatt to 100 megawatts leads minimises the mining industry’s vulnerability to electricity prices which have kept an upward trend overtime rising by 497% between 2003 through 2021. From 16 cents to R1 five cents per kilo ward hour on average. To this end 24 mining companies including African Rainbow Minerals, Goldfields, Anglo American and Sibanye Stillwater have approximately 5 100 megawatts of self- generation capacity in the pipeline across almost 73 projects. These projects are not only a reliable alternative source of energy, but also assist mining companies to pivot greener mining production and subsequently, reduce the South African mining industry’s greenhouse gas emission.

As things stand, the South African mining industry production has improved in the second quarter of the year. Therefore, effectively reversing 14 month perpetual mining production decline. With more dedicated investment is self-generation capacity mining production will increase marginally overtime. Thus allowing mining companies to reap economic benefits since early mover advantage in self-generation and create innovating

... [Inaudible.]

The CHAIRPERSON (Ms R M M Lesoma): Hon Mahlaule, your connectivity has a serious challenge.

Mr M G MAHLAULE: While this improved production output is good for South African mining industry in the short-term after a turbulent year. [Inaudible.]

The long-term future ...

Hon Chairperson, can you hear me?

The CHAIRPERSON (Ms R M M Lesoma): Yes, I can now hear you. You are now better.

Mr M G MAHLAULE: I have serious connectivity issues.

Alright.

Now, in short, the failure to equip South African mining companies is with productive capabilities ... [Inaudible.]

The CHAIRPERSON (Ms R M M Lesoma): Hon Mahlaule, you have a serious connectivity challenge.

Mr M G MAMHLAULE: ... to support climate change and adaptation such as the Carbon Border Adjustment Mechanisms, CBAM, will relegate the South African mining industry to a permanent subordinate position in both regional and local value-chain.

South Africa has favourable access to solar and wind which are key inputs in the production of green hydrogen which is touted as an efficient alternative energy carrier capable of supplying power to the energy intensive mining industry while assisting mining companies to decarbonise.

The key to the viability of green hydrogen rest on the ability of our government to fast-track the unbundling of Eskom in order to create a competitive electricity market to intensivice the entry green hydrogen producers in the domestic electricity market. Furthermore, the success of green hydrogen

hinges on the implementation of the Amendments to the Electricity Regulation Act and the electricity pricing policy aimed at determining competitive prices of solar wind for example as key inputs in the production of green hydrogen.

Chairperson, can I request to test before I end mu time so that when I conclude, I am in a better position. Can I test whether it is you only or other people who are also having challenges with my network?

The CHAIRPERSON (Ms R M M Lesoma): Alright. Table staff, if you can just pose as to where do you get the – I think the Whips might assist me as to who has connectivity challenge. From my side the connection is stable. For now hon member the table staff will indicate. Just proceed because you are stable now.

Mr M G MAHLAULE: Thank you very much. I am done and part of my presentation is not heard because of the connectivity challenges. Thank you.

The CHAIRPERSON (Ms R M M Lesoma): Hon member, you have one minute left. Nevertheless you thanked me and I accept. Thank

you very much. We are sorry for the challenge that you had in between your debate.

I now recognise the hon G R B Lorimer. Over to you, Sir.

Mr J R B LORIMER: Hon House Chair, Madam House Chair. It is rare that one is preceded with so neat a package of bad ideas to easily critique as in this motion. This motion clearly states one of the main aims of the ANC and that is transformation. Transformation sounds great. Who does not want to transform South Africa for the better? To get people into work and enter the middle class, to build the economy and to extend its benefits as widely as possible? Most people in this House would agree with that, but it only passes superficial muster. You will notice that the ANC never properly defines transformation that throws a blanket of confusion over any discussion of the term.

The meaning of transformation can change under that blanket. One minute, meaning simple and fairness and another meaning race laws that would attract the admiration of Hendrik Verwoerd. The lack of clarity is, of course, deliberate. It means ANC transformation can be given a happy face and yet the real pernicious impact of bold racial transformation can be

concealed. The lack of definition does something worse. It means the target of transformation can never be reached because nobody knows when we have reached it. It allows the target to be shifted and means it can be extended forever as a campaign tool. It will always be an aim, always subject to interpretation by the person using it at any one time and always unrealized. It is an evergreen motivator to action and an excuse for dividing South Africans and by so doing, ruling them.

So, let us have a look at what transformation has wrought. It has justified the placement of cadres in the civil service who are loyal to the ANC before they are loyal to the Constitution and whose hiring is because of that loyalty and not because of their skills or honesty. It has given us a civil service that in many places is shockingly bad at delivery. Ironically, the poorest of our people who need a functioning civil service the most are the people who have been worst affected by transformation.

Let us look at what transformation has wrought in the mining industry. It has given us the Mining Charter that chases away investment. Miners tell me that if you try and raise money for a mine in London at the moment, the moment you mention South

Africa, they show you the door and anybody disagrees with what I am saying is obviously never tried to raise money to start a mine in our country.

Transformation means when you try and start a mine you have to give money away to people who do not add value and you cannot hire who you want. You have to buy from middlemen who raise prices and you have to deal with the department which determines its treatment of you depending on your race. It turns out that it is not a recipe for so success. We have only just emerged from a straight 14 month run of declining production, and that is despite having some of the best miners and best minerals and the most effective mining companies in the world. Multinational mining companies who have development capital and who are good corporate citizens are leaving the country or have left.

Then there is beneficiation. This old chestnut has been around for years. It seems simple. If we process our ore here rather than overseas, we can create more jobs and sell it for more money. But if you take the trouble to examine that premise properly, you will know that beneficiation only makes economic sense if it costs less to do here than it does anywhere else, and it does not cost less.

Licensing is slow, labour laws are a disincentive and infrastructure is increasingly bad. Crime, violence and labour unrest means it is risky doing business here, better to ship the product offshore where it can be processed profitably and safely. Then, of course, there is electricity or rather no electricity, most beneficiation needs a lot of power. The ANC cannot even keep the lights on, let alone build power hungry industrial capacity or we should be obvious. Yet the ANC is still talking about it or what they do not understand or perhaps it is because they have nothing else to offer, so they must continue to talk about dreams that can never be realized under current conditions.

Then there is a sad framework in which all of this has placed the desire for inclusive economic growth. It is the most important thing that South Africa needs, but the way the ANC does not understand economics and the way it tries to get government to direct economic activity is counterproductive. The question becomes what economic growth? We have barely just escaped recession and many economists believe one is still looming this year. Even if we manage to dodge that particular bullet, our growth will be so painfully slow that GDP per capita will keep falling. That means South Africans on average

are getting poorer every year. On average our citizens are now poorer than those of Botswana.

The gigantic irony of this Motion is, it is exactly the ANC's attempts to advance transformation and to direct industrial policy like forced beneficiation, which has led to capital flight and the reduction of the industry and the reduction of the industry’s capacity to pull people out of poverty. ANC’s mining policy has not advanced in 11 years. It is for at least that long that the particular drums of this Motion have been banged. Despite all those years of experience and mountains of argument and evidence to the contrary, the ANC is still talking about the same things.

Some may say there is something admirable about consistency, but it does no credit to anybody to become so consistently and obviously and demonstrably wrong. I thank you.

Ms P MADOKWE: Chairperson, greetings to the commander-in-chief of the EFF, President Julius Sello Malema, Deputy president of the EFF Commissar Floyd Shivambu, officials, commissars, EFF ground forces and supporters as we celebrate 10 meaningful years of unbroken struggle for economic freedom in our lifetime. For this debate, we would want to reiterate the

EFF’s second cardinal pillar that whilst South Africa’s total liberation, there needs to be the nationalisation of mines, banks and all strategic sectors of the economy.

For 10 years the EFF has continuously laboured the point that our mining industry is at the hands of foreign colonialist countries and their multinational co-operations. These countries contribute nothing to our economy except problematic loans and leave behind death, disease and destruction in mining communities. We are asked today...

*IsiXhosa:*

...ngabantu...

*English*:

...who come in Parliament and arrogantly chant...

*IsiXhosa:*

...ukuba nibamamele kodwa ningabeva...

*English*:

...when we speak, on their behalf of our people. People who ask for solutions only to downplay how as a country we are in crisis mode and characterise our contributions as mere

electioneering because we refuse to pilot their sell-out positions that have had South Africans chasing their tails for almost 30. The major challenge in the mining industry and any other sector of society in this country is an ANC-led government. The most unfortunate part, Chairperson, is that we are in this Parliament with a generation that claims to have liberated our people, but has been drafting and implementing legislation and raking up loans that are swiftly undoing all that our forbearers were killed for and fighting for. We are in this Parliament with our peers who claim that they are the layer that will usher economic freedom, but are co-signing the very same deals that are literally strangling black people, especially our young people will have to scramble together and try to make a country and a home out of whatever will be left after they are done ransacking our country.

When we say 2024 is our 1994, we are not merely doing a necessary rhyme of sloganeering, it is a long overdue clarion call to all South Africans, young and old, to do what was supposed to have been done in 1994 to not lose hope and abandon the polls, but instead go out in numbers to put in power a government that truly wants liberation, not this political freedom, now economic freedom later rhetoric. We have been told for over three decades...

*IsiXhosa:*

...nto leyo ebonwa nayimfama ukuba soze yenzeke.

*English*:

The people who have been beating their chairs and promising to do better for our people. Just last year, abandoned the call to return the land of our forefathers and created weird legislation where they are still insist on paying for stolen land. They had over two thirds majority for 10 years and opted not to implement anything truly transformative. It could have been 15 years had they taken up the EFF’s offer in 2014 to take our proportions and do the necessary changes on behalf of our people.

When we say 2024 is our 1994, it is because we know that our country is being dismantled into pieces, plunged into pairs and bit by bit being sold off for a few pieces of silver to close allies and funders of the ruling party. When we declared 2024 as our 1994, it is because we find it deeply problematic to be told by our peers in this Parliament that we must be grateful...

*IsiXhosa*:

... kuba silapha nje sincedwe ngu-Nsfas...

*English*:

... while we know millions of graduates on Nsfas have resorted to queuing for R350 because we are told there is no work yet the ANC-led municipalities have thousands of ghost workers and departments have tens of thousands of unfilled vacancies.

While we know that our peers on a daily are talking each other out of committing suicide, even those negotiating we are gradually losing. While we know of our peers who are sitting with proposals and whose ideas get stolen and benefit close friends of those in power, should they approach the National Youth Development Agency, NYDA and municipalities. While we know black talent, young people are leaving the country.

The reality, Chairperson, is that this government’s failure to ensure the nationalisation of our mines, the full participation of South Africans in the industry and its blatant refusal to ensure local beneficiation has basically been almost 30 years of donating millions of jobs to our oppressors so they could boost their economies and ensure all their citizens are employed.

House Chairperson, when raw gold leaves our shores to be processed in London, for example, it means there are factories and industries in London, which employs all sorts of disciplines cleaners, technicians, engineers, accountants, lawyers, etcetera, jobs that would have been benefitting us had this government ensured local beneficiation. The most unfortunate part about this debate is that even those who remind us every given chance that their government are reading speeches here with us telling us what we already know instead of developing the necessary legislation to ensure local beneficiation and instructing their Treasury and their President to accordingly redirect funds.

We do not want a welfare state, we do not want to survive on grants we want land and jobs and total control of our mineral resources now. The state mining company should be capacitated and put a central player in mining processing our minerals.

Since the dawn of democracy we have been discovering all sorts of minerals. There are no colonisers forcefully taking anything now, but after every discovery, this department turns into Oprah and calls on the whole world to apply for mining licences instead of capacitating the state-owned company or at the very least calling on private sector partnerships.

The department’s entities have produced world class bodies of knowledge, have patents for internationally competitive technologies and have for years been requesting funding so they could commercialise and create industries which would translate to jobs and skills transfers. All those calls have fallen on deaf ears. We must amend the Mineral and Petroleum Resources Development Act 28 of 2002 to ensure that no more than 30% of minerals are exported and the rest must be locally produced. The amendment must further ensure that the manufacturing and processing of mineral resources enforces transformation and prioritises the necessary participation of black-owned companies.

The mining industry could spearhead South Africa out of being a social welfare state and create an industrial self- sufficient state and a player to be reckoned with in the world over. This must happen in our lifetime. Thank you very much, Chairperson.

Ms N P TYOBELA-MAKEKE: House Chairperson and hon members, the need to reduce the greenhouse gas emissions is scientifically undisputed. It requires us to replace fossil fuel dependant and polluting industries with green economy industries.

Contrary to the efforts to transition to a green economy, South Africa’s mining industry is both a direct and indirect contributor to climate change. Given that energy intensive production is powered by fossil fuels, specifically coal generated energy. And it produces traditional mineral resources associated with greenhouse gas emissions.

So far, we have seen that South Africa’s mining industry, which is probably the third largest greenhouse gas emitter after the energy and chemical industries, has been engaged sitting in free riding by polluting the environment while making super mineral profits but not paying for the environmental damage.

One of the often-cited classic cases of free riding in the mining industry includes unrehabilitated mines which do not only catalyse illegal mining, but also pose climate change disruptions.

House Chairperson, the most prominent argument for allowing the mining industry not to pay environmental costs involves a policy goal oriented towards protecting the existing job opportunities and competitiveness of the industry, as

environmental costs tend to lead both to the discovery of mining activities and labour forces.

Although the mining industry remains the pillar of South Africa’s economy and shielding the industry against environmental costs improves its competitiveness, emerging evidence suggests that the cost outweighs the gains and turning a blind eye to the mining industry’s contribution to climate change.

Already, the Carbon Border Adjustment Measures, CBAM the Fit for 55 Policy and the Farm for Fork Strategy, which form part of the European Union’s more extensive net zero pledges called the European Green Deal, put mounting trade pressures on South Africa’s mining industry, with approximately R264 billion worth of sales in thermal coal and platinum group metals such as platinum, palladium, and rhodium at risk of European Union trade partners. Climate change mitigation commitments and reduced demand.

In addition, South Africa’s mining industry is likely to face significant and far-reaching implications from changes in demand for the traditional mineral resources, since countries like China, the United States, the United Kingdom, Japan,

South Korea and countless other industrialised countries emulate the similar greenhouse gas emissions mitigation approaches along the lines detailed in the European Green Deal, EGD.

Even though policies of the nature of the Carbon Border Adjustment Measures Framework, CBAM, are likely to reduce the demand for the thermal coal, platinum, palladium, rhodium, aluminium and iron and steel, for example, such policies incentivise South African mining companies to shift their export profiles from dirty to green, particularly given that South Africa boasts greener mineral resources demand crucial in the transition to a green economy. In other words, South African mining companies must find a new formula for success.

House Chairperson, in particular, the demand for greener mineral resources such as nickel, lithium, graphite, corbett and copper, which are driven by the industrial needs and shifts in consumer preferences. And investor priorities, presents new opportunities for South African mining companies. For a example, as the shift from internal combustion engine vehicles to electric vehicles unfolds in the European Union, the United Kingdom and United States.

The demand for mineral resources such as nickel and copper, which are key inputs in the manufacturing of ... [Inaudible.]

... is expected to see a sharp increase. And South Africa with large deposits of these mineral resources has the potential to reconfigure and competitive landscape of its mining industry.

We’ve given the projected demand for greener mineral resources. Continued investment in exploration to discover greener minerals resources deposits will be crucial to the sustainability of the South African mining industry.

To this end, Council for Geoscience has discovered some of the greener mineral resource deposits, saving mining companies from the odious process that comes with seeking financing in a challenging bond market to argument exploration budgets.

However, mining companies need to reform their corporate structures that are developed with a particular focus on increasing shareholder payouts or dividends to the detriment of reinvestment in exploration activities to meet the growing demand for greener mineral resource.

Reinvesting exploration activities to discover green mineral resources will be particularly beneficial for the mining

companies since their export profiles are on average less diversified and thus vulnerable to international commodity market fluctuations.

More importantly, diversifying export profiles towards greener mineral resources broadens the basis for high profitability levels, which not only reward risky investments and innovation, but also incentivise the entry of artisanal miners, specifically women, youth, and people with disabilities. As high mining profits convey signals to potential entrants that the mining industry is profitable, thereby reducing the skewed patterns of ownership in the industry.

House Chairperson, of course, diversifying exports profiles of the South African mining companies towards greener mineral resources implies that the South African mining industry passively adapts to greenhouse gas emissions mitigation approaches.

In order for the South African mining industry to actively adapt to greenhouse gas emissions mitigation approach, the industry has to enhance energy efficiencies by shifting from coal to renewable energy to power energy intensive mining

production, given that the current production of traditional mineral resources is highly carbon intensive and therefore we will be subject to European Union, EU, carbon taxes under the CBAM.

This consideration suggests that the growing demand for greener mineral resources must be supported by renewable energy technologies. Among the most efficient options available for the South African mining industry is to use solar and wind to make green hydrogen to power the energy intensive mining production.

Worth noting is that the use of green hydrogen and other renewable energy technologies is likely to strengthen the current nascent forward and backward integration in the South African mining value chain. For example, platinum is a critical input in the production of fuel cells, which plays an essential role in the bargaining green hydrogen economy.

Meanwhile, both platinum and manganese are critical inputs in the production of battery storage, thus seen as the cause of battery storage and distribution ... [Interjection.]

The CHAIRPERSON (Ms R M M Lesoma): Hon member, I thought you were going to conclude now, your time is up and I’m a stand in

Chair, I’m not the Speaker, but nevertheless it’s fine, your time is up, mam.

Ms N P TYOBELA-MAKEKE: I thank you House Chairperson.

Mr M A TSEKI: House Chairperson, can someone stop the dogs or move away from the dogs?

The CHAIRPERSON (Ms R M M Lesoma): Okay, we shall do that. Thank you very much, hon Tseki. With that, let’s proceed. Hon members, I recognise hon Prof C T Msimang, over to you, sir.

Prof C T MSIMANG: Hon House Chair, although each year resources are exhausted in attempt to effect transformation in the mining sector, the reality on the ground really reflects beyond claims contained in the employment equity store card and industry compliance reports.

Presently, the mining sector remains an important driving engine of the South African economy. Roughly 8% contribution of our gross domestic product, GDP, comes from the sector with more than half a million people in its employ. South Africa is a country that is abandoned with a sort after high value materials. It is for this reason that international partners

are looking to tap into our diversified source of supply for critical minerals.

If encouraged, the meaningful partnering with local mining companies to support development can be a guaranteed win for all involved international stakeholders, local miners and subsequently our economy.

At best, the government has been moving at a snail’s pace in compelling the private sector to auctioning all the reports and plans it produces on a regular basis. At worst, industry stakeholders have blatantly turned a blind eye from addressing core issues facing this industry.

The lack of the usage of infrastructure such as railway has hindered the growth and development of this industry and contributing to production decrease by 5% year over year in February this year.

We have been calling for government to move away from working in isolation and outstand addressing railway issues by encouraging, supporting, and strengthening party private partnership.

As a party, we can reiterate the speeding of Transnet freight rail and infrastructure. It is crucial that this is done as it will provide the private sector with the necessary platform to participate in the country's rail network, which we expect to improve amongst others, mining efficiencies and exports.

One major social issue facing this sector is gender inequality. Women only make up around 12% of our mining industry. What this means to our people is that, very few women in mining communities still don't get to positively participate in the economic activities undertaken and provided by these mines.

The country has three fundamental pillars. It cannot compromise on the education of its citizens, the safety of its territory, but most importantly the health of its citizens.

The CHAIRPERSON (Ms R M M Lesoma): Hon prof, please wrap up sir, you have 20 seconds left. Thank you. Were you able to hear me hon prof?

Prof C T MSIMANG: This action or rather inaction, stands to purporting key parts of our economy as a fully functional land

driving mining sector is a necessity for our economy. It is government’s duty to ... [Time expired.]

*Afrikaans*:

Dr W J BOSHOFF: Agb Voorsitter, in Suid-Afrika soos elders is mynbou ’n gemengde seën. Aan die een kant bring dit ekonomiese uitbreiding en werksgeleenthede. Aan die ander kant bring dit maatskaplike ontwrigting en lok soms onwelkome aandag.

Trouens, sonder mynbou was daar dalk vandag nie ’n staat soos Suid-Afrika nie. Of dit beter of slegter sou wees is ’n goeie vraag.

*English*:

If we want to imagine what South Africa would have been like without mining, the starting point should be 1860. At that stage British Authority was established at South of the Orange River and the small part of the present KwaZulu-Natal.

In the previous decade, the empire decided to abandon its claims beyond these borders as a cost was excessive and the benefit meagre. To the north, the Boer republics were founded in the Orange Free State and what was later known as Transvaal. There were a handful of towns in each republic.

African communities were largely independent and in a good position to challenge white incursions into their lands. The discovery of one diamond in 1867 meant that there must have been more. We just had to be discovered. This did not take very long, and the South African mining society soon centred around the hill, which became a hole in present day Kimberly.

Griquas, Boer, and Bathlaping Tswanas all claimed it as their own. Suddenly there was something that strung independent territories in South Africa together. Gold was different than diamond. Soon after discovery in 1886, it emerged not to be only abundant, but also expensive to mine. No room for small diggers.

This transformed the rural economy. The unadvanced economy was transformed within a decade or two. It was a time of the gold standard to be able to mine gold was literally to be empowered to create money. This is how the notion of South Africa was born. It was roughly the area where mines were sunk, labour procured and exports were transported and shipped to industrial destinations. It wasn't something from which succeeding elites attempt to draw the maximum benefit.

By its nature, mining is exploitative. It uses up loaded users. Therefore, the challenge is while the money is around, can you build an economy which will last after the mines have shut down?

Mining must be profitable, but it is difficult with crumbling infrastructure. Stakeholders who claim their stake based on transformation must add value, not dilute it. It needs the best people not appointments where merit is disregarded.

If the economy grows by 7% a year, it doubles roughly every 14 years. The potential for transformation which that creates is difficult to imagine. It can be done if all spinoffs of mining are utilized.

If South Africa proceeds with the ANC’s policy, South Africa could end with it was in 1860. Basically, no infrastructure and nothing that binds the area together. With one difference, a population of 60 million, which cannot live from subsistence farming. What mining needs is a new government in 2024. I thank you.

Mr W M THRING: Thank you, hon House Chairperson, on behalf of the ACDP in our Department of Trade and Industry Portfolio

Committee, I have been one of the most vocal advocates ramping up beneficiation. What is beneficiation? It involves the transformation of a primary material to a more finished product which has a higher export sales value? Beneficiation is a good policy for this government, but by most, good policies they fail at the start line of implementation.

The beneficiation strategy of South Africa is aimed at providing a strategic focus for our minerals, industry in terms of developing mineral value chains and facilitating the expansion of beneficiation initiatives in the country up to the last stages of the value chain. Downstream value addition, involves a range of activities, including large-scale capital- intensive activities such as smelting and refining, as well as labour intensive activities such as craft jewellery and metal fabrication such as machinery and equipment manufacture.

Side stream value addition refers to infrastructure research and development, human resource development, and inputs such as capital goods, consumables, and services. But here again, the ruling party fails at implementation. Our railway infrastructure as an example is in a shambles, adding unnecessary operational costs to the mining sector.

South Africa has been and is a resource economy in excess of a century. An independent evaluation of South Africa’s nonenergy in C2 mineral wealth is estimated at between 2,5 to 5 trillion US dollars, making the country the wealthiest mining, jurisdiction in the world. However, considerable amounts of Africa’s mineral resources are exported as raw ores, only partially processed, although South Africa has steadily improved its ratio of beneficiated to primary products exported since the 1970s, these ratios are still well below the potential suggested by the quality and quantity of its mineral resources’ endowment. On behalf of the African Christian Democratic Party, I have called for a beneficiation index to be created that can track the ratio of the quantity of raw materials exported versus the quantity beneficiated. A failure to fully implement this index and the beneficiation policy would be to pay lip service to a good policy and to admit to creating jobs to our trade partners outside of South Africa while millions of South Africans languish in poverty and unemployment, I thank you.

*IsiZulu*:

Nk V T MALINGA: Ngiyabingelela Sihlalo weNdlu ehloniphekile namalunga esiShayamthetho sikaZwelonke, ngokukhethekile ngibingelele uSihlalo wekomidi.

*English*:

The CHAIRPERSON (Ms R M M Lesoma): Hon member, I guess you have a connectivity challenge just get a spot where you will be audible because already you have started to break.

Ms V T MALINGA: Chairperson.

The CHAIRPERSON (Ms R M M Lesoma): Much better. Thank you very much.

Ms V T MALINGA: Chairperson, the mining industry is too systematic and important to the South ... to people. Coal mining is responsible for supplying coal to Eskom and coal accounts for approximately 76% of Eskom total primary energy generation. Additionally, coal mining value chain accounts for almost 5% of South Africa’s gross domestic product and provides direct employment opportunities to roughly 200 000 workers, with almost 87 000 of these employment opportunities in the mining industry.

Furthermore, transport, freight, rail and countless other trucking companies generate a significant portion of their income from coal. Similarly, small trucking companies, mostly owned by emerging black-owned SME’s supply coal to Eskom’s

power station and to bring the importance of coal closer to home. Four towns in Mpumalanga that is Emalahleni, Steve Tshwete, Secunda and Ermelo have structured their value chain and domestic value added around coal as an end in itself, implying that these towns struggle to diversify their regional economies into new economic clusters and value chains that can sustain livelihoods on a large scale given that Mpumalanga is prone to high levels of poverty, inequality and unemployment.

However, coal despite many of its socioeconomic benefits contributes to greenhouse gas emissions, and therefore the demand for and revenue from coal is expected to decline in the medium to long-term thereby suggesting that any investment in coal mining risk becomes a stranded asset going into the future. In short, coal assets are under increasing scrutiny and potential investors are encouraged to exit the coal mining industry. For example, the African Development Bank, ABSA Bank, Standard Bank, Nedbank, and the First Rand Merchant Bank have established significant green ... to catalyse this from fossil fuels, which is a coal to renewable energy technologies and critical greener mineral resources deemed crucial in the transition to a green economy.

Relatedly, coal mining companies are incentivised to reorganise their export matrices through carbon reduction policies, such as carbon prices and taxes. Thus, discourage adding sustainable coal production and consumption. Take for example, Anglo-American’s Mogalakwena mine in Limpopo has begun producing green hydrogen to provide transportation fuel to power its trucks, leading to greenhouse gas emissions reduction of 2 000 tons per vehicle every year.

In addition to this, the very same mine is producing green hydrogen to power its energy intensive line production, leading to the steady reduction in the use of coal as a source of energy generation. While this investment is in the subsequent phasing out of coal in the South African mining industry is justified on the grounds that the global energy landscape is changing in favour of renewable energy technologies and critical mineral resources. Countries with the European that are championing the transition have made a U-turn on the phasing out of coal, in particular Russia and Ukraine conflict has sought the seeds of doubt on the use of renewable energy technologies as an alternative to coal. With countries like Germany, Romania, Czech Republic, the United Kingdom and countless others reverting to the use of coal as governments in these countries search for sustainable

alternatives to replace Russian gas oil in their energy systems.

This shows that hastening the phasing out of coal until suitable alternative coal sources of energy are fully embedded in the International Energy grid is premature. Another recent trend has seen countries like India, Pakistan, Malaysia, Bangladesh, and Taiwan increasing their coal export growth, thereby suggesting that any shortfall in overall demand for South Africa’s coal arising from any premature transition to renewable energy technologies in Europe will be easily offset by exports to Asian countries.

Chairperson, while clean coal technologies must be streamlined to protect the existing job opportunities and competitive of the coal mining industry in the short to medium-term. Mining companies in this industry need to diversify their export matrices by including the exploitation of critical, greener mineral resources to stay ahead of their rivals in Australia and Colombia.

Going further, the South African mining industry in general needs to reform its strategic building in order to complement the structural transformation and reindustrialisation efforts

of the government while improving resilience, in particular incumbent mining companies, need to revise their strategies in ways that reduce their market power to support ownership and participation patterns in the mining industry that reflect African’s demographics. For example, gender imbalance in South Africa mining industry is an issue and concerns about it are solid. Thus, mining companies are obligated to address the persistent gender gaps by setting targets that seek to improve the level of women’s representation within the different organisational hierarchy of their base structures.

Additionally, the government must enact policies that effectively check ahead on various barriers that discourage women representation and participation in the South African mining industry. To this end, the Department of Mineral Resources and Energy has launched multiple empowerment strategies and policies aimed at increasing the level of women’s representation and participation in the mining industry through financial and technical support.

Critically, employment strategies and policies aimed at increasing the level of representation and participation are credible plans to effect structural transformation in the mining industry ensure that previously disenfranchised black

people are not left behind, especially following the High Court ruling and set aside. Some of the black employment provisions in the Mining Charter, where the mining companies will collaborate with the DMRE to reverse the disturbing trend of low level of women representation and participation in the mining industry remain to be seen.

Anyhow improving women representation and participation in the mining industry requires the DMRE to leverage the Southern African Development Bank, Industrial Development Corporation, and the National Empowerment Fund to mobilise funding access for both female and male small-scale miners. Finding targeted at improving entry and the capabilities of small-scale miners in the mining industry not only alters the playing field since mining related activities are highly concentrated, but also accelerates structural transformation and incentivises competition. It also crowds out illegal mining, which devalues mining in South Africa. I thank you, House Chairperson.

The CHAIRPERSON (Ms R M M Lesoma): I now recognise hon C Phillips. Over to you, sir. My apology, over to you ma’am.

Ms C PHILLIPS: No problem. House Chair, beneficiation. We need beneficiation. This is a refrain that has resounded in

Parliament and portfolio committee meetings for at least 14 years. Yet, there’s very little evidence of a growing legal beneficiation industry in South Africa. Beneficiation is seen by government as a get rich quick and employ a lot of people solution. Beneficiation industries are, in fact, capital intensive and employ a very small group of highly skilled people.

Instead of pontificating about adding yet another small pie to our economy, we desperately need to increase the size of the economic pie we already have. To increase the size of the pie, we need capital, and despite all the growing reports of investment we get, every time a large and probably costly ANC- led trade delegation goes overseas. Not only have we not seen that investment in the mining or being the beneficiation sector. The NC government either does not want to understand or can’t understand that the investors we need in South Africa can invest in mining and beneficiation anywhere in the world. Companies want to invest in countries where the government does not dictate what their workforce must look like.

Where government doesn’t dictate who their partners and shareholders must be, capital for mining and beneficiation goes where there is enough reliable water and electricity, and

where they’re not competing for resources and market share with criminals who mind where they like without any care for the environment and who will find their already legal plans and where regulations and rules simply don’t exist. Is beneficiation even the purview of the Department of Minerals and Energy?

Well, it would seem not always, as the department takes no responsibility for illegal chrome wash plants, which proliferate so quickly that our President hasn’t even had a chance to be shocked at. Yet, the environmental degradation from illegal mining is scaring our country and our communities. World Heritage sites and critical biospheres are of no concern to illegal miners and unscrupulous prospects.

The continued onslaught on the Magalisberg Biosphere by illegal miners and illegal wash plant operators, appears to be little more than a group of 10 entrepreneurs, trying their luck on every available portion of land.

Their method is damage, destroy and depart. Beneficiation, well, that is only a consideration for them if it’s a beneficiation of their own bank accounts. The illegal mining is an industry that has been allowed to grow and fester while the ANC government rings its hand and denounces it at yet

another talk shop or at the podium in Parliament, yet again. Token raids are carried out but not followed up on, and within weeks, the illegal mining activity simply resumes. The recent size rate on a small gold reduction works at the West Rand, was herald in the press.

How is it even possible that on a weekday only one person was found on the property and arrested? ... [Interjections.]

The CHAIRPERSON (Ms R M M Lesoma): Hon Philips, one second. May I ask the front Table to mute everyone who’s not supposed to be speaking, like hon Tseki. I can hear his voice, please. Thank you. You may proceed. hon Phillips.

Ms C PHILLIPS: House Chair, law abiding citizens lying their beds at night not only hearing blasts from illegal mining, but they actually fuel them, shaking their homes while they watch the cracks in their walls widening and getting longer after each blast. In addition to the blasts, the sound of gunfire is an unwelcome lived reality for the communities in these mining town. Many residents in these communities have spent their life saving to buy the very house that is now filled with cracks and falling apart around them due to explosive explosions from illegal mining.

It doesn’t matter that the explosives used on South Africa, they do the same damage. It doesn’t matter that the arms and ammunition used on South Africa, what matters is that our borders are so porous that there are enough explosives and weapons crossing the border to keep a whole illegal industry running. Not only does this industry cost the fiscus billions of rand, but it’s deterring the very investment we need to finance the beneficiation industry.

The ANC-led government has had 29 years to get the basics of the economy right, and it has failed miserably. Beneficiation isn’t the answer to this failure. The answer is a bigger economic pie where jobs are created, and we will get a bigger economic pie when the moon shot becomes a reality in 2024.

The CHAIRPERSON (Ms R M M Lesoma): I guess you are done. Thank you so much. I now recognise hon M G Mahlaule to close the debate.

Mr M G MAHLAULE: Chairperson, the general conclusion that I draw from this debate is that pinning our hopes for solutions to a host of challenges that define our mining industry on opposition parties may prove foolish, given that the solutions envisaged by the opposition parties are not only

counterproductive, but also less useful policy lessons suitable for parties that are contesting in the opposition benches like you have heard the last speaker from the DA.

While the opposition parties have expressed their profound dissatisfaction with the ANC-led government policy and regulatory regime in the mining industry, there is no opposition party that dared to rebuke the mining industries anticollaborative behaviour that completely disregards broader economic and social development, in particular, the corporate structures of incumbent mining companies such as Anglo American are centred around the principle of maximining and shareholder value, whose emphasis is on returning super mineral profits to shareholders at the expense of reinvestment of mineral profits, especially in the South African economy, where they are generated and needed the most.

In other words, the prevailing corporate structures in the mining industry are incapable of channelling mineral profits in the right direction, especially from the centre to the periphery. Not only have incumbent mining companies have been ineffective in making mineral profits available when needed, they've also exposed the country and mining communities to micro and macroeconomic shocks. For an example, mining

companies seldom share the benefits of mining of machine with mining communities as required by the *Mineral and Petroleum Resources Development Act* and the related social and labour plans.

Again, incumbent mining companies such as BHP Billiton and Anglo American have enjoyed cheaper electricity prices through special pricing agreement with Eskom and municipal distributors on the one hand, and they are also lightly taxed to company income taxes and royalties since they explored nonrenewable energies that are not sustainable for the prolonged period, on the other hand. Yet, a genuine turn to structural transformation and inclusive economic development in the mining industry remain elusive.

The anticollaborative and rent seeking behaviour of incumbent mining companies reflect power dynamics that resemble the organisation of the economy around the Minerals Energy Complex, MEC. The continuation of the Minerals Energy Complex under the democratic dispensation has empowered incumbent mining companies vis-à-vis the government of the people on behalf of the people. This is an advanced form of accumulation by dispossession. As such, the predominance of the MEC has

pushed the South African economy towards the spiral of the investment and premature deindustrialisation.

Of course, opposition parties with the state funded fundamentalism leanings such as the EFF, proposed the establishment of a mining company to represent the interests of the state in the industry dominated by private interest. The state has three mining companies in the form of Alexco, the State Diamond Trader, SDT, and the African Exploration Mining and Finance Corporation, AEMFC, which effectively participate in the domestic mining value chain, but their asset are marginal relative to those managed by incumbent mining companies.

They require to be integrated and diversify their mining ... [Inaudible.] ... Moreover, public investment in these state- owned mining companies has been declining over the past years, partly because the electricity and test intensive enjoyed by incumbent mining companies, which are not reciprocated by reinvestment and job opportunity, reduce the capacity of the ANC-led government to invest. In brief, these incentives that are extended to incumbent mining companies result in government budget deficit that are offset with borrowing and debt servicing costs divert the government’s resource away

from productive activities that grow the economy and ensure inclusive economic growth.

Obviously, we cannot expect the DA and the FF Plus to hold incumbent mining companies to account for their anticollaborative behaviour since incumbent mining companies are their true constituencies. In other words, there are intimate ties between the DA, the FF Plus and incumbent mining companies. As the idiom goes, you cannot bite the hand that feeds you. Anyway, understanding these complex challenges that bedevilled the South African mining industry, requires legislators who have had as broad a training as possible, rather than those schooled in narrow market fundamentalism, state fundamentalism and African nationalism.

These ideologies have enslaved opposition parties, and in turn, weakened the frank debate informed by facts and reasoning in our Parliament. An honest and mature policy conversation is required for a solution in this Parliament, not this defensive approach by the DA and the FF Plus on behalf of the incumbent mining house. Thank you very much.

The ACTING HOUSE CHAIRPERSON (Ms R M M Lesoma): Thank you hon member. Hon members, that concludes the debate. I will now

hand over to House Chairperson, hon Frolick, to take over on the second order of the day. Thank you very much, hon members,

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, before I call on the hon Malema, I would like to explain the Rules relevant to the First Reading debate. In terms of Rule 285 sub-Rule 3, the person in charge of a debate is allocated 15 minutes to make an introductory speech and also to reply to the debate. The Rule stipulates that there is no speakers’ list and members are permitted to speak for not longer than three minutes upon being recognised by the presiding officer.

The 15 minutes allocated to the hon Malema is thus inclusive of the introductory speech and the reply to the debate.

# RELOCATION OF THE SEAT OF PARLIAMENT BILL

(First Reading debate)

Mr J S MALEMA: House Chair, we take this opportunity to acknowledge the leadership of the EFF and ground forces of the now 10-year-old economic emancipation movement. We also acknowledge the leadership of the opposition parties in Parliament and all Members of Parliament. We take the

opportunity provided to sponsor a discussion in the National Assembly guided by the founding manifesto adopted by the EFF’s national assembly on what is to be done, held on 26 July 2013

10 years ago to formally introduce the relocation of the seat of Parliament Bill, a Private Member Bill, which we are sponsoring. There are both political and practical reasons why this Bill is important, and we will deal with both of them. Also there are financial implications which the EFF’s treasurer-general ... [Recording stopped.] [Inaudible.] ... hon Maotwe will deal with.

The EFF’s founding manifesto calls for one seating, Tshwane as the administrative and legislative capital of South Africa.

Politically, the decision to have the legislative capital in the City of Cape Town, while the administrative capital is in Tshwane is as a result of the Anglo-Boer War - a Vereeniging Peace Agreement - between the Boers and the British signed in 1902. This agreement brought an end to the Anglo-Boer War.

Later on, when the Union of South Africa was formed after the 1907 colonial conference held in London, there was an agreement that Cape Town become the city of Parliament while Pretoria, now Tshwane, become the administrative capital and Bloemfontein the judicial capital. Africans were not

represented because we were treated as less than human beings with no right to self-determination.

Today, we do not have a reason to continue upholding this colonial and racial pact that the liberation has imposed on our people. This is the same party that continue to impose *Die Stem* in the National Anthem to all of us. The same way they continue to impose on us Paul Kruger at Church Square, the statue of Louis Botha here outside Parliament and the colonial imperialist Victoria behind the National Council of Provinces Chamber. The ANC continues to uphold and defend the colonial and apartheid racist Act that was made and never envisaged that one day we will attain political freedom to self- determinised as people in charge of their own destiny including deciding on the seat of Parliament and administrative arms of the state.

The ANC continues to uphold and protect the colonial and racist economic pact to exploit and exclude Africans from participating in the economy as anything more than cheap labour. This and other many colonial and racist apartheid pacts and agreements continue to maintain and uphold the political and economic structure that benefits just under five million people out of the total population of estimated

more than 60 million. All those who continue to benefit from the colonial and racist apartheid pacts protected by the liberation party are the ones who will object to the Bill that seeks to address the senseless and irrational arrangement in democratic South Africa

House Chair, over and above the need to address the political question the need to take a decision ourselves that we can proudly claim as our own and a decisive brefak with the past to continue to insist that we retain here in Cape Town as a serious democratic and political consequences.

The National Assembly and the National Council of Provinces are elected by the people to represent the people. We are elected to provide national forum for public consideration of issues that affect all our people. Section 59 of the Constitution demands that the National Assembly facilitate public involvement in the legislative and other processes of the Assembly and its committees. The reality and experience of past postapartheid South Africa for many of our people is that Parliament is nothing but an institution that forms part and parcel of illicit and in accessible institution both politically and practically. They cannot access this place, they cannot afford to travel to Cape Town to participate in

any of the Assembly, Council or committee meetings. East London is more than 1 000 km from Cape Town, Gqeberha is more than 700 km from Cape Town, Bloemfontein is more than 1 000 km from Cape Town, Kimberly is more than 950 km from Cape Town, Tshwane is more than 1 400 km from Cape Town, Polokwane is more than 1 709 km from Cape Town, Nelspruit to Cape Town is more than 1 700 km away, Durban to Cape Town is approximately

1 600 km and Rustenburg is more than 1 400 km away from Cape Town. These are the major towns of the three provinces Eastern Cape, the Free State and Northern Cape that borders the Western Cape and still many of our people in these places cannot afford to travel and participate in any of the Assembly, Council or committee meetings. Those in Gauteng, Limpopo, North West, Free State, KwaZulu-Natal and Mpumalanga are even in far worse situations. We do not have affordable and safe public transport for many of our people to travel this long distance. Parliament has so far been a playground for associations representing the private sector, unions out of touch with the reality and non-governmental organisation, NGOs, funded by George Soros and the Oppenheimers while our people are excluded.

We continue to receive submissions particularly oral submissions from the same individuals. The voice of our people

is marginalised in part to location of this institution. This is why we must relocate the seat of Parliament to Tshwane in Gauteng province. It is bordered by Limpopo in the north, Mpumalanga in the east, Free State in the south and North West in the west. Many of our people in the Northern Cape and KwaZulu-Natal can travel more easily to Gauteng compared to travelling to Cape Town.

This Private Member Bill to relocate the seat of Parliament is an urge to make this Parliament a parliament of many of our people. Our people must come to Parliament to participate and become part of holding the executive accountable and must become part of the law-making. The majority of political parties here will agree that indeed we do not make the laws with our people but makes the laws or don’t make laws for them. Majority of political parties, by the way, their head offices are in Gauteng.

It is this Assembly that rejected to pass a Private Member Bill in introduced by the EFF to make clinics open 24 hours every day, a Bill that will give our people life. This is why the City of Cape Town has more than 90 clinics that provide dependable and reliable primary health care services. It is this very Parliament that refused to amend the Constitution to

allow for the expropriation of land without compensation for equal redistribution in use. A legislation that will break our past with colonialism and apartheid. That debate on beneficiation of our minerals will never be relevant for as long as the land is not owned by the people of South Africa.

Our people must come to Parliament to engage as we hold the executive accountable. They will know that members of the ANC abuse their majority to prevent Parliament from investigating corruption at Eskom when there is evidence by one of the most senior officials, a former CEO; that senior officials including members of Cabinet are stealing money at Eskom subjecting all of us to preventable and avoidable electricity black outs. Our people; and that Parliament was told by an independent panel chaired by former Chief Justice Sandile Ngcobo that there is a prima facie evidence that Mr Cyril Ramaphosa failed to report the theft on his farm to any police official as required by law. The independent panel report found that Mr Cyril Ramaphosa may have committed a serious violation of section 34 subsection 1 of the Prevention and Combating of Corrupt Activities Act. Even with this evidence, the ANC once more abuses its majority an rejected any attempt to hold the President accountable. Our people must come to Parliament and witness this madness.

We will relocate Parliament to Tshwane in our lifetime. The time has come and there is nothing anyone can do about it, whether someone likes it or not the apartheid pact and the colonial pact shall be broken by this generation whether you agree with it today or tomorrow our generation will relocate this Parliament to Tshwane and make sure that the majority of our people have access to this Parliament. The administration and legislature must be put in one place to make the account ability of the executive more easier and to make the legislators to hold he executive accountable more easier. I thank you, House Chair.

Dr A LOTRIET: House Chairperson, please allow me to keep my camera off due to connectivity problems. House Chairperson, this is the wrong debate, at the wrong time, for the wrong reasons. The relocation of Parliament isn’t something that can or should be done based only on party, political or ideological considerations. Any such consideration should be based on comprehensive and current studies. This is not an exercise for thumb sucking.

One of the motivations given in the Bill is that a relocation will lead to financial savings. The argument is that the travel expenses would be less as everyone would be located in

Tshwane. The reality is that members come from all over the country and therefore require travelling. So, there will not be no financial implication. Besides that, relocation will require, not only the construction of a new parliamentary precinct, but residential accommodation for members as well.

Another argument raised is that it will require less travelling by the Cabinet Ministers and their staff. Now, the easy remedy for this is not to relocate everything to Tshwane, but rather cut the Cabinet size, work more efficiently and make use of technology. Now besides the assumed financial benefit of relocation, this must also be measured against the consequential economic impacts on current parliamentary staff. What will happen to all the staff members working at Parliament? What of their families? Will they also have to relocate or just be put out of work? What about all the skills and expertise and experience acquired over many decades? Will this just go to waste?

The main concern with this Bill is that it is not based on current and relevant costing and future projections, building in escalating costs and a worsening economy. The last impact study was done in 2018 and cannot be used as the benchmark for costing the relocation. The figures used in motivation of the

Bill does not make sense and is a total underestimate in the financial situation in 2023. The Bill is based on the assumption that Parliament will relocate to Tshwane, and that a new Parliament will be built there. However, it does not have any existing building. It burnt down in 2022, and it is totally naive to think that the existing building can be left just as it is. The reality is that as a national heritage site, it has to be rebuilt and restored. So, relocating Parliament will thus mean that two Parliaments will be built and at double the costs. This makes no financial sense and something the taxpayers cannot and will not afford.

The country is in desperate economic state. Costs are rising, unemployment is rising, infrastructure is falling apart, we have no power, and the government is doing everything it can to wreck our economic future. Relocating Parliament is not what the country needs now. We should focus on helping people to survive, helping people to improve their lives. Again Chair, this is the wrong debate, at the wrong time, for totally the wrong reasons. Thank you.

Mr N F SHIVAMBU: House Chair, it was supposed to be the treasurer general, but we can quickly make some few reflections in terms of what happens. The emphasis that the

Bill places is the simple fact that cannot have the administrative and legislative capital. Particularly, an administrative capital which is supposed to perpetually and consistently account to Parliament. It becomes easier if you have a Parliament and the legislative staff in one area.

Almost all institutions ... the institutions that report to Parliament, they are upward of 250. The entities that are attached to different departments in national government, and almost all of them have to be spending a lot of resources to be travelling to Cape Town to give accountability, and that is not a sustainable model.

The commander-in-chief makes a solid and sound argument that as compared to Cape Town, Tshwane is much more accessible.

Members of Parliament, those who want to make submissions, civil society, can travel from the North West, from Mpumalanga, from Limpopo, from KwaZulu-Natal, from the Northern Cape, and from Free State, can go and make submissions in Parliament and go back home the same day. But you cannot do that in relation to Cape Town currently. So, what ends up happening, is a Parliament that is secluded from the people. That is why majority of submissions that come into National Assembly, they come from handled civil society organisations, which have got direct or indirectly with the

Oppenheimer or George Soros Foundation, the so-called Open Societies.

So, the relocation of Parliament to a central space geographically, is to make it much more accessible. It is to make it much more democratic. So if anything, this Bill is about the intensification of democracy, where democracy is not just the limited to periodic elections, but meaningful participation by our people who can gain access to Parliament. We have tried before, even with these virtual platforms, for submissions, it has never been meaningful for most of our people. It becomes meaningful when they come physically to interact with Members of Parliament, make their representation in terms of the issues that they deal with.

So, that is basically the essence of what the Bill is introduced to achieve that. Let us make this institution a much more accessible and democratic institution for the people of South Africa. Thank you very much.

Mr N SINGH: House Chairperson, whilst it is desirable that the administration and Parliament should be in athe same area, let me remind us - those of us that have been around for some time

- that the relocation of Parliament is a matter that has been

under discussion for a number of years already. In fact, during the fourth Parliament we spoke about it when we realised that the facilities that are provided at the current Parliament were not adequate to meet our needs.

Some members of the House will recall that we even considered expanding our facilities across the road from where the current Parliament is, into what is known as the new wing ... [Inaudible.] ... parking lot. However, I think that we have been really overtaken by events of what tragically happened in January 2022, and wittingly or unwittingly, however that fire was caused and whoever is responsible, it for now and the medium term short to medium, puts pain - we believe - to any debate on the relocation of Parliament.

I say so because as the hon previous speaker had indicated from the DA, we find that in terms of the South African Heritage Resources Act, Parliament is now obliged to reconstruct and refurbish the burned down building. From what we have seen so far, that is going to cost anywhere between 2 and 3 billion rand. Now, that is money that has to be spent. That is taxpayers’ money that has to be spent. So, when we look at the figures for relocation, it runs into almost 13 to

14 billion. It is quite clear that we can ill-afford to spend

state resources in in that kind of manner. If we base our consideration of the relocation of the seat of Parliament on a cost benefit analysis and in consideration that we are compelled to rebuild the current buildings, the facts make it irrevocably clear that we simply cannot afford to relocate at this time.

Whilst the fire of Parliament was caused by an action that should have been avoided, there are millions of South Africans that wallow in poverty, in hunger, they still face the effects of the floods that took place in KwaZulu-Natal. We know that there are many schools still without sanitation facilities.

People are still on waiting list for housing. There are just so many other social needs that we need to look to. We know what the employment figures are like. These are things that we need to seriously address.

So, I feel that it is the wrong time and unfortunately, not because you know the EFF should not have brought this Bill, but the events of January 2022 make this a very difficult matter for us to consider and move forward and then look at relocation. We just believe that money could be well spent on social needs. We understand the political ramifications and what has happened from 1860 and 1652 to now, but I think we

should really consider the economy of the country, where we find ourselves, and that we could better spend the money in the interest of our people and attending to their needs. Thank you very much, hon House Chairperson.

Dr P J GROENEWALD: Voorsitter, ...

*English:*

... I would like to say that Freedom Front Plus is all about cost. What is it going to cost the taxpayer at the end of the day? I do not accept the numbers quoted in the bowl. Apart from the fact that 4,4 refers to R7 million, I assume it is a mistake and it should be R7 billion, but that is not the correct cost. The reason I say that Chairperson, is that I do not see the relocation and the total resettlement of civil servants in those numbers costs.

*Afrikaans*:

Die VF Plus is baie duidelik daaromtrent. Ek gaan nou nie weer herhaal wat die vorige sprekers gesê het oor die koste, wat in elk geval aangegaan moet word vir die herstel van die bestaande Parlement nie. So, dit moet daar wees.

Die argument is altyd dat Ministers op en af moet vlieg en dat Parlementslede op en af moet vlieg. Of die Parlement nou Tshwane is of nie, die feit van die saak is, daar is Parlementslede wat in ander provinsies bly, ook in die Wes- Kaap. En dan sal hulle in elk geval Pretoria toe moet vlieg, om die Parlement se sittings te kan bywoon. So, dit is nie ’n geldige argument nie.

Dit maak nie saak waar dit geleë is nie, jy sal altyd Parlementslede hê wat rond sal moet vlieg, om by die Parlement uit te kom.

Wat egter nie in ag geneem word nie is die feit dat die Parlement ongeveer 1 300 werknemers alleen het. As jy die kantore in die Parlement vat en die amptenare wat daar sal bly en werk, en in Kaapstad bly, dan praat ons hier van ongeveer 2 000 werknemers. As die Parlement sou skuif, sal daardie werknemers hulle gesinne moet skuif. Hulle sal nuwe kostes vir wonings en skole moet aangaan.

Ek nie verstaan nie, want daar word baie hoog opgegee deur die EFF dat hulle in belang van die werknemers optree, maar dit word nie hier bereken nie. Dit gaan baie meer kos.

Wat die amptenare betref wat komitees by moet woon, kan ons ’n gemengde stelsel daarstel of ’n hibriede, waarna hulle dan verwys, dat hulle nogsteeds die komitees sal kan bywoon. Ons sal dit nie ondersteun nie. Dankie.

Mr A H M PAPO: House Chair, we are meeting for the First Reading debate on the relocation of the Seat of Parliament Bill by the EFF.

In the limited declaration time, we will examine some of the reasons given in the Bill to determine whether it is worth it or not. As a start is important to locate this debate in the history of our country and its difficulty in the struggle for freedom. Looking at the facts about the relocation matter in Parliament, regular assessment of the balance of social, political and economic forces in our country, Southern African region, our continent and the world, not what we imagine as reality, not the usual anti-majoritarianism rhetoric, populist slogans and insults against the ANC, and other parties which hold different political views.

The following issues should be taken into consideration as part of this debate. After the covid-19 pandemic and the terrible January 2022 fire, which mainly affected the National

Assembly, Parliament is compelled by the Heritage loss to restore all its damaged buildings. That is why R2 billion was allocated by the National Treasury for the restoration of all damaged buildings. In this difficult economic climate, it will be highly irresponsible to spend money to restore damaged parliamentary buildings, and thereafter abandoned them and move to Gauteng because of the dislike of the Western Cape province, as if the residents of the province are not part of one united South Africa.

The majority of the staff members of Parliament are based in Cape Town and would require to move even with the families to Tshwane. They have not been consulted and their views heard. The views of the people of the other eight provinces particularly Gauteng where I come from will also have to be heard on this matter.

Members of Parliament who are from outside Gauteng will all still have to travel to Tshwane and be accommodated in rented places or a new parliamentary village which may have to be built. What is going to happen to the publicly owned parliamentary villages which have been renovated and are currently still being renovated? What is going to happen to publicly owned Ministerial houses in Cape Town?

Currently, the hybrid model of working, which mainly require investment in network upgrade, information technology, IT, gadgets and data, is the way to work for many workplaces now and in the future. This cuts a lot of travelling and accommodation by public servants, guests and committee members who are supposed to participate in parliamentary meetings and sittings.

We are of the firm view that the reasons given in the Bill are not adequate and worthy. Faced with other important social and economic priorities for the country, this Bill is not a priority for the country. We, therefore, do not and will not support this Bill. We will go into detail about our political, social and economic reasons for rejecting this Bill when it is referred to a relevant portfolio or standing committee. We call on all fellow Members of Parliament and the people of South Africa to reject it with the contempt it deserves. Thank you.

Mr J S MALEMA: Thank you very much, Chairperson and thanks to fellow Members of Parliament. We really do not think that there is anything worth responding to, except the fact that the problem with predetermined inputs when there is a debate

of this nature, you even come to advance an argument that was never put on the table.

There are no differences ideologically in the relocation of Parliament. Our emphasis is on the accessibility of Parliament and making Parliament work. And therefore, to say Members of Parliament would be coming from all over the country, still to Pretoria as if it’s a legitimate argument to be advanced, it’s neither here nor there. Because Members of Parliament coming all over from the country into Pretoria or Tshwane, will be much easier and accessible than it is now with regard to Cape Town.

The argument that everybody seems to be advancing that they are more important issues that are pressing in our country and that the money can be used effectively, to improve on those issues than to relocate Parliament, is a disingenuous argument because all of those issues that are happening in our country, they are as a result of a dysfunctional democracy.

Once Parliament is not accessible to the people, politicians do as they wish. That is why someone comes here and says, anti-majoritarian, because he wants to use majoritarian to conceal corruption, to conceal holding the executive

accountable, to conceal people’s driven Parliament, that allows ordinary people who can come into committees, who can come into the full sitting, who can participate fully in any of the processes of Parliament. And with people looking at us and seeing us, without anyone going in between, we would be conscious of the fact that we need to do the right thing because indeed, people are watching.

It is only the corrupt, it is only those who are loyal to apartheid, and colonial pact, who will be offended by a call to make Parliament accessible to the people. The fact that we have got challenges as a country should not mean we must never intensify and invest more in making sure that our democracy work.

Our democracy and a working democracy, a people-centred democracy will be able to resolve some of the many other challenges we are confronted with. Products like the latter speaker, if we were to get people to participate in Parliament, and they are conscious of what is really happening in Parliament because they’ve got unlimited access to that Parliament, such characters would not even make it to Parliament. They know that a Parliament that exposes them to people will be a disadvantage to the rot that constitutes this

Parliament that hides behind majoritarian to hide incompetency, to hide, maladministration, to hide favouritism, to hide the corruption that has engulfed our country and the executive.

So, Chair, we don’t think that a genuine argument has been put forward. And we want to commit that even if they can all come together and conspire against the peoples centred and people- driven Parliament, as long as the EFF is here, you can rest assured that will dismantle the apartheid colonial pact, and will dismantle corruption and will take this Parliament into the right hands of our people so that they too feel that indeed, they make the laws that affect their own lives. Thank you.

The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you, hon member. Hon members, in terms of the rules, while those decision has been taken on this Bill at this stage, the Bill is regarded as having been read the first time. That concludes the debate and the business of this Virtual Mini-Plenary session and the

Mini-Plenary will now rise. Thank you.

The Mini-Plenary rose at 15:44.