**African Christian Democratic Party**

 **11 July 2019

ACDP Parliament
Budget Vote 9: Public Enterprises**

**Speech by Steve Swart MP and Whip**

**ACDP calls for increased budgets for crucial law-enforcement agencies**

“Chairperson,

Honourable Minister, the ACDP fully appreciates the severe challenges that our SOCs present, not only to the fiscus (with the guarantees) but to the economy as a whole. We saw the 3.2% contraction in GDP for the first quarter of the year, largely attributed to Eskom’s loadshedding.

We were given the impression that the massive amount Treasury set aside each year for 10 years (R230 billion in total) would be enough of a bailout for Eskom. Now it appears that this is insufficient and that Eskom will need more than double than the first year’s allocation of R23 billion. This is deeply disturbing. What are the conditions for such a bailout? There will be few incentives for Eskom to change its ways if it can access cash from Treasury on an ongoing basis.

It is also crucial that we, as Parliament, exercise oversight over the proposed unbundling of Eskom and the restructuring of its debt. How will the debt be apportioned to the proposed three entities (generation, transmission and distribution) once they have been unbundled? It is also necessary that the chief restructuring officer be appointed without delay to drive the unbundling process as a first step.

Having served on the Eskom oversight inquiry in the last Parliament, I have some idea of the scale of looting that took place. However, the further evidence led before the Zondo Commission indicates the severity of the state capture and corruption that occurred at SOCs.

In this regard, we are pleased that at least Eskom recovered R600 million from Trillian; this is in addition to R1 billion repaid by McKinsey. While this is a small beginning, it is encouraging. However, so much more needs to be done to ensure that those involved in state capture and corruption are not only arrested and prosecuted, but also made to repay their ill-gotten gains.

It is also true that government and state-owned companies have not been doing business with themselves but rather with the private sector.

If one considers the role that Trillian, Tegeta, and even McKinsey Management Consultants played in the capture of Eskom, as well as the role that Bain and KPMG played in the capture and hollowing out of SARS, the private entities must also be held accountable. The question is whether a “hurried apology and the repayment of fees” is sufficient. We think not, considering the damage done to the country. People must go to jail!

In this regard we received an update from the new NPA boss, Adv Shamila Batohi, and the new head of the Investigative Directorate, Adv Cronje, on progress made with prosecuting high-profile cases. The briefing was encouraging, notwithstanding budgetary constraints. In addition both the Asset Forfeiture and Special Investigation Unit are making progress with large investigations into corruption, with the Special Tribunal set to be established soon. This will see civil claims to recover the billions stolen being expedited.

Chairperson, I have long-argued that these crucial law-enforcement agencies should have their budgets increased significantly, given that they are able to recover billions, but are hamstrung due to insufficient budgets. This would be a win-win situation.

Honourable Minister, the extent of the pushback against a reformist agenda and the holding to account of all those implicated in state capture and corruption is evident – and no more so than today – with the disgraceful assault on your character witnessed in this House.

State capture led to the weakening of crucial state institutions and the diverting of those institutions from their statutory responsibilities.

At all costs, it must be resisted. While the legal processes with the Public Protector’s reports must follow their course, we would urge you to remain steadfast and resolute at this time. We cannot allow this pushback to succeed and our country to further degenerate!”

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