**NATIONAL ASSEMBLY**

**TUESDAY, 18 MAY**

**MINI PLENARIES (VIRTUAL)**

**10:00 – 12:15**

1. **Vote 38: Tourism – Hon. KP Sithole**

Honourable Members, the Covid-19 pandemic has not left South Africa and the third wave is, according to reports, marching towards us as expected. When government announced it would roll out the vaccine, we continued to place false hope in their resolve to provide us with efficient and professional services. However, it seems that the only thing the ruling party does well is write letters of suspension to one another and when they suspended the vaccine roll-out, our hopes of opening up tourism fell through.

Tourism in South Africa must protect our cultural heritage and also encourage tourism that is world-class, so as to continuously bring visitors to our country with varying areas of interest.

We accept that the demands of Covid-19 force us to cautiously allow visitors to our land but the industry is suffering, with few to no tourists. Big tourist attractions that would usually bring in the majority of international visitors are seeing an adverse change to their business operations, due to the lack of progress in securing our nation against Covid-19.

There is a huge knock-on effect with each and every individual who loses a job and then can no longer contribute to a sustainable household income.

The IFP is under no illusions as to the so-called “grand plans” for a doomed turnaround strategy that the ruling party will be lamenting for the next 10 years. Good decisions and actions are required now for this sector to avoid further declines in revenue and sustainability.

This Department must start at grassroots level and provide sufficient business support through training to municipal officials, to encourage and stimulate the local communities. The Budget talks of supporting supply chains, yet those very start-ups and transformative companies that offer supply chains to rural areas have been under threat since last year.

The IFP believes that certain measures should be taken to encourage more representative ownership of the tourism industry at the micro level. In particular, innovative partnerships with communities (both urban and rural) must be encouraged, and in certain instances, be required.

Not so long ago, tourism contributed about R272 billion to our economy each year but now we are watching this kind of revenue disappear. Given this dwindling revenue, the IFP supports the Committee’s call to prioritise the Villages, Townships and Small Dorpies (VTSDs).

The IFP proposes the targeted supply of side measures, especially for the enhancement of Small, Medium and Micro Enterprises (SMMEs) in the industry. Tax incentives, access to loan finance, deregulation and other incentives may play a significant role in stimulating new enterprises. At the very least, the IFP believes that tourism enterprises should be given the same status as manufacturing enterprises.

Finally, the Department needs to work on a plan for better communication and marketing of rural tourism. The neglect of rural tourism is a hindrance to our economy, as there is a large market that remains untapped. Rural tourism needs to be at the top of the agenda, especially when promoting local travel.

The IFP very cautiously supports the Budget.

I thank you.

Hon. KP Sithole

(IFP MP)

1. **Vote 39: Trade, Industry and Competition – Hon. RT Cebekhulu / Hon. MN Nxumalo**

Honourable Chairperson,

We are meeting under difficult circumstances brought about by economic decline, as a result of the pandemic and other issues that affected the economy long before the outbreak of Covid-19.

As the IFP, we reiterate that sustainable economic growth will only come from growing our industries and giving them a liberal environment to participate in the economy. We need to give them the support they need and the protection they require through this Department.

We must take advantage of the African Continental Free Trade Area (AfCFTA) agreement to enhance our exports and global competitiveness.

We note that this Budget provides for industrial and infrastructure financing. It also seeks to enhance the regulation of competition for the benefit of our industries.

Our industries will thrive only if we finance them and if we improve the infrastructure on which they depend. They also need the protection of a robust legal framework for detecting and ending unlawful competition. This requires a fine balance.

We recognise that as part of the global community, we need to strengthen trade and investment within our region, Africa and globally. However, this should not be done at the expense of our industries, on which our youth depend for employment. If we become a consumer nation, we will not have industries, and this Department will be unnecessary.

As such, we need innovative strategies to drive economic transformation and increase youth participation in industrialisation. Our economy must transform and empower our people. For this to happen, we need innovative solutions to economic and financial exclusion. We also need to create the right framework for businesses. Among other things, we need to lower taxes to make doing business easier in South Africa.

We should improve sectors that support industry and trade, such as the education sector and labour, to ensure that these sectors support reindustrialisation.

Meaningful growth can only come from diversifying our manufacturing sector. We should ensure that we produce as much as we can and export as much as possible. To do this, we must return to manufacturing, which is the basis for reindustrialisation.

We must set up industries for the goods that we need to deliver on the full potential of the Fourth Industrial Revolution. Thus, our manufacturing and industrialisation strategy must be driven by the technological needs of the day and must accommodate the needs of the future through innovation.

The IFP accepts this Budget.

Thank you.

**MINI PLENARIES (VIRTUAL)**

**14:00 – 16:15**

1. **Vote 34: Mineral Resources and Energy -  Hon. CT Msimang**

Honourable Members, amidst the damaging economic impact of the pandemic that has stripped millions of our people of employment, South Africa experienced **859 hours of load-shedding** in 2020 alone. This is according to a recent report by the Council for Scientific and Industrial Research relating to power generation in our country.

Honourable Members, this alarming fact must sink in. How can we begin to talk of economic recovery when our Government is crippling business owners in these already dire and uncertain times? On Sunday 16 May, Eskom once again announced that Stage 2 load-shedding would be implemented. The grim reality is that load-shedding will be with us for years to come. In addition to the strain felt by load-shedding, we are also faced with an average increase of 15% in electricity tariffs. How do we expect the small business owner to have a fighting chance in these circumstances?

In his 2021 State of the Nation Address, the President spoke about renewing commitments from government and businesses to buy local and to increase local production, as well as boost the manufacturing industry. However, Honourable Members - these promises ring hollow in the face of rising electricity tariffs and power shortages.

The IFP has always championed the principle of self-reliance and therefore supports raising the licensing threshold for electricity generation. We wholeheartedly agree with the Committee that the finalisation of the recent electricity regulations that propose raising the threshold for electricity generation should be expedited.

The IFP also strongly supports the Committee’s recommendation that the Department should provide an update to the Committee on the proposed Nuclear New Build Programme, with specific emphasis on affordability, as well as the scale and pace of such a Programme. Honourable Members, the need for transparency – especially considering our Government’s past controversial dealings in this regard - cannot be overemphasised.

Honourable Members, the debate on shale gas exploration in the Karoo remains a highly contested matter and significant concerns have been raised about the potential impact thereof on this unique region. As far as we know, the Council for Geosciences was mandated to investigate the resource potential in the Karoo. We need to carefully monitor progress reports on this matter and the IFP fully supports the Committee’s recommendation to this effect.

In conclusion, Honourable Members, the energy sector remains a critical part of our economy. In these dire economic times, we need to ask the tough questions, we need to carefully analyse the performance of each Programme of the Department and its entities, and we need to demand accountability.

The IFP remains firm in our resolve to ensure that accountability and transparency are enforced.

The IFP supports the Committee’s Report.

1. **Vote 33: Human Settlements – Hon. SA Buthelezi**

Honourable Speaker,

The IFP has consistently raised the problematic and slow pace of implementation of projects by this Department. In November 2020, the country’s estimated housing backlog stood at 2.6 million. This is a devastating state of affairs, with some families waiting over 15 years to receive adequate housing. The Department is failing dismally at meeting its constitutional mandate to ensure access to adequate housing for all, and as a result, the Department is failing to guarantee dignity and security to the most vulnerable members of our communities.

Honourable Members, at this point, with such an excessive backlog, it is difficult to attribute this failure to a simple lack of resources. This backlog speaks to an unsustainable and ineffective system of delivery that needs a massive overhaul, immediately. Further, as a result of Cabinet‐approved budget reductions of R14.6 billion over the MTEF period, the Department’s allocation will decrease at an average annual rate of 1.1%. These reductions will largely impact conditional grants to provinces and metropolitan cities for the development of housing and related infrastructure, due to government’s imperative to reduce public spending. Once again, our indigent will bear the brunt.

The IFP remains concerned by the lack of attention paid to our people’s living and housing conditions. The lack of implementation and accountability have been exposed by the lockdown regulations and the requirements to keep our people safe during the pandemic.

According to Statistics South Africa’s 2018 *General Household Survey*, 14% of South African households are in informal settlements. As a means to address these living conditions, the IFP welcomes the Department’s plan to upgrade informal settlements to provide security of tenure and basic services to poor and under-serviced households.

In 2019, President Ramaphosa announced the establishment of the Human Settlements Development Bank. The aim of this Bank is to expand the delivery of houses in the country, with a target of 500 000 houses by 2024. According to the most recent reports, the establishment of this bank is at an advanced stage, which hopefully means that more South Africans will have secure and adequate housing. While the IFP welcomes this development, it remains to be seen whether it will alleviate the backlog with expedience, or be marred by scandal, as with other financial initiatives.

The IFP wishes to reiterate its stance on the apparent abolishment of the Title Deeds Restoration Grant. The decrease in funding is worrying, as there is still a major backlog of title deeds that need to be issued. Some of our citizens have passed away without receiving their title deeds, affecting the lives of their dependants. The previous and current pace at which the Department is working is unacceptable. We once again call for this title deed programme to meet all its targets and put this issue to rest over the next two years.

The IFP Supports the Budget.

I thank you.

1. **Vote 23 & 26: Defence and Military Veterans – Hon. RT Cebekhulu / Hon. MN Nxumalo**

Honourable Chairperson,

It remains essential that our national defence capability remains at a state of readiness, in respect of both national defence and with regard to peacekeeping missions in both the region, and the continent.

In order to fulfil the above mandate, certain fundamentals must be in place and fully functional.

It continues to be of concern to the IFP that the following areas - if not addressed - will have detrimental effects upon the sustainability of an effective defence capability:

Despite budget cuts, the use of civilian contractors has increased from R2.185 billion in 2020/21, to R3.063 billion in 2021/22. This is almost a billion rand and a nearly 30 percent increase in spending. The IFP calls for the most stringent oversight to be deployed over such.

Relating to the administrative costs of the Ministry of the Department of Defence, for 2021/22, the cost of the Ministry is R125.5 million, which is significantly higher than the R97.2 million spent in 2020/21.

Defence capacity is only as good as the Defence Force’s manpower and technology. On both these fronts, urgent redress is required. Low morale amongst troops leads to ill-discipline, criminal activity and general ineffectiveness. Steps must be taken to ensure that the members of the SANDF are well-trained and equipped. A sense of national pride must be instilled and not undermined.

Outdated technology and equipment that is no longer in working condition not only endangers the lives of our troops and those that they may be there to protect but also contributes to low morale. The acquisition of new and modern equipment to maintain a professional military force remains an urgent priority. Refitting of primary naval vessels must be prioritised - not only for defence but also to assist with the policing and the protection of territorial waters from illegal fishing, which is currently plundering our fishing stocks. This remains a very real threat to the nation’s sustainable food security.

Any savings should be repurposed especially towards operational expenses, specifically fuel and other operational needs that negatively affect the attaining of flying-and sea hour targets, as this directly impacts upon defence capability and readiness.

The IFP agrees that border security is an urgent priority that must be allocated additional budget and other resources. The continuing porosity of our borders presents the country with increased risk, not only socio-economically, but also in terms of regional and international crime.

In respect of Defence and Military Veterans, the IFP supports calls for the improvement of healthcare and accelerated access thereto for Military Veterans and their dependents, in order to mitigate the impact of Covid-19.

We also call for the urgent prioritisation of the review of *Military Veterans Act* 18 of 2011, as well as any other inadequate legislation and policy, as this would be central to addressing various other challenges to effectively deliver benefits to military veterans and their dependents.

The IFP will support the Budget Vote.

I thank you.

**MINI PLENARIES (VIRTUAL)**

**16:30 – 18:15**

1. **Vote 27: Office of the Chief Justice – Hon. Hon. CT Msimang**

Honourable Speaker,

The critical role of the Office of the Chief Justice (OCJ) in our democracy cannot be overstated. This critical role is why the baseline reduction in funds allocated to the OCJ is concerning, as it will negatively affect its capacity to sufficiently resource courts in terms of personnel, equipment and ICT infrastructure. Further, the reduction compromises judicial functions, the court modernisation process and the constitutional right to access to justice by reducing the number of circuit courts, among other necessary functions.

The IFP notes, with disappointment, the developments at the Mpumalanga High Court. Over and above the expense and overly long time period it took to complete and open the Court, it is now apparent that the Court continues to be a financial problem. Only four of the intended eight Courts were built - at double the price, with structural defects. The funds to remedy these structural defects will affect service delivery, both at that Court, and at others. The IFP wishes to caution government departments when engaging with service providers who inflate their prices. It is concerning that the OCJ, the buttress of our Constitution, was not more diligent when engaging the concerned contractors.

The IFP is also concerned about the impact of the budget cuts on the establishment and functioning of the new Land Court. The Portfolio Committee on Justice was advised that one of the more pressing issues at the OCJ is staffing. The budget cuts make it almost impossible to hire the needed personnel, particularly when the DoJ is already tremendously understaffed. If the Land Court takes off, the IFP is worried that sub-standard work might become the order of the day, as existing staff members are already overburdened.

The IFP notes that the OCJ intended to keep vacancies in funded posts under 10%, however, with the budget cuts, it now seems unlikely that this will be possible. Will this not affect the right to access to courts and the right to have one’s matter heard timeously? Further, will the budget cuts not result in the loss of employment for staff members, to ensure that the OCJ remains within budget? The IFP worries that this critical Office will be crippled by a lack of adequate funds, leading to the miscarriage of justice for many, as well as opening loopholes for corruption to take place.

The IFP is pleased to note that the budget cuts will not affect the rollout of the Court Online system, bringing our Judiciary into the digital age and making work easier for OCJ staff. We note that funds for a data recovery/backup site for the Court Online system, as well as a better internet speed are not covered, due to the current financial state. This poses a significant threat to data maintenance and security.

The IFP supports the Budget.

1. **Vote 30: Communications and Digital Technologies – Hon. Z Majozi**

Honourable Speaker/Chairperson

The IFP strongly believes in the potential of technology to drive South Africa’s economic growth. This vision is equally shared by the Ministry of Communications and Digital Development, whose mission is to promote socio-economic growth and investment. We would like to acknowledge the dynamic growth that has been recorded over the years in the ICT sector, and we are also aware of the improvements recorded in access to broadband and the internet.

However, the IFP notes with concern that this growth has rather been unsatisfactory.

The cost of data remains too high for most South Africans. The advances made in the availability of internet access in the country have also been disappointing. The Statistics South Africa *General Household Survey* of 2018 shows that only 64% of households in South Africa had access to the internet, where at least one member had access. Whilst most of these households with access are concentrated in Gauteng and the Western Cape Provinces, dominantly rural provinces are left worse off. Less than 50% of households in Limpopo have internet access, highlighting the rural-urban digital divide that still exists in the country. We are also quite saddened that our country, classified as middle-income, has failed to achieve impressive digital inclusion of its broader population. We strongly recommend that this digital divide be addressed.

It is therefore apparent that despite having a clear mandate, the Ministry, through various pieces of legislation over the years, has not delivered on most of its promises. This is a betrayal of their own mission and vision statements. The Ministry’s failure to reduce the costs of data has left us skeptical about their future objectives to provide internet access to 80% of the country’s population by 2024. We also note with concern the promises made on making a complete changeover from analogue to digital transmitters by the end of 2021.

The IFP further notes the recent proposals to merge the Ministry with SOE entities. It is worrying that some of these SOEs have been underperforming and are involved in corruption-related activity. The IFP is of the view that these proposed mergers are not a solution to the problem, rather they indicate denial to deal with corruption and underperformance. We recommend the privatisation of SOEs related to this Ministry.

We are in support of the budget cuts made by the Treasury to the Ministry, as the services cut from the Budget are non-essential to the operational capacity of the Ministry.

The IFP supports the Budget Vote.

1. **Vote 35: Science and Innovation – Hon. MN Nxumalo**

Honourable Chairperson,

This Budget Vote comes at a time when the world is still reeling from the devastating effects of the Covid-19 pandemic.

Never before has science been so important to humanity. The pandemic has shown us that we need innovative solutions to address health and other challenges, be it in the education sector, in the manufacturing sector or any other sector.

The pandemic also brought to us the reality that funding for science and innovation requires a long-term commitment to developing the capacity to address national emergencies and global challenges. For this reason, we cannot ignore the importance of giving this Department a strong budget. We cannot deliver on the promises of the Fourth Industrial Revolution if we do not fund science and innovation.

For us to fully benefit from the Fourth Industrial Revolution, we must have a robust funding framework for this Department. If we do not do that, we will continue to buy foreign technology, which we could have produced locally, and we will continue to rely on other states to help us solve problems in South Africa. An example in this regard is the issue of the Covid-19 vaccine. Since the outbreak of the pandemic, other states have produced vaccines due to the strength of their funding for science and innovation. We could have done the same - if only sufficient funding had been provided for this Department in the long-term, and if we had put an aggressive plan for science and innovation in place at the dawn of our democracy.

The IFP welcomes the Department’s socio-economic innovation partnerships, which will see this country identifying areas that need sustainable development capabilities in science, technology and innovation. In this regard, we call for more funding for energy and bio-innovation, as these are some of the most pressing areas that require attention.

The IFP welcomes the commitment to fund several instruments in support of increased localisation, competitiveness and research development for our industries.

The foremost commitment in this regard should be to ensure that not only do we fund undergraduate students to undertake science and technology courses but also that we develop knowledge at postgraduate level. This will create a strong understanding of scientific concepts, which could form the basis for practical solutions to many problems facing this country.

Funding will develop our capacity in science and enable us to attract and retain young, energetic minds who have a commitment to innovation.

South Africa will benefit if such funding encourages students to undertake postgraduate research and to remain in research. It should also be channelled towards courses and programmes that address the immediate needs of our communities, such as energy, water, security, food, transport and medicines, among others.

The IFP accepts this Budget.

Thank you.

Hon. Nxumalo, MP