

TUESDAY, 5 MAY 2015

PROCEEDINGS OF THE NATIONAL COUNCIL OF PROVINCES

The Council met at 14:01.

The Deputy Chairperson (Mr R J Tau) took the Chair and requested members to observe a moment of silence for prayers or meditation.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS - see col 000.

NOTICES OF MOTION

Ms E C VAN LINGEN: Deputy Chairperson, I hereby give notice that on the next sitting day of the Council, I shall move on behalf of the DA:

That this House has a snap debate on the effective functioning of the National Council of Provinces as prescribed in the Constitution, because –

- (a) the administration and effective functioning of the House are falling apart;

- (b) the last official programme approved by the Whippery and agreed to in the Programming Committee is dated 18 March;
- (c) programmes and schedules are changed by the presiding officers at will without the consent or participation of the Whippery and the Programming Committee;
- (d) the Rules of the NCOP have not been approved;
- (e) the presiding officers and the secretary of this Chamber do not respond to letters addressed to them specifically;
- (f) the subcommittee for finance should be elected to ensure that the finances of this Council are managed transparently; and
- (g) questions are raised about the due process followed in the appointment of the ad hoc committee on xenophobia.

The DA calls for an urgent snap debate to address the issues raised above and to bring the NCOP back to its constitutional mandate.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Deputy Chairperson, I hereby move without notice:

That the Council –

(1) notes that a man was arrested in Mentz village near Mankweng in Polokwane on Monday, 4 May for alleged human trafficking;

(2) further notes that the 27-year-old man, who is not from South Africa, allegedly brought 19 men in; ...

[Interjections.]

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): Excuse me. What is that?

The HOUSE CHAIRPERSON (Ms M C Dikgale): A notice of motion.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): Is it a notice of motion?

The HOUSE CHAIRPERSON (Ms M C Dikgale): It is a notice of motion.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): All right. Hon Labuschagne?

Ms C LABUSCHAGNE: Chair, if it is a notice of motion, let me say that the hon Dikgale stated, ``I hereby move without notice''. Can she just repeat that for reasons of clarity, please? Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): She does not have to repeat it. She says it is a notice of motion.

The HOUSE CHAIRPERSON (Ms M C Dikgale): She didn't hear me. I even said, ``I hereby move without notice:

That the Council''

Yes, listening is a skill, Chairperson.

I move further:

That the Council - ...

(3) also notes that the police swiftly went to the spaza shop storeroom, acting on a tipoff, and managed to find the 19 foreigners who were locked in; and

(4) commends the police on their swift actions that have saved 19 people from the hands of this human trafficker and hopes this will be a major step in stopping human trafficking in our country.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): Hon Dikgale, just for the purpose of the record, would you just say that you moved a notice of motion.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Deputy Chairperson, I moved a notice of motion.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): Thank you very much.

Mr W F FABER: Deputy Chairperson, I hereby give notice that on the next sitting day of the Council, I shall move on behalf of the DA:

That the Council –

- (1) recommends the adoption of a national policy on pupil transport and conditional grants for the Treasury to allow pupil transport to be provided comprehensively across the country, as thousands of children continue to walk long distances to and from school, in some cases we know of between 12 km and 25 km, something that is absolutely unacceptable;
- (2) notes that –
 - (a) a national policy regarding the provision of pupil transport is what is needed to deal with this crisis;
 - (b) the Department of Transport, in collaboration with the Department of Basic Education, has developed a draft pupil transport policy, which has been approved by the respective

Ministers and was open for public comment until
3 December 2014; and

(c) up to now, it is not known when it will be implemented, as
it still has to go to Cabinet and then to Parliament; and

(3) requests the Minister of Transport to speed up this process,
as kids are suffering due to sluggish work in his department.

Ms B S MASANGO: Deputy Chairperson, I hereby give notice that on the
next sitting day of the Council I shall move on behalf of the DA:

That the Council –

(1) notes with grave concern the recent violent xenophobic attacks
that erupted in several provinces of the Republic, claiming at
least seven lives;

(2) further notes the adverse impact that this has had on the
image of South Africa on the continent and in the world;

(3) holds a debate on xenophobic attacks to discuss, among others,
the following:

- (a) the perceived root causes of the attacks and planned strategies to engage all relevant stakeholders with a view to preventing future occurrences;
 - (b) the lessons learnt from the previous xenophobic attacks that took place in 2008 and how these lessons were employed to deal with the recent attacks; and
 - (c) the results thereof, in order to assess the damage that was caused by the attacks on our socioeconomic relations with other countries, and the security and stability of the communities affected by these attacks, as well as the financial implications of dealing with the recent attacks; and
- (4) requests the inter-ministerial task team that dealt with the aftermath of the xenophobic attacks to brief the Council.

Mr F ESSACK: Deputy Chairperson, I hereby give notice that on the next sitting day of the Council, I shall move on behalf of the DA:

That the Council –

- (1) debates the importance of the role that the Auditor-General plays ...

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): What is it that you are moving, a notice?

Mr F ESSACK: With notice, yes.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): Is it a notice of motion?

Mr F ESSACK: Notice of motion, yes. That is what I am saying.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): Carry on.

Mr F ESSACK: Thank you, sir. I give notice that I shall move:

That the Council –

- (1) debates the importance of the role that the Auditor-General plays as a constitutionally mandated independent institution to combat corruption and to promote good governance practices in our local government entities;
- (2) also debates the fact that the Auditor-General is one of six independent Chapter 9 institutions tasked with strengthening our constitutional democracy through the impartial exercising of its powers without fear, favour or prejudice; and

- (3) debates the further fact that the ever-increasing amount of irregular and wasteful expenditure by local government entities is worrisome, with 90% of entities nationally recording findings of noncompliance with financial reporting laws and regulations, resulting in a massive amount of R11,6 billion being recorded as ``Irregular expenditure'' in the 2012-13 financial year.

CONTRIBUTION BY PRINCE BUTHELEZI TO SAPS MEMBERS

(Draft Resolution)

Mr M KHAWULA: Deputy Chairperson, I move without notice:

That the Council –

- (1) commends the SAPS members who are former KwaZulu-Natal police members in the erstwhile KwaZulu-Natal government;
- (2) notes that last week these SAPS members held a function to thank Prince Mangosuthu Buthelezi for the upliftment, guidance and development that he brought into their lives before 1994 when he was KwaZulu-Natal Prime Minister and Minister of Police;

(3) further notes that there are millions of South Africans elsewhere who value the kind of contribution made to their lives by leaders like uMntwana wakwaPhindangene; and

(4) also notes that this shows that the struggle for a better life for all was always there in the values of self-help, self-reliance and ubuntu, as espoused by Prince Buthelezi.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): Is there any objection to the motion?

An HON MEMBER: Yes.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): In the light of the objection, the motion without notice becomes a notice of a motion.

CONTRIBUTION MADE BY HELEN ZILLE

(Draft Resolution)

Mr G MICHALAKIS: Deputy Chairperson, I move without notice:

That the Council –

(1) notes that the federal leader of the Official Opposition, hon Helen Zille, has indicated that she will not make herself available to be leader of the party for another term;

(2) further notes that hon Zille has seen her party grow from 12% to almost 23% of the general vote, as well as two decisive election victories in the Western Cape during her 8-year leadership; ...

Mr L SUKA: Deputy Chairperson, on a point of order: I just want us to observe the Rules of the House. It is not acceptable that the hon member should pass between you and the speaker.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): Point taken.

Mr G MICHALAKIS: I further move:

That the Council - ...

(3) acknowledges hon Zille's continued contribution to democracy, not least by establishing a vibrant and effective opposition and the best provincial government in South Africa;

(4) also notes that hon Zille will continue to represent the DA in this House as Premier of the Western Cape; and

(5) wishes her successor all the best as federal leader in continuing to grow the most diverse party in our country.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): Is there any objection to the motion?

HON MEMBERS: Yes.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): In the light of the objections, the motion without notice becomes a notice of a motion.

TREVOR NOAH NEW HOST OF *THE DAILY SHOW*

(Draft Resolution)

Mr L SUKA: Deputy Chairperson, I move without notice:

That the Council –

(1) notes with utmost pride and humility the appointment of Trevor Noah as the replacement for John Stewart, the former host of *The Daily Show* in the United States of America;

(2) further notes that with this appointment Trevor Noah joins the list of South Africans whose talent is being recognised and celebrated internationally;

(3) takes this opportunity to congratulate Trevor Noah; and

(4) wishes him well in his appointment and in standing on the shoulders of the world, carrying our national flag as a young but prosperous nation with illustrious talent and potential.

[Interjections.] He is a comedian.

Motion accordingly agreed to in accordance with section 65 of the Constitution.

SUSPENSION OF STELLENBOSCH UNIVERSITY LECTURER FOR RACISM

(Draft Resolution)

Ms L L ZWANE: Deputy Chairperson, I move without notice:

That the Council –

(1) notes that a Stellenbosch University lecturer who allegedly sent a racist SMS to a student has been suspended;

(2) further notes that Prof Tobie de Coning, the university's Chief Director of Strategic Initiatives and Human Resources, confirmed that Dr Anton Stander, a nuclear physics lecturer, has been temporarily relieved of his duties;

(3) also notes that this SMS was sent to Mr Sikhulekile Duma, who is a sociology student and a member of #OpenStellenbosch, a movement that has spearheaded a number of protests and meetings in regard to transformation at the university in the past few weeks; and

(4) calls on the university to make sure that the matter is dealt with decisively and fairly.

Motion accordingly agreed to in accordance with section 65 of the Constitution.

APRIL SRC ELECTIONS AT FORT HARE UNIVERSITY WON BY DASO

(Draft Resolution)

Mr H B GROENEWALD: Chairperson, I move without notice:

That the Council -

(1) congratulates the DA Students' Organisation, Daso, at the University of Fort Hare, on its historic win in the SRC elections on 30 April;

(2) notes that Daso won a clear 52,5% of the votes, which was an increase from 20,5% for Daso in last year's SRC election and

represents fantastic growth for the DA, almost tripling its support; and

- (3) further notes that the DA-support organisation now governs the Nelson Mandela Metropolitan University, as well as the University of Fort Hare, which had been home to great ANC leaders of the past and a stronghold of the ANC.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): Is there any objection to the motion?

HON MEMBERS: Yes.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): In the light of the objection, the motion without notice becomes a notice of motion.

RHINO POACHERS ARRESTED IN KRUGER NATIONAL PARK

(Draft Resolution)

The HOUSE CHAIRPERSON (Mr A J Nyambi): Deputy Chairperson, I move without notice:

That the Council –

- (1) notes that three suspected rhino poachers who were arrested in the Kruger National Park were remanded in custody on Monday, 4 May;
- (2) further notes that the three, Mbongiseni Ngomane, Sisan Manana and Marikiti Mawelele were asked to plead guilty to charges of illegal possession of a firearm and ammunition, trespassing, and possession of rhino horns when they appeared in the Skukuza Magistrate's Court;
- (3) also notes that the spokesperson for SA National Parks, Mr Reynold Thakhuli, said the arrests followed a full month of successful operations in which 28 suspects were arrested in April alone;
- (4) commends the law enforcement agencies for their endeavours to stop the poaching of rhinos; and
- (5) hopes that the justice system will act with speed in finalising these cases.

Motion accordingly agreed to in accordance with section 65 of the Constitution.

INEFFICIENCY OF TAKING PARLIAMENT TO THE PEOPLE PROGRAMME

(Draft Resolution)

Ms C LABUSCHAGNE: Deputy Chairperson, I move without notice:

That the Council –

- (1) acknowledges that the Taking Parliament to the People programme of the NCOP is dysfunctional and inefficient;
- (2) notes that the administration and efficiency of the Taking Parliament to the People programme are in jeopardy, because none of the few meetings of the NCOP Steering Committee took place before the Programme Committee in order to inform and constitute the comprehensive programme of Taking Parliament to the People;
- (3) further notes that the last official programme approved by the Whippery and agreed to in a programming meeting was dated 18 March 2015;
- (4) notes moreover that no clear definition exists for the role and functions of the public hearings versus oversight and public participation, as part of the Taking Parliament to the People programme; and

(5) also notes that a lack of effective and timeous communication, specifically about the programme for 12 to 17 April 2015, was the trademark of this programme and ineffective communication ...

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): Hon Labuschagne, with due respect, I would like to rule that motion out of order, invoking the rule of anticipation. A report on this is still going to be compiled. It will be coming before Parliament and it will be debated in the NCOP. So, it is like we are anticipating already what will be coming before the House for debate. I therefore rule that motion to be out of order for now. I'm not saying you don't have the right to raise those things, but there will be a debate in the House to receive the report.

Ms C LABUSCHAGNE: Chairperson, with all due respect I would like to say this. I respect your ruling, but I would like to ask if you can rule on anticipation. If you invoke the rule of anticipation, will the time period for that be more than two or three months, or will it be three weeks after that time? What is the time period? The rules are unclear on that. So, it means that in this House we can wait for a year in anticipation of a debate in the House.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): It is coming to the House. Most definitely. That is why I am invoking that Rule. It is definitely coming to the House. We are not assuming that it will be

coming to the House; it is definitely coming to the House for a full debate. It is for that reason that I am applying that Rule.

PASSING AWAY OF JOHN ``SHOES`` MOSHOEU

(Draft Resolution)

Mr B G NTHEBE: Chairperson, I move without notice:

That the Council –

- (1) notes with profound sadness and grief the passing away of John ``Shoes`` Moshoeu last week at the Morningside Clinic in Johannesburg at the age of 49;
- (2) further notes that the former Bafana Bafana and Kaizer Chiefs star was an outstanding sportsman and an icon of our football-loving nation, and remained a key and influential player in the Bafana Bafana squad, which won the African Cup of Nations in 1996;
- (3) further notes that his talent was also seen worldwide, as he played for various clubs in Turkey; and
- (4) takes this opportunity to convey its heartfelt condolences to the Moshoeu family, the South African football-loving nation,

the SA Football Association and the entire football fraternity.

To Shoes we say, ``Hamba kahle. Tselatshweu.`` [Go well.]

Motion accordingly agreed to in accordance with section 65 of the Constitution.

EARTHQUAKE IN NEPAL

(Draft Resolution)

Mr E R MAKUE: Chairperson, I move without notice:

That the Council –

- (1) notes that South African surgeons have conducted 68 life-saving operations since they touched down in earthquake-struck Nepal last week;
- (2) also notes that the quake has claimed 7 200 lives and pushed the country into a health crisis, with the already strained hospital system overwhelmed;
- (3) further notes that the specialised medical team, funded by the humanitarian aid mission the Gift of the Givers Foundation has

been deployed to hospitals across the capital, Kathmandu, as the injured from outlying areas, who until now have been cut off by landslides, flood into medical facilities; and

- (4) commends the Gift of the Givers Foundation on its life-saving mission and hopes that it will continue to save lives in Nepal.

Motion accordingly agreed to in accordance with section 65 of the Constitution.

**CONSIDERATION OF REPORT OF SELECT COMMITTEE ON PETITIONS AND
EXECUTIVE UNDERTAKINGS – OVERSIGHT VISIT TO KWAZULU-NATAL FROM
21 to 24 OCTOBER 2014**

Mr S G THOBEJANE: Chairperson, ... [Interjections.] ... indeed we are part of the celebrations of 21 years of democracy in South Africa.

I am standing here to present the report of the Select Committee on Petitions and Executive Undertakings' visit to KwaZulu-Natal province from 21 to 24 February 2015.

On that visit the committee held hearings in respect of two communities, the first being Babanango in Nquthu Local Municipality, which is in the Umzinyathi District Municipality. The other was Bhekingqola in the eThekweni Municipality. The petitioners from the

different municipalities indicated that their challenges were with regard to service delivery.

Bhekinqola, which was represented by Ms Nxele who comes from Ward 7 of the eThekweni Municipality, indicated that their area is completely out of South Africa in the sense that the benefits that we are seeing in South Africa are not seen there. They don't have houses, roads, places where they can buy groceries, health facilities and all sorts of other things.

The only snag was that the petitioner was unable to indicate who she had consulted before petitioning. She had just petitioned Parliament straight away. No department, municipality or provincial departments were informed of those challenges.

Equally, as we were going through the claims that she forwarded to us, we realised that the NCOP had its own challenges in determining what the procedures to be followed were before going into the hearings.

Under normal circumstances we would not have had that hearing with people who did not provide a clear indication as to whom they had consulted before approaching Parliament. We basically said that we assumed and agreed that we should be the last resort, thereby ensuring that they had done everything that was required to be done before they approached Parliament. However, we were the first to be

approached, instead of the last. We advised that particular petitioner to communicate with the local municipality and to try to get the issues in order.

We also realised that because of a lack of guidelines we had failed to summon people whom we were supposed to summon to the hearing, including the municipality itself, to get it to respond regarding why it was ignoring them. We wanted to come up with clear guidelines as to how best to respond to the needs of our people. The current setup that we are operating under needs to be improved. Therefore, the committee has taken it upon itself to ensure that in no time the House adopts the guidelines and finally adopts an Act that will guide us as to how we deal with petitions. For now, we have no guiding documents that have been approved by Parliament.

The same happened in regard to Babanango, where Mr Ntombela and Mr Mtshali were the petitioners. They talked about issues that were more or less similar to those mentioned by Ms Nxele. They spoke about electricity but their problem was that while the contract with regard to electricity was in place the municipality unilaterally and without consulting the communities terminated the project. They alleged that the municipality indicated that it had terminated the project because it had insufficient resources to conclude the project, yet they saw that the municipality had started the same kind of project in the next ward. They alleged that what was supposed to be used for electrification was used in the other part

of the municipality. This resulted in their not believing them, despite the fact that they alleged that they had managed to meet with the mayor, who said that he had held a meeting in Pretoria and was told that they would be given the budget for the conclusion of the project the following year, which was 2013. Unfortunately, when we met them this year, that had not happened.

So, we need to sensitise our spheres of government to ensure that they treat our communities with decency and respect, and that they provide them with the necessary information so that they understand what is happening. When we met with them, they were on the verge of marching and of disrupting services, few as they were, in that community. We applauded them for affording us an opportunity to talk to them.

We finally said that the Department of Co-operative Governance and Traditional Affairs in the province should take responsibility for co-ordinating the demands that these communities were talking about and ensure certain things regarding the police - they said that they had no police station in the locality, and they had absolutely no roads or anything else. We then said that the Department of Co-operative Governance and Traditional Affairs should facilitate fulfilling the demands of the community, together with the municipality, and come back to this august House to report on what progress had been made. We hope to ensure that before the end of

this term we demand an update as to what the conditions and situation on the ground are.

I want to believe that the committee is of the view that we need to make sure that we encourage leaders nationally, provincially and locally to give our people the necessary hearing, and to respond to the needs of the people. We cannot say on the one hand that we want to build a participatory citizenry, while on the other hand we deprive our people of an opportunity to engage government when they have issues.

Therefore, we are saying that the KwaZulu-Natal Department of Co-operative Governance and Traditional Affairs will have to come to this committee and tell us what the way forward is, with regard to where we left the hearings with the communities.

At the same time our committee felt that we needed to develop a programme of educating our people about how Parliament operates when dealing with petitions. We cannot accept petitions and then, when we meet our people, find completely different expectations. So, we need to educate our people and make sure that our work is known by our communities on the ground.

Hence, we are championing the indaba in regard to the Petitions Act by the NCOP, so that we provide a clear understanding of how we deal with Parliament, how we deal with our communities, and so on.

We guess that the NCOP itself should have a unit that is responsible for scrutinising the petitions when they arrive. They should not arrive if they don't meet the requirements, with the committee going into hearings when they have not done what was supposed to have been done. Therefore, we need to make sure that we screen every petition that we receive before we call people into a petition environment, so that we take full responsibility as Parliament that when petitions are submitted, the very same unit of Parliament is able to guide our people by saying that they are required to have 1, 2 or 3 in order for the committee to consider the petition.

We move that this report be adopted by the NCOP as the property of Parliament. Thank you very much. [Applause.]

Debate concluded.

Question put: That the Report be adopted.

IN FAVOUR: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West, Western Cape.

Report accordingly adopted in accordance with section 65 of the Constitution.

**CONSIDERATION OF REPORT OF SELECT COMMITTEE ON TRADE AND
INTERNATIONAL RELATIONS AND SELECT COMMITTEE ON ECONOMIC AND**

**BUSINESS DEVELOPMENT – JOINT OVERSIGHT VISIT TO NORTHERN CAPE AND
LIMPOPO FROM 21 TO 24 OCTOBER 2014**

Mr E R MAKUE: Hon Deputy Chairperson, please allow me to thank all members and support staff of the two select committees for their participation, their intercession and the work that has enabled the presentation of this oversight report and statement. A special word of thanks is extended to the hon Litho Suka, who serves as chairperson of the Select Committee on Economic and Business Development, on whose behalf I have the privilege of reporting to this House as chairperson of the Select Committee on Trade and International Relations.

Parliament's Department of Communications performed a tremendous role in facilitating our relations with the media, particularly local radio stations. That helped us to be accountable to the communities we visited.

This was our first oversight visit, and we are proud of the results that we managed to achieve. Such engagement with the people and accountability to the people is a very important aspect of our work as members of this august House and democratic Parliament.

Allow us to also express our appreciation to the leadership in local government and district municipalities, who co-operated exceedingly well during our oversight visit. It is these municipal leaders who

are delivering services at the level of government that is closest to the people.

The select committees also value the co-operation we received from industries and institutions committed to government approaches, government actions and government plans. Such partnerships between government and the private sector are key to growing our economy and addressing the triple challenge of poverty, unemployment and inequality. Together we can do more: Our observations during these oversight visits confirm this assertion.

There is always a temptation for some members of this House to play politics when reports on oversight are presented in this House. The temptation is now higher, given the fact that we are just about a year away from the 2016 local government elections. It is vital - and we owe it to our citizens - that we resist this temptation. For members of this House not to be here when we report on these important oversight visits is a reflection of how they consider accountability to those who have elected us.

The joint oversight visit report was unanimously adopted by both committees without amendments. The report was found by all members of the committees from the various political parties to be a true reflection of what had been observed and what had transpired during the oversight visit. All parties further agreed to the proposals and recommendations made in the report. This was indeed an all-

inclusive, multiparty process reflecting the democratic commitment of our government to addressing the issues facing our people and the private sector.

Deputy Chairperson, you have given us 10 minutes to deliver this statement. This time is obviously not enough to give details of the oversight visit. Therefore, the comments in this statement are clustered around the following areas. Firstly, I will talk to the reasons and rationale for undertaking the study tours to the two provinces and the projects identified. Secondly, I will share what we wanted to achieve - our goals - when we set out to visit the two provinces and the different projects. Thirdly, I will give a very broad picture of the challenges in regard to what we found on visiting the projects. This will be very broad, given the time constraints. Fourthly and lastly, I intend to conclude by presenting our conclusions and recommendations.

Why did we undertake this oversight visit? Our President, Comrade J G Zuma, in his state of the nation address after the ANC had been overwhelmingly elected back into government in 2014, spoke of ``business unusual``.

The call for ``business unusual`` was further confirmed by the Chairperson and Deputy Chairperson of this House when we held our first strategic planning session of the NCOP in September last year.

Following this, the Select Committee on Economic and Business Development and the Select Committee on Trade and International Relations undertook a joint oversight visit to the Northern Cape and Limpopo provinces - the Z F Mgcawu District Municipality and the Vhembe District Municipality respectively - from 21 to 24 October 2014.

The Constitution of the Republic implores us to conduct oversight over the three spheres of government, and gives us the responsibility to do so. We undertook this oversight visit - the first of many oversight visits we are going to undertake in our term in Parliament - primarily in fulfilment of our constitutional mandate.

In addition, we undertook this oversight visit as part of this House's identified strategic objectives requiring us to be responsive to the needs of the people we represent in this House.

The process of selecting the Northern Cape and Limpopo, Z F Mgcawu District Municipality and Vhembe District Municipality respectively, was a consultative process between the two committees, the two provinces and the local authorities.

What did we want to achieve when we went to the Northern Cape and Limpopo? Allow me to talk to the terms of reference or the objectives of the oversight visit.

This government, under the leadership of the ANC, adopted the National Development Plan as a long-term plan and vision for the country towards the year 2030. All government programmes, in all spheres of government, from this fifth administration have to be aligned to the vision of the NDP.

This government further adopted policies that should be used to implement this long-term vision. These are the National Growth Path and the various iterations of the Industrial Policy Action Plan.

Our Minister of Finance has consistently raised the alarm about the national government's cake shrinking against increasing national priorities. Therefore, the oversight visit sought to assess the ability of these municipalities and businesses to harness all the available resources at their disposal towards employment creation and a better life for all.

Chairperson, the third aspect that I wish to share is what we found when we got there. In both municipalities we found serious challenges. In the executive summary of our report we say, and I quote:

The report further confirms the findings of the ... (NDP), which reflects that there are severe shortages of technical and specialist skills in local government. ... There is a need to

stabilise the political-administrative interface by focusing on skills and professionalism.

The select committees realised that the current local government funding arrangements may not be addressing the objectives of rural development and redistribution adequately. Indeed, we found some municipalities in the districts not performing at all - a situation which may warrant some form of intervention.

The good that we found is the point I have stated that the leadership at these municipalities - even though they are confronted with serious challenges - are prepared to rise to those challenges.

There is a great improvement in planning, as evidenced in their integrated development plans.

We also found a very strong, a tremendous potential for good co-ordination, in line with the co-operative intergovernmental relations constitutional obligations.

Let me conclude with some of the recommendations. Broadly, we recommend a better alignment of national government plans. Capital expenditure should be scaled-up. Municipalities need to address capacity constraints. Effective mechanisms to co-ordinate and sequence public investments are required. Municipalities should improve expenditure geared to improving productivity. Furthermore,

municipalities need to reduce the costs of doing business in their jurisdictions. The private sector, finally, should improve investments in the industries that are labour-intensive, as this improves public-private partnerships.

The bottom line is implementation and democratic participation. In so doing, ``the people shall govern!'' We have the pleasure of presenting this statement on the report. I thank you.

Debate concluded.

Question put: That the Report be adopted.

IN FAVOUR: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West, Western Cape.

Report accordingly adopted in accordance with section 65 of the Constitution.

**CONSIDERATION OF REPORT OF SELECT COMMITTEE ON COMMUNICATIONS AND
PUBLIC ENTERPRISES - OVERSIGHT VISIT TO THE ENTITIES UNDER THE
DEPARTMENT OF PUBLIC ENTERPRISES (DPE)**

Ms E PRINS: Deputy Chairperson, the Select Committee on Communications and Public Enterprises, after having considered and

thoroughly interrogated the oversight report of the committee on 11 February 2015, wishes to report as follows.

The visit of the committee focused mainly on the state-owned companies, SOCs, under the Department of Public Enterprises, namely, Denel, Transnet, SA Airways and SA Express. The purpose of the visit was for members of the committee to have a better understanding of the strategic role played by the SOCs in the economy.

The committee's visit was premised on the understanding that the SOCs are strategic instruments of intervention in the economy and that they are key drivers of both job creation and transformation.

Our first engagement during our oversight visit was with Denel. The SOC managed to implement a successful turnaround strategy after suffering losses between 2004 and 2010. This strategy was embarked on in 2008. It started to yield results, and in the 2011-12 financial year, Denel reported a profit. This trend continued, and in 2013-14 Denel reported a profit of R194 million. The committee was also impressed by Denel's expertise and capabilities in the arms manufacturing sector. We want to appeal to Denel to ensure that their country's intellectual property is protected.

The good story of SOCs continued as we visited Transnet. This is the only SOC under the Department of Public Enterprises that has a long-standing track record of solid financial performance. Transnet has a

strong rating status of A3BBB, and of the R312 billion earmarked for this infrastructure programme, R200 billion will come from the company's balance sheet and R112 billion from the creditors. In 2013-14 the company posted a profit of R5 billion compared to the R4 billion reported in the previous financial year.

At the time of our visit to SA Airways the company was facing a number of challenges, ranging from unprofitable routes to an aging fleet, rising fuel prices and a weak balance sheet. SA Airways was also still reporting to the Minister of Public Enterprises at that time. Since 12 December 2014 it has been reporting to the Minister of Finance. The committee was, however, pleased with SAA's executive, which had implemented the airline's long-term turnaround strategy.

Our visit to the SA Express airline was no different to the visit to SAA, as we got to learn about the airline's challenges. SA Express has a weak balance sheet and it is in need of a new aircraft fleet. This included a review of alliance partners, strengthening the airline's internal controls, and introducing innovative ways of dealing with the challenges in the aviation sector. Despite these challenges, the airline's executive team committed themselves to the adoption of the SA Express 2020 Vision Strategy to turn the company around.

It became clear to the committee that in the furore of negative publicity the SOCs are subjected to, much of the good work they are doing is not reported, and the public remains uninformed of these success stories. We also now have a better understanding of the different sectors the SOCs operate in and the impact the global market has on them.

We want to see a situation where the SOCs are able to live off their respective balance sheets, and that is an agenda that we as a committee will actively pursue over the next four years.

Hon Deputy Chairperson, I didn't go into detail in the report, because there is a lot to say, but it is safe to say that I move the adoption of this report. I thank you.

Debate concluded.

Question put: That the Report be adopted.

IN FAVOUR: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West, Western Cape.

Report accordingly adopted in accordance with section 65 of the Constitution.

DIVISION OF REVENUE BILL

(Consideration of Bill and of Report thereon)

Mr S J MOHAI: Ke a leboha Motlatsi wa modulasetulo le maloko ohle a Ntlo. [Thank you, Deputy Chairperson and all the members of the House.]

In terms of section 7(3) of the Money Bills Amendment Procedure and Related Matters Act and section 76(4) of the Constitution, the Division of Revenue Bill must be tabled in the National Assembly and thereafter it must be dealt with in accordance with the procedure established by section 76(1) of the Constitution.

In accordance with these sections, the Minister of Finance, Mr Nene, tabled the 2015 Division of Revenue Bill in the National Assembly on 25 February 2015. On 13 March 2015 the Bill was transmitted to the NCOP and referred to the committee in accordance with section 76 of the Constitution.

Following a briefing by the National Treasury on the Bill, the committee consulted with the Financial and Fiscal Commission, the SA Local Government Association, the Parliamentary Budget Office and all nine provinces. The committee further conducted public hearings on 14 April 2015 in line with section 9(5)(b) of the Money Bills Amendment Procedure and Related Matters Act. The committee also received positive responses from all nine provinces during the negotiating and final mandates.

Despite the current weak economic environment, the committee found that government has not deviated from its planned deficit reduction as announced during the 2014 Medium-Term Budget Policy Statement. Over the Medium-Term Expenditure Framework government expenditure is, however, still expected to grow in real terms.

While the current fiscal policy is guided by a counter-cyclicity stance, debt sustainability and intergenerational equity over the MTEF, the focus will shift to debt sustainability, allocative efficiency and obtaining value for money spent.

The committee further found that the allocations are in line with the principles of equitable division of revenue among the three spheres of government and they keep abreast of the latest socioeconomic developments. The fund allocations are aligned with government priorities as stipulated in the National Development Plan and the Medium-Term Strategic Framework.

According to the Bill, despite the baseline reductions, the main budget expenditure has increased from R1,1 trillion in the 2014-15 financial year to R1,2 trillion for the 2015-16 financial year. This is an increase of R87,2 billion or 7,7% from the 2014-15 financial year.

The committee noted with appreciation the Minister's implementation of some of the recommendations made in the 2014 MTBPS report. The

House will recall the specific recommendations around the Moloto Road, which the Minister accordingly addressed, and a number of other related issues. The Moloto Road was reclassified as an important road and funded accordingly.

As I said, the committee noted with appreciation the Minister's implementation of some of the recommendations made in the 2014 MTBPS report. I also note that the Minister has joined us and that has come at the right time. I thank the hon Minister. [Laughter.] The committee will, on an ongoing basis, and in collaboration with other parliamentary committees and oversight structures, monitor the commitment by the Minister, hon Nene, on the other commitments and the recommendations.

The committee made some findings that might require further interaction with National Treasury and other stakeholders on an ongoing basis. The issues that the committee found require urgent attention and a collaborative approach are the withholding of funds to certain municipalities by the National Treasury, municipal debt, the need to finalise a funding model for scholar transport, and underspending on certain conditional grants.

As part of its oversight the committee has adopted the following as its strategic goal: to ensure that government spending is effective, efficient and economical. We also agreed that we would vigorously engage in our oversight in ensuring that there is value for money.

Finally, the committee recommends that the 2015 Division of Revenue Bill be adopted without any amendments. I thank you. [Applause.]

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): Thank you very much. That concludes the debate.

Debate concluded.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): I shall now put the question. The question is that the Bill be agreed to. But before I do that, in terms of Rule 71, I shall first ascertain if there is any province that wishes to make a declaration of vote. Is there any province that wishes to make a declaration?

Declarations of vote:

Ms C LABUSCHAGNE: Deputy Chairperson, before the vote on the Division of Revenue Bill by all the provinces, the Western Cape would like to record the following declaration.

The Western Cape rejects the plan by Finance Minister Nene to launch a centralised supplier database in order to centralise the procurement system, as this is adverse to preventing interference and corruption in the division of revenue. The public procurement system is not currently perfect, but further centralising will not be a solution to lessening corruption.

In the Western Cape, where the DA governs, we have comprehensive reporting mechanisms for each of our programmes and that includes the national conditional grant, where we show transparency, accountability and present expenditure control. An example is the robust textbook procurement process in the Western Cape government education department, where we deliver one hundred per cent of textbooks to schools, unlike most provinces governed by the ANC.

If the ANC national government wants to go ahead with the nationalised and centralised procurement system, as announced in 2014 by the Minister of Basic Education, Angie Motshekga, most schools will be subjected to an ineffective and inefficient system with scope for corruption and financial maladministration.

The Western Cape has shown how sound financial management ...

[Interjections.]

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): Is that a point of order? Hon Labuschagne, just hold on. Take your seat.

MOTLATŠAMODULASETULO (Mtšana M C Dikgale): Ke yona

Motlatšamodulasetulo. Ke be ke nyaka go tseba gore naa ke molao wa Palamente gore mohl Labuschagne a be ka mo a emele profense mola e le gore maloko a Palamente a DA a Ntlo ye, a dutše ka mola a nwa kofi. (*Translation of Sepedi paragraph follows.*)

[The HOUSE CHAIRPERSON (Ms M C Dikgale): Yes, it's a point of order, hon Deputy Chairperson. I would like to know if it is parliamentary for hon Labuschagne to represent the province while the DA Members of Parliament in this House are sitting there having coffee.]

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): No, no. That is not a point of order. You may proceed, hon Labuschagne.

Ms C LABUSCHAGNE: Chair, let us not go there. Where is the rest of the ANC?

The Western Cape has shown how sound financial management and the transparent awarding of tenders is able to combat corruption more effectively. National Treasury should rather focus on assisting provincial government and municipalities with their financial governance and accountability, as opposed to focusing their efforts on a centralised system with a bigger risk of corruption. This will allow our provinces to enhance service delivery and ensure our people get real value for their money. Thank you.

Ms T MOTARA: Deputy Chairperson, on behalf of Gauteng, I would like to raise the following recommendations which were made by Gauteng when considering the Division of Revenue Bill. We agree that fiscal rebalancing - which includes cost-containment measures and intensified efforts to improve efficiency in expenditure to realise

government's programme in a tight fiscal space - should be continued.

This is what the National Treasury has agreed with, as well as the infrastructure investments that must be monitored for expeditious spatial integration of the urban poor into the mainstream city life through investment in transport infrastructure and the connecting corridors of development.

I don't understand - and National Treasury does agree with us - how the Western Cape can say that where they fund when they issue expenditure, they don't monitor. That does not happen and National Treasury does agree that where they issue the funds, they do monitor and we have monitoring mechanisms. Where the centralised procurement system has worked is in Gauteng, where there is a centralised procurement of textbooks for education. Then it is not true that it does not work. [Applause.]

There has to be proper planning and capacity to spend on conditional grants and that must be encouraged across all the receiving departments. Parliament, as well as the provincial legislatures, has a role to ensure that the expenditure on conditional grants is closely monitored on a continuous basis. This is our role and responsibility, as well as that of the legislatures and the National Treasury.

National departments and the provincial treasuries must continuously empower provincial departments and the municipalities to efficiently spend on their allocations. This does not exclude our responsibility as Members of Parliament. Those are the recommendations that we tabled in all nine provinces and the National Treasury also agrees with them. [Applause.]

Mr C J DE BEER: Deputy Chairperson, the Division of Revenue Bill is the result of the fiscal policies that have been implemented by this government since 1994. On behalf of the Northern Cape we thank the National Treasury and the Minister of Finance for supporting our province, as only R340 million comes from own revenue and the rest comes from the National Treasury.

So, on behalf of my province, I would like to say we support the Division of Revenue Bill and the report, and we thank the hon Minister. Thank you.

Question put: That the Bill be agreed to.

IN FAVOUR: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West, Western Cape.

Bill agreed to in accordance with section 65 of the Constitution.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): Hon members, that brings us to the conclusion of the proceedings and I wish to thank the Minister and all those who have participated and graced this sitting. The House is adjourned.

The Council adjourned at 15:08.

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