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**PROCEEDINGS OF THE NATIONAL ASSEMBLY**

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The House met at 14:02.

The Speaker took the Chair and requested members to observe a moment of silence for prayer or meditation.

**APPROPRIATION BILL**

Resumption of Debate on Vote No 1 - The Presidency (Reply by the President):

The PRESIDENT OF THE REPUBLIC: Hon Speaker of the National Assembly, Deputy President, Paul Mashatile, Ministers and Deputy Ministers, hon members and fellow South Africans, allow me to begin by thanking the hon members for what has been a spirited debate and, in some ways, an electrifying one, particularly towards the end. Not only because of the inputs that were made by the Minister of Electricity in the Presidency. He seemed you know to have gathered all his

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strength, but fire up not only electricity towards the end of the year as he said we would have brought down loadshedding, but also to electrify this House and the debate. So, I thank you all for participating in this Budget debate.

This debate is, as in the past, the sign of a healthy, robust parliamentary democracy. The debate in many ways enabled a frank exchange on some of the key challenges facing our country. I am rather glad that many people who participated in this debate were able to reflect and make some inputs and, on some ways, also suggestions. Many of the contributions were useful, constructive, and well-informed.

For example, the hon Groenewald urges government to prioritise water in our interventions as much as we have prioritised electricity. I would like to respectfully say that you are right, hon Groenewald and I thank you for making that input. Which is why we have placed investment in bulk water infrastructure, the technical support that should go with it to municipalities and reform of the water sector and we place this foremost amongst our most pressing tasks. As you correctly said, yes, much as we do not want us to say it, people can get by without electricity and I did not say it, but they cannot get by without water. So, thank you very much

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for raising this issue in the most constructive and positive way. However, at the same time saying that we as government must pay attention to this as much as we are paying attention to electricity.

However, although there were such contributions, there were also those contributions that sought to misrepresent and distort both the South African reality and the actions of this administration.

The hon Steenhuisen quoted, and I was a bit surprised some length of what I said in 2019. I did not think that his memory will take him as far back as that. However, he made no effort to mention to what has really happened in this country and in the world in the intervening period.

So, I will remind the hon Leader of the Opposition.

Before this administration was a year into its term, a devastating pandemic swept the world, causing the loss of more than six million lives across the globe and more than 100 000 lives in our own country.

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The COVID-19 pandemic triggered what the Organisation for Economic Co-operation and Development, OECD, described as one of the worst job crises since the Great Depression of 1929-30.

By some estimates more than 225 million people lost their jobs worldwide, including a substantial number in our own country. We have counted some two million people who lost their jobs, and it may well be slightly be more.

To appreciate the long-term effects of the pandemic on the entire world, one need only look at the International Monetary Fund's latest World Economic Outlook 2023.

It warns of a rocky recovery, with the residual effects of the pandemic, high inflation, financial sector turmoil and the ongoing effects of the war between Russia and Ukraine all of these looming large.

Besides the pandemic, we experienced deadly civil unrest in July of 2021 that easily cost more than 300 lives and the loss of an estimated R50 billion to the economy.

Then we had the floods.

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International instability is fuelling higher fuel and food prices, increasing the cost of living for millions of South Africans.

Moreover, we are in the grip of an energy crisis that is many years in the making, the seeds of which were planted more than two decades ago.

I state all this not to explain away any of the unresolved challenges we face as a country. However, I state them because perspective is, as always, very critical. If you lose perspective, you lose understanding.

Despite the effects of all these developments, we have been working with determination to fulfil the electoral mandate given to this administration in 2019.

We have as an administration been forthright about the challenges that our country is facing at the moment.

The anger and frustration that South Africans feel in the face of sustained load shedding is understandable. At times like this, the electricity crisis appears unrelenting, as if there is no end in sight.

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Yet, if one considers the work that is being done and the progress that is being made - as outlined yesterday by Minister Kgosientsho Ramokgopa - it is clear that we have solid ground for hope. One of the honourable members attested to that. After listening to what I described as electrifying address and a maiden address for that matter. It did manage to instil some hope in the hearts not only of some members here, but in the hearts of many South Africans across the country.

While we have been honest and forthright about the difficult months ahead, we are confident that the measures that are now in place, including the massive new electricity generation capacity, will enable us to end load shedding and achieve energy security.

Indeed, the pessimism emanating from the opposition benches is in the end not shared by all.

I draw members' attention to the Standard Bank Group's Annual Integrated Report 2022, where the group chief executive officer, CEO, Sim Tshabalala writes, and I quote:

South Africa's severe shortage of electricity is costing us dearly. The economy has been severely slowed down for

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several years already by this constraint; we will continue to underperform for as long as the constraint continues to bind. However, the right set of policies are - at long last - in place and a great deal of new public and private investment in generation is starting to follow. Standard Bank is, therefore, confident that South Africa will, once again, have a fully adequate supply of electricity within the next few years.

That is optimism. That is hope.

Africa's largest bank by assets speaks in this report about the value of optimism. It says that optimism "is a precondition for more accurate analysis, stronger leadership and better outcomes."

This is a sentiment that we share.

As the Presidency, we share the belief that more space should be created for collaboration among social partners to solve pressing economic and human development problems.

We have therefore sought to build a Presidency that is inclusive and collaborative.

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We have worked to bring government, business, labour, civil society and other social formations around a single objective of building a better South Africa that leaves no one behind.

This is the essence of building a social compact.

We were able to drive a well-co-ordinated and aligned national response to the COVID-19 pandemic because government, business, labour and civil society did come together instead of working independently and working apart.

The impact of the Solidarity Fund is well known, as is the private sector contribution to another major project that we handles as South Africans the national vaccine roll-out.

We can also credit such collaboration for the success of many other endeavours.

The Youth Employment Service, yes, for instance is one of these. It is a partnership between government and the private sector to address high youth unemployment.

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To date, the Youth Employment Service, has placed well over 100 000 young South Africans between the ages of 18 and 29 in local businesses for a work experience.

Through Yes, approximately R6 billion in youth salaries has been injected into the economy and has enabled participants to support their families.

Nearly two-thirds of these Yes participants come from households that are reliant on social grants, and an estimated 40% of participants are employed on completion of the programme that they get into.

This is a practical example of social compacting at work to respond to the unemployment crisis and that provides young people with skills and experience.

I do once again call upon businesses to become part of this Yes project and provide work experience opportunities to the many young South Africans who are unable to get work because they have never worked before.

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Another example of collaboration towards resolving the energy crisis is the establishment of the Resource Mobilisation Fund by Business for South Africa, in March this year.

This fund is raising funds to provide technical support and capacity to the National Energy Crisis Committee. The funds will also come from government. This will enable government, through an independent procurement process, to source technical expertise to support the implementation of the Energy Action Plan.

As was the case with the Solidarity Fund, the contributions that are made by the private sector, development agencies and other donors including government institutions to these collective efforts adhere to the highest standards of transparency and accountability.

The respective responsibilities of the partners are clearly defined, and no donor is able to exert influence or even politics on the processes that these efforts work through by virtue of their own contribution. The responsible government department provides the lead on any joint project in line with its mandate and the applicable laws.

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We have taken every measure to ensure that there is no scope for "capture" or for the advancement of private interests that could be detrimental to the common good.

Following a number of engagements with business and labour around challenges in the logistics sector, the Presidency and working together with the relevant government departments, is setting up a National Logistics Crisis Committee to resolve the crisis in freight, our ports and in rail working together with the private sector.

There are many such examples of co-operation between government and the private sector and labour.

Contrary to suggestions of a gulf between this administration and business, both the Deputy President and I, as well as Ministers, meet with representatives of South Africa's business community on a regular basis. We meet to discuss their concerns and suggestions, and to forge common solutions to critical problems.

Our experience has been that the leadership of business appreciates the value of partnership and constructive engagement. As government we do not see the role of business

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as oppositional, nor do we see the role of other role-players for important in the life of South Africa as oppositional.

That is why many companies have been receptive to our call to invest in young people, to support skills development, to provide work experience to young people and to employ young people in entry level positions. We encourage to employ them without the requirement of prior experience.

We repeat that call today because, as any CEO with foresight would know, an investment in capable young people is an investment in the future not only of their company, but it is also an investment in the future of the country.

Co-operation is not limited to the private sector. The Presidency provides leadership to several broad-based bodies that bring together important constituencies in our country.

The Deputy President is Chairperson of the SA National Aids Council, which has been at the centre and the forefront of the fight against HIV, tuberculosis, and sexually transmitted infections.

He is also the chairperson of the Human Resource Development Council, HRDC, which provides strategic direction to all

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aspects of the country's skills development efforts. That we are upscaling the training the artisans is largely due to the work that the Deputy President is doing in the HRDC.

The President chairs the Working Group on Disability, which brings relevant government departments together with stakeholders in the sector, to drive the work to advance the rights of persons with disabilities or disabled persons, as they prefer to call themselves.

The strength of all these bodies is found in the diversity as well as the breadth of participants. They have been able to bind together in common programmes representatives as well as various people across society.

This is the spirit that guides the work yes of the Presidency and also the work of the Deputy President as he now works with traditional leaders and military veterans to address their respective concerns and discuss the contributions that each can make towards the development of our society.

Last month, we held the Second Presidential Health Summit. In November last year, we held the second Presidential Summit on

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Gender-Based Violence and Femicide, and in August last year, we held the Presidential Social Sector Summit.

Each of these summits has produced programmes of action that are being implemented by a range of partners in pursuit of shared objectives. These are South Africans who come forward with proposals and practical things that can be done to better the lives of a big swathe of South Africans.

In all this, we are deepening and enhancing participatory democracy, working together with key stakeholder to solve problems on an inclusive basis. We are giving effect to the dictum of "nothing about us without us".

The Presidency is also driving collaboration across government departments, state-owned enterprises, SOEs, agencies and other public entities.

A good example of this is Operation Vulindlela, which sees the Presidency working with the National Treasury and other government departments to accelerate key economic reforms.

The latest quarterly progress report on the work of Operation Vulindlela was released earlier this week. It shows that we

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are moving ahead with the economic reforms that will have a profound effect on the capabilities of our economy into the future.

Co-operative governance is a key tenet of the Constitution and obliges all organs of state to co-operate with one another, consult on matters of common interest and coordinate their actions and legislation.

This is not optional, not for national government, nor for provinces and not for our municipalities. It is a must.

Indeed, Chapter 3 of the Constitution says that all spheres of government and all organs of state within each sphere must:

Co-operate with one another in mutual trust and good faith by - fostering friendly relations; and assisting and supporting one another.

You would never have thought that a word friendly relations would be found in any of our legal documents, but it is.

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As the Presidency it is vital that in line with our co-ordinating role, that we bring together provincial and local government and consult on all matters of national importance.

The President's Co-ordinating Council, PCC, is the pre-eminent forum for consultation and co-operation between national, provincial and local government.

The PCC played a pivotal role in our response to the COVID-19 pandemic, providing guidance and facilitating co-ordination as we worked to reduce infections, save lives and maintain livelihoods.

The promotion of co-operative governance has been strengthened through implementation of the District Development Model, DDM. This places the district at the centre of an integrated approach for development across the three spheres of government.

The DDM should assist in addressing some of the problems at local government level and the better use of powers, capacity and resources of national and provincial governments to ensure effective service delivery to our people.

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The Deputy President has in recent months visited various areas to see how the District Development Model is being implemented. As he is new in his position, he has come back to say to me Mr President, the DDM is an important instrument. He has found it to be working extremely well. In a number of his visits recently, in the Easter Cape where he was.

Co-operation between national, provincial and local government is an important part of the Presidential Imbizo programme.

The Imbizos are a vital tool of participatory democracy and allow our communities to have space to interact with the President, Deputy President, Ministers, premiers and mayors.

We have structured these oversight visits in a manner where government leaders listen to and learn from the experiences of our people at community level, to report on the work done by government and commit to implementable programmes as well as interventions.

Importantly, government uses Imbizo to constantly improve its systematic feedback processes to the people. It is not yet a perfect system, but we are improving with every Imbizo we hold.

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As we promised the people of the Drakenstein Municipality two weeks ago, we will work together to address the concerns that they raised as well as the proposals that they put forward. And we will as we said come back to them in a variety of ways with Ministers going back and hopefully with local government following up on some of the concerns that they raised.

Fundamental to the approach of this Presidency, is to draw on the expertise, experience and capabilities of various formations and individuals across society.

We have therefore established several advisory bodies, bringing together a wide range of people to provide insights and inputs based on the expert knowledge that they have as well as the sound evidence that they possess.

The Presidential Economic Advisory Council continues to play a vital role in advising both the President and relevant Ministers on the most important economic challenges facing our country.

The council has contributed to the development of the Economic Reconstruction and Recovery Plan in the wake of the pandemic,

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they have also contributed to the Energy Action Plan that we are implementing.

The Presidential State-owned Enterprises Council is supporting the implementation of the fundamental overhaul of the architecture of our state-owned enterprises. It is undertaking detailed work to identify the actions that are needed to turn our strategic SOEs around and to ensure the sustainability and effectiveness of our SOEs into the future.

The Presidential Climate Commission brings together a unique blend of different social stakeholders to guide our climate actions, including our approach to a just transition. They bring together people in our communities, trade unions, business, scientists and a number of other key people. Apart from its advice to the President, the Climate Commission has undertaken extensive social engagement and consultation to ensure that those people who will be affected by the actions we take are intricately involved in the decision-making process.

More recently, the National Anticorruption Advisory Council was established to both advise government and mobilise society around a comprehensive programme to end corruption in all its

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forms. As I said yesterday, they have come up with some really fresh interesting ideas on issues such as how to safeguard and how to deal with the challenges we face in relation to whistle-blowers. The Council proceeds from the understanding that corruption is often embedded in the structures as well as in the processes and cultures of our institutions, both in the public and private sectors, and that we need systemic change to rid our society of corruption.

This council is undertaking valuable work to support the implementation of the recommendations of the State Capture Commission as well.

The Presidential Broad-based Black Economic Empowerment, BBBEE, Advisory Council that was inaugurated last year is tasked with reviewing progress around BBBEE, reviewing sector charters, advising on the various transformation charters, and overall charting the next trajectory of BBBEE.

Hon Groenewald, I will be passing on the document that you gave me yesterday, to that council as well. So that they should look at it and analyse it so that you do not think that I should be the only one to go through with it. So, I hope you do not mind.

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It has been critical to the Presidency that there is broad representation on these various councils and commissions and that they draw on the best in our society. Our country is replete with some of the best minds and the best thinkers, and these are the individuals and groups of sectors that we are drawing on to give as much advice as we possibly can. And also providing the leadership that is necessary.

Each of these bodies as I said brings together talented and experienced South Africans who really add value to the work of government and support us in particular the fulfilment of our responsibilities.

We cannot assure mutual prosperity, we cannot overcome poverty and inequality, and in the end, we cannot emerge from the power crisis and we cannot resolve long-standing challenges, unless we forge such partnerships. I see them as partnerships.

The Presidency is the centre of government. The executive authority of the Republic is in terms of our Constitution vested in the President.

This means that the Presidency needs to be structured, resourced and capacitated to exercise both its constitutional

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responsibilities as well as its electoral mandate for which it is responsible.

The hon Prince Buthelezi encouraged the Presidency to continue with its work even under trying circumstances. We thank the hon Prince for his sage advice at all times. Thank you very much. However, the hon Buthelezi also raised concern about the current composition of the Presidency.

In considering the size of the Presidency, as with government more broadly, we need to ask how best government should be organised to meet the country's needs at this point in time.

It is not about counting heads, but about attracting the necessary capacity, requisite skills and technical expertise to fulfil our crucial mandate.

Our country has considerable challenges relating to inequality, educational outcomes, joblessness, disparity in the quality of healthcare received by our citizens, gender-based violence and crime, to name but a few.

As the Presidency, it is our responsibility to drive progress on strategic priorities from the centre of government. This is

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why the Presidency is coordinating important initiatives on economic reform, employment creation, poverty alleviation as well as gender-based violence.

Through these initiatives, we ensure that the work of government is properly co-ordinated, aligned, prioritised and effectively implemented.

The Presidency is comprised of specialised staff, including policy advisors, legal experts, communication professionals as well as researchers.

Within the country's fiscal constraints, the Presidency has been able to mobilise resources and capabilities from various quarters through both secondment and voluntary service. This has enabled us to make progress on several fronts that would not have been possible without some of these very innovative approaches.

We have also put to good effect the power to establish commissions of inquiry.

These have enabled our government through the Presidency to enquire into and establish the facts around various matters of

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public concern. And these inquiries have led to important reforms.

The recommendations of the Commission of Inquiry into Tax Administration and Governance were acted upon by SA Revenue Service, Sars, and supported the institution's turnaround. That we have a Sars that is collecting taxes to support the lives of our people is because we set up a body that enquired exactly what was happening at Sars. Its recommendations are today being implemented.

The recommendations of the 2018 High Level Review Panel on the State Security Agency are guiding the transformation of the state security architecture. Our law-enforcement agencies and security services are implementing the recommendations of the Expert Panel into the July 2021 Unrest.

Across government, departments, SOEs and public entities were implementing the many and varied recommendations of the State Capture Commission. This work is crucial for the national effort to eradicate corruption and ensure that state capture is never allowed to occur again.

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As we focus our efforts on co-operation, we must attend to the issues on which we remain divided. Even after nearly 30 years of democracy, there are some who misrepresent our country's history and who thereby misdiagnose its problems.

The hon Groenewald says that in the past, the 31st of May was known as Republic Day. This, he says, marked the day "on which the yoke of English oppression and colonialism was finally cast off".

No, hon Groenewald, it is not true that the 31st of May 1961 was a moment of liberation. It was instead an affirmation of a political and economic system that perpetuated the oppression and dispossession of the majority of South Africans.

It was a declaration that black people had no claim to the country of their birth, no rights and no means to advance their prospects.

To recall Republic Day as a moment of liberation is in the end an affront to the values of the Constitution to which all of us have pledged allegiance. The so-called Republic Day was a day of humiliation for many black people in this country.

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This is not a matter on which in the end should agree or disagree. It is a matter on which we should engage each other so that we can properly assert the values for which our democracy stands.

As I conclude, allow me to thank Deputy President Paul Mashatile for the leadership he is providing on several important areas of the work in the Presidency. Thank you, Deputy President.

I would also like to thank the Ministers and the Deputy Ministers in the Presidency, the Director-General and Secretary of Cabinet, Ms Phindile Baleni and all the Presidency staff and advisers.

I wish to thank the members of the various advisory and consultative bodies, who have volunteered their time and expertise in the service of this country.

Lastly, but certainly not least, when I thank *Umntwana* I thank the IFP. So, I have already singled out the IFP through thanking the hon Prince. Lastly, but certainly not least I wish to thank the people of South Africa. It is the people of this country who are the true leaders, who raise their voices,

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who lend a hand, and who demonstrate to all us that they are determined to be their own liberators.

Look beyond the self-serving rhetoric from the opposition benches, look beyond the immediate crises and the negative commentary, and it is possible to see a government that is leading far-reaching reforms that will fundamentally change South Africa for the better. I guess in the end talking from a party political point of view, it is in 2024 that there will be a clear separation of those who can take this country forward and those who are not and it will be from this side of this House.

I still firmly hold the view that we will overcome the challenges that face us today. However, more than that, we are establishing the foundation for a more capable and responsive developmental state.

Through greater collaboration, we are establishing the foundation for a more inclusive economy and a fairer society.

As this Presidency, we are aware of the great difficulties our country faces. We recognise the weaknesses in many parts of

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the state. We are prepared to own up to our shortcomings and work to correct them.

However, what we are not prepared to do, is to give up. We will never give up! We are not prepared to surrender to pessimism and doubt. We are moving forward with rebuilding, with reform, with recovery and the fundamental social and economic change.

These are difficult and painful times. But we will overcome our challenges will be behind us and we will emerge a better, stronger and much more united country.

I invite all members of this House and all South Africans to be part of that journey. I thank you.

*Xitsonga:*

Ndzi heta kwala.

Debate concluded.

The House adjourned at 14:47.