

WEDNESDAY, 7 SEPTEMBER 2016

PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 15:02.

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

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS - see col 000.

WELCOMING OF NEW MEMBERS

(Announcement)

The SPEAKER: Hon members, I wish to make the following announcements. The vacancies which occurred in the National Assembly owing to the resignations of Mr M C Masina and Dr M B Goqwana have been filled by the nominations of Mr Mondli Gungubele and Mr Walter Bongani Maphanga, respectively, with effect from 5 September 2016. [Applause.]

I also wish to announce that the vacancy which occurred in the National Assembly due to the passing away of Ms Raesibe Eunice Nyalungu has been filled by the nomination of Ms Gladys Nokuzola Tolashe, with effect from 5 September 2016. [Applause.]

The members have made and subscribed to the oath and affirmation in the Deputy Speaker's office. Therefore, we would like to use this opportunity to welcome the hon members to the National Assembly.

ORDER OF BUSINESS - QUESTIONS

(Announcement)

The SPEAKER: The first item on the Order Paper is Questions addressed to Ministers in the Economics Cluster - Cluster 4. Hon members may, of course, press the "to talk" button on their desks if they wish to ask supplementary questions.

Hon members, I would like to bring to your attention that, in terms of Rule 141(5), Question 205 was approved as an urgent Question for today's Question Session. As a result, the Question will take precedence over all the other Questions.

Lastly, in accordance with Rule 137(5)(a)(i) and (b), an additional 30 minutes will be added to today's Question Session.

QUESTIONS FOR ORAL REPLY

ECONOMICS

Cluster 4

MINISTERS:

Minister's intentions following his recommendation regarding the establishment of a judicial commission of inquiry

205. Mr D J Maynier (DA) asked the Minister of Mineral Resources:

Whether, in the light of his controversial statement on 1 September 2016, concerning his recommendation that a Judicial Commission of Inquiry should be established to investigate the termination of contractual relationships by certain financial institutions with Oakbay Investments (Pty) Ltd, he will resign from Cabinet; if not, why not; if so, by when?

NO2059E

The MINISTER OF MINERAL RESOURCES: Hon Speaker, we appreciate the fact that this Question has been asked so we can inform the people of South Africa. Let me place it on record, however, that, in terms of our well-established practice of the separation of powers, this matter belongs to the Cabinet and not Parliament. [Interjections.] As a result, the hon Maynier has no jurisdiction to ask the Minister of Mineral Resources whether he would resign. [Interjections.]

The SPEAKER: Order!

The MINISTER OF MINERAL RESOURCES: As a Member of Cabinet, I am aware that there is a protocol to be followed, guided by stringent processes of doing the business of Cabinet. To this extent, matters discussed within Cabinet remain there.

[Laughter.] [Interjections.]

As I stated during my interview with the SABC on Friday evening, I also stated that the matter of inquiry, which Mr Maynier seems to be problematising, can only be decided upon by the President of the Republic.

AN HON MEMBER: Why did you release the statement, then?

The MINISTER OF MINERAL RESOURCES: Once he has sufficiently applied his mind on the matter and once Cabinet has dealt with this issue, it will elect to make it public. There is no need to be in a hurry.

We have been on record before, on this matter. It is, indeed, unprecedented that banks can make unilateral decisions to close accounts. [Interjections.] This matter can therefore not be left hanging.

Since then, many other people have come forward, indicating that they have suffered at the hands of banks. It is important therefore for Parliament to understand the importance of this matter. Hon Maynier, there are many other South Africans out there who have been subjected to this kind of abuse and inequality.

All the people of South Africa, in this developmental state where we have democracy, should be treated the same. We should not judge people based on their colour, creed or nationality. If there are matters on the table, they must be dealt with in a nondiscriminatory manner. Thank you, hon Speaker.

An HON MEMBER: You're a joke!

Mr D J MAYNIER: Speaker, we were all shocked when President Jacob Zuma appointed that Minister to his Cabinet. We were shocked because we suspected that the Minister would not serve the public interest but that he would serve the private interests of one family - and that family is the Guptas.

[Interjections.]

Well, we were right, because the Minister has now allowed himself to become a hired gun for the Guptas, effectively recommending that the executive investigate the termination of certain financial services via a judicial commission of inquiry. Of course, we were later told that the Minister had misfired; that his statement was in his personal capacity; and that the Cabinet deeply regretted his statement. The damage was done, however, and the Minister has now achieved what no Minister has ever achieved: He has united the ANC, the SACP and Cosatu in condemning him.

It is clear that the Minister is an embarrassment. He is an embarrassment to the President. [Applause.] He is an embarrassment to Cabinet. He's an embarrassment to Parliament and he's an embarrassment to the ruling party.

So, I ask the Minister: Why did you issue the controversial statement? Why did you believe that the controversial statement was reflected in the views of the Cabinet? Will the Minister not reconsider his statement and say right here, right now, that he will resign? [Interjections.] In the end, the Minister must go, and he must go now, because we do not want a hired gun for the Guptas in this Parliament. [Applause.]

HON MEMBERS: Go! Go now! Resign!

The MINISTER OF MINERAL RESOURCES: Hon Speaker, as I said earlier on, the hon Maynier has no right to ask me to resign. [Interjections.]

Let me place it on record. Some of the people who have been prejudiced by this matter are here, in the Western Cape. Two days ago, I received a letter from someone here in the Western Cape - and the hon Maynier must be well aware of this matter - stating that in 2003, the person represented a widow's assets which were wrongly dealt with. The matter is before the courts and the person has submitted proof to that effect.

[Interjections.]

It is not just one person. In the last two days, we also received a letter from a certain Miss Jeanette, who said these issues are there. People of South Africa are crying over these issues.

HON MEMBERS: What issues?

The MINISTER OF MINERAL RESOURCES: If the hon Maynier thinks that this Minister has the intention of an individual, he must allow the due processes to unfold so that, during those processes, we can prove, once and for all, that the people of South Africa have issues with the issues of banks. Thank you, hon Speaker. [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: Speaker, I rise on a point of order in terms of Rule 141: You have allowed this urgent Question because you, as the custodian of Parliament, have agreed that it was urgent that South Africans get answers to it.

The hon Maynier put several questions to Minister Zwane. He has not answered one of them. He asked him why he had issued the Cabinet Memorandum. He asked him a series of other questions. Instead of his talking about cases currently before the Western Cape High Court, I would urge you, Madam Speaker, to compel the

Minister to answer why he issued that memorandum on behalf of the Cabinet. [Interjections.]

An HON MEMBER: Yes!

The SPEAKER: Well, of course, hon Steenhuisen, I want to point out that the hon Maynier must not ask many questions. [Interjections.] Alright, hon Maynier? I now call upon the hon Steyn from the DA to ask a follow-up question.

Ms A STEYN: Madam Speaker, when I arrived here, the "to talk" button was already on. I didn't press it, but I would like to ask the Minister: Why did he issue the statement? [Applause.] [Interjections.]

The MINISTER OF MINERAL RESOURCES: Hon Speaker ...

Mr N F SHIVAMBU: Hon Speaker, I rise on a point of order: We pressed buttons here because we want to make follow-up questions. That system had already recorded a person who had not pressed the button. So, it's logical that you should eliminate the person who did not press the button and then take the list to include those of us who want to make follow-up questions to the Gupta Minister. [Laughter.]

The SPEAKER: Actually, hon Shivambu, we will not reach you. May I ask the hon Radebe, because I think the hon Shivambu is correct on the issue of the hon Steyn? Hon Radebe?

The CHIEF WHIP OF THE OPPOSITION: Madam Speaker, on a point of order: You recognised the hon Steyn. The question has already been put in the House. The Minister must respond.

[Interjections.] He can't get away with picking and choosing ...

The SPEAKER: Hon Steenhuisen, allow me, with my mistakes, to chair.

The CHIEF WHIP OF THE OPPOSITION: But Speaker, with respect ...

The SPEAKER: Hon Steenhuisen ...

The CHIEF WHIP OF THE OPPOSITION: The question has been put.

The SPEAKER: Hon Steenhuisen, please ...

The CHIEF WHIP OF THE OPPOSITION: Madam Speaker, the question has been put already! [Interjections.]

The SPEAKER: Hon Steenhuisen ...

The CHIEF WHIP OF THE OPPOSITION: You can't withdraw the question. It's been put by a member who was recognised by yourself in terms of the Rules! The Minister must answer the question.

The SPEAKER: Hon Steenhuisen, please take your seat now.

The CHIEF WHIP OF THE OPPOSITION: You are protecting the executive, again. Surprise! Surprise! [Interjections.] True to type, protecting the executive!

The SPEAKER: Take your seat, hon Steenhuisen.

The CHIEF WHIP OF THE OPPOSITION: It's all that you're good for! It's all that you're good for! [Interjections.]

The SPEAKER: Hon Radebe, can you put your follow-up question?

Mr M WATERS: Speaker, may I address you on a point of order?

The SPEAKER: No.

Mr M WATERS: Why not? [Interjections.]

The SPEAKER: Hon Waters, please let me proceed.

Mr M WATERS: Madam Speaker, we've had this problem for over two years in this House, where the opposition feel that the presiding officers do not protect the opposition as they do the ANC members. You are, once again, reinforcing that perception that you are biased. You have recognised a member on this side of the House, she has put a question ... [Interjections.] ... it's irrelevant! She has put a question and the hon Minister must now answer that question.

You are here to protect both sides of the House - not the one side - and not to take instructions from Luthuli House. I put it to you, hon Speaker, that you insist that the Minister answers the question. [Interjections.]

The SPEAKER: I will, just now, when I am through with recognising the hon Radebe.

The CHIEF WHIP OF THE OPPOSITION: Speaker ... [Interjections.] ... Speaker, may I address you in terms of Rule 26(4) of the Rules of the National Assembly?

The SPEAKER: Hon Steenhuisen, let me be patient with you. Hon Steenhuisen?

The CHIEF WHIP OF THE OPPOSITION: No, it's not being patient. It's my right to raise a point of order in terms of the Rules of the House. [Interjections.] It's my right to raise that point of order.

It says here that you "must act fairly and impartially", and most importantly, "apply the Rules with due regard to ensuring the participation of members of all parties in a manner consistent with democracy". You recognised the hon Steyn, she put the question, as you requested, and now you are allowing that Minister to get away from his accountability to this House, yet again.

I would submit that you, Madam Speaker, are in violation of the very Rules that you yourself should be upholding in this House. How on earth do you expect us to abide by the Rules when you break them with such imperviousness? [Applause.]

An HON MEMBER: Exactly!

The SPEAKER: Hon Steenhuisen, I heard you. I heard you, hon Steenhuisen, and I appeal to you to let me proceed.

I am recognising the hon Radebe. I will take hon Radebe, and after him I will recognise hon Vos from the DA who has pressed the to-talk button.

Mr B A RADEBE: Hon Speaker, I could not agree more with the Minister when he says that certain things are Cabinet decisions which are confidential to the Cabinet where they must be handled. This House must also appreciate the fact that there is a separation of powers. The only person who can appoint or dismiss a Minister is the President of the Republic. He is the only person; no other person.

The question to the Minister is: Should matters that are critical to the work of the House be determined by newspaper allegations, innuendoes and reports? If it is like that, will the Minister agree with me that the first person the question should go to is the Premier of the Western Cape who was also dined by the Guptas and got money from the Guptas for the DA campaign? Thank you.

The CHIEF WHIP OF THE OPPOSITION: Madam Speaker, on a point of order: I wish to bring to your attention that the previous speaker is misleading this House dramatically. You would know that in terms of section 92 of the Constitution, Ministers are accountable to Parliament, collectively and individually. There is nothing that happens in Cabinet which they are not accountable for in this House. He needs to ensure that the Minister there responds to the questions and they are answered. These are not allegations in a newspaper. This was a statement issued by that Minister under the cover of darkness, which has plunged our banking sector into crisis. He must answer.

[Applause.]

The MINISTER OF MINERAL RESOURCES: Hon Speaker, let me agree with hon Mr Radebe on what he said. I will repeat it - as I said it earlier on - that according to the separation of powers, this matter belongs to Cabinet. I have clearly indicated that on the said evening of Friday, which hon Maynier seems to be problematising. The issue of a judicial inquiry can only be decided upon by the President. That's what I said. Thank you.

Mr J VOS: Madam Speaker, will the Minister tell us why he issued this controversial statement and why he believed this

controversial statement reflected the views of Cabinet? As easy as that! [Applause.]

The MINISTER OF MINERAL RESOURCES: Hon Speaker, as I said it before, I want to repeat here all what I said on that particular Friday for those who watched me when I was on TV. Issues discussed in a Cabinet cannot be of public consumption currently. The issue of a judicial inquiry will be decided upon by the President, and I stand by that.

The CHIEF WHIP OF THE OPPOSITION: Madam Speaker, the Constitution is very clear. Section 92(3) says: "Members of the Cabinet must - (a) act in accordance with the Constitution; and - most importantly - (b) provide Parliament with full and regular reports concerning matters under their control." The Minister issued a statement under his own hand into the public arena. It wasn't some Cabinet discussion. It was something in ... [Interjections.]

The SPEAKER: Hon Steenhuisen, ... [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: May I please ... [Interjections.]

The SPEAKER: You have not been given an opportunity for a supplementary question. [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: I am not putting a supplementary question. [Interjections.]

The SPEAKER: So, I am now requesting you to allow the next person for a supplementary question because you are now pursuing an argument. [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: Madam Speaker, he has not answered the question. He is entitled to account to this House. You are letting him ... [Interjections.]

The SPEAKER: Thank you, hon Steenhuisen, for what you are telling me.

The CHIEF WHIP OF THE OPPOSITION: You are trampling the Constitution again. Every time you go to court, you get it handed to you there, precisely because you don't listen. You think you are ... [Interjections.]

The Speaker: Hon Steenhuisen! [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: You are a disgrace as a Speaker. [Interjections.]

The SPEAKER: May I appeal to you to calm down. [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: You are a disgrace as a Speaker. You can call the parliamentary protection services. You are an embarrassment to this House. You are more of an embarrassment than that Minister.

Mr N SINGH: Hon Minister, I put it to you that this question does not come without history and context. It has been reported that you, hon Minister, were central to the controversial Estina dairy project outside your hometown of Vrede. This is a project driven by associates of the Gupta family, although the family itself has denied being involved in the business.

In March 2013 it has been reported that a letter on behalf of Zwane, then the MEC for Agriculture in the Free State, appeared to provide an official alibi of sorts to turn a visit by Indians into an official government visit. These are elements that allowed a private plane of Gupta wedding guests to land at Air Force Base Wartekloof. The question I put to you, hon Minister, in calling for a judicial commission of inquiry: Is it not time

that you are returning a favor to the Guptas by trying to trounce those banks and denounce those banks who ever acted against the company owned by the Guptas? We need an answer to that question.

The MINISTER OF MINERAL RESOURCES: Hon Speaker, should the President see it fit that he appoints a judicial inquiry, I will not be leading that inquiry. People who will be leading the inquiry will give ordinary South Africans an opportunity to deal with the matter of banks and the matter that hon Singh is raising. If there is any issue that he thinks is unbecoming in terms of what he has raised ... Hon Singh should be agreeing with me today in this House that one of the mechanisms to lay these issues to rest if we are not fond of perpetuating allegations should be through a judicial inquiry.

Mr N F SHIVAMBU: Speaker, I think there is a substantial point of order that must be raised with the confused understanding of the separation of powers as explained by the Minister because why now go into question session. He stands up and says that Cabinet is a separate entity and that it cannot account to Parliament. Should we leave that unchallenged? This is because we want to know what is Cabinet deciding upon and what informs such decisions? [Interjections.]

The SPEAKER: Hon Shivambu, that's now the fifth question

[Interjections.]

Mr N F SHIVAMBU: Tell us what the separation of powers is all about. [Interjections.]

The SPEAKER: That's a fifth question. It's not a point of order. [Interjections.]

Mr N F SHIVAMBU: You must ... From where you are, you must rail at that Gupta Minister to say it's not how the separation of powers is understood in this Parliament. [Interjections.]

The SPEAKER: Hon Shivambu, you are raising a political argument. I think let's find a place for it and move on to Question 185 from the hon Buthelezi to the Minister of Finance. [Interjections.]

The LEADER OF THE OPPOSITION: Speaker, can you please recognise me.

The SPEAKER: Yes. Please take your seat, hon Leader of the Opposition. May I now recognise you.

The LEADER OF THE OPPOSITION: Thank you, Speaker. I think first and foremost we had a discussion here recently with the Deputy President who said Ministers will come here to answer questions. Those questions speak to some of the discussions that take place in Cabinet. They are accountable to this Parliament.

[Interjections.]

The SPEAKER: That is not a point of order, hon ...

[Interjections.]

The LEADER OF THE OPPOSITION: Speaker, this is a critical issue for the understanding of what the job of Parliament is. So, if we can't ask questions about points Ministers communicate to the South African public - putting us at fiscal risk - then this entire institution is a complete joke. You are making it to be such. Can I prevail on you to ask that Minister to answer the simple question. [Applause.]

The SPEAKER: Hon Maimane, that's not a point of order.

**Prospects for improved manufacturing output in light of recent
economic data**

185. Mr S N Buthelezi (ANC) asked the Minister of Finance:

In view of June data coming from the SA Reserve Bank (details furnished) about the prospects of a recession in the country as a result of the effects of both the domestic and global economic environment, whilst the Rand is performing well against major currencies and manufacturing output has risen by 4,5% year-on-year in June this year, (a) what has he found to be the explanation for the specified data and (b) has he found the prospects for improved manufacturing output to be sustainable? NO2002E

The MINISTER OF FINANCE: Madam Speaker, a recession is defined as two quarters of contraction in an economy. The second quarter data, which was released yesterday, 6 September 2016, shows a relatively strong rebound, indicating that a recession is unlikely in South Africa. South Africa posted 3,3% quarter-to-quarter growth in Quarter 2 of 2016. For the year as a whole, a recession is not our baseline forecast. However, we should understand that there are risks both outside the country and within the country that we need to recognise.

To ensure that economic activity does not contract in the near future, government must continue with its policy reforms and must provide a stable business environment which supports a recovery in business and consumer confidence. The decline in the

first quarter of 2016 was primarily driven by a sharp contraction in the mining sector owing to lower iron ore and platinum production, reflecting temporary supply-side disruptions such as safety stoppages at some platinum and iron ore mines as a result of fatalities. Contractions in the transport, electricity and agriculture sectors also subtracted from growth. The poor performance of agriculture was linked to drought conditions, while the performance of other sectors reflected the general economic environment and the strong economic linkages with mining and the agricultural sectors.

Monthly data suggests that there will be a rebound in the second quarter, as we have seen, supported by a strong turnaround in mining output and robust growth in manufacturing, production and retail and wholesale sales.

Despite challenges, the manufacturing sector is still expected to grow, as we have seen, again, from the evidence recently, supported by continued export growth in food and beverages, motor vehicles and petrochemicals. The sector should continue to benefit from the competitiveness gains of real exchange rate depreciation over the past few years, as well as our proximity to Africa - well, we are part of the continent - and the improved growth rates, albeit gradual, in developed countries.

Policy initiatives to boost private investment and reduce the cost of doing business, such as the Invest South Africa initiative and the nine cities peer learning programmes, as well as the continued support government provides to the manufacturing industries, should also support economic activity. This outlook is supported by the sustained five-month improvement in the Purchasing Managers' Index, or the PMI, supported by an increase in capacity utilisation rates to levels last seen in 2013.

Although the August PMI fell just below 50 owing to a sharp decline in the new sales orders' subcomponent, actual sales orders, output and employment at factories remained at July levels, whilst expectations of future conditions remained positive. Thank you.

Mr S N BUTHELEZI: Thank you, hon Minister, for investigating this very import question. Yesterday's news of 3,3% economic growth is indeed a welcome development. My further question, hon Minister, is: What are the economic fundamentals that are required to be in place to stave off any possible future recession, and what other measures could be in place to enhance steady growth in the manufacturing sector going forward? Thank you.

The MINISTER OF FINANCE: Clearly, Madam Speaker, if we want an economy to grow, we must, firstly, have the right level of confidence, as I indicated in my initial statement, from investors, both locally and overseas, who believe that we have a stable, predictable environment in which they can put their money in. So are we as government, as all of the political parties and as the general public doing enough to create confidence in our economy and confidence in our ability to say to investors, "You can come here. Your money is safe, and indeed you will help us to create jobs in our environment"?

The second factor is actual growth in both local investment and foreign direct investment, or FDI - and this is the work that in particular business, labour and government have been doing for the past seven months - to ensure that we project a national front in respect of ratings agencies and confidence-building amongst local and foreign business, and we hope that we can actually sustain that.

Let me also say that whilst we "survived" the first round of ratings, we are now about to enter the second round of ratings exercises. The first of the ratings agencies visits us at the end of September, the second some time in November and the third early in December. And, again, we will be endeavouring as

government to work with social partners, and this is a conversation that we need to have within this Chamber as well. How do we present a united, national interest front which will ensure that we can stave off a ratings downgrade again?

The third factor is that we require those sectors of the economy that are underdeveloped, for example medium- and small-sized businesses, and those sectors that find themselves in difficulty over a medium-term period like mining and agriculture, to be boosted in some way.

The fourth factor would be to remove the policy uncertainty and create a regulatory environment which would ensure that the ease of doing business in South Africa is actually one that everybody can see we are increasing in some kind of way.

Finally, it is up to us to get the politics of this country right in order that we show to the world ... [Interjections.] [Applause.] ... that we actually understand the link between a political environment, to which all of us contribute, and an economic environment that generates the right kind of confidence in us and in the business sector in South Africa as well.

Mr N F SHIVAMBU: Speaker, the number of income earners in South Africa is drastically decreasing, meaning that we do not have as many people as possible involved in some kind of labour to earn income and provide for their families. This means that poverty is increasing because so many people are not employed. When it comes to manufacturing, I think the World Economic Forum says that we now have a crisis of automation and mechanisation and what we call ... [Inaudible.] ... industry 4.0 - the fourth industrial revolution where we have a manufacturing sector which is highly automated and which doesn't employ as many people as possible. How are you going to deal with that challenge because in South Africa our crisis is that our people are not working? We do not have income earners. You can have an expanding manufacturing sector, but it is not employing people. How are you going to deal with that decisively so that we do not have continued jobless expansion in the economy?

Lastly, do you agree that there must be a judicial commission of inquiry into the banks regarding closing the bank accounts of the corrupt Gupta family? [Interjections.] Could you please respond to those two questions?

The MINISTER OF FINANCE: I thought we were talking about manufacturing, hon Shivambu. [Interjections.] One can only but

agree with the hon Shivambu that the number of jobs created, whilst good in the first 20 years of our democracy, is not adequate to give us a situation in which most employable people are employed, most people that can earn an income are earning their own income and that dependence on the state is actually reduced.

We can also agree with the hon Shivambu that poverty ultimately is going to be resolved not through the kind of welfare safety nets that we have but by making sure that every economically active person, or potentially economically active person, is actually employed either in a self-created job or in a job created by industry.

Manufacturing used to be about 17% of the overall GDP numbers and has gone down to 11%. It is probably still in that range. Throughout the world the real danger is that in an effort to increase productivity, robots and technology are being relied upon, but from our recent participation in the G20 meetings over the weekend in China, it is becoming very clear that there is no direct relationship between the use of technology and the creation of jobs. So there is no doubt that we are heading for a crisis in the next 10 or 15 years, which would mean that there would be fewer jobs created in the formal sector.

Manufacturing in South Africa still has the potential to grow, largely because the depreciated rand should be giving South African manufacturers a leg-up. To some extent, we can begin to see this in the numbers, but we need to also ask some serious questions about whether, as a society and as an economy, we are enterprising enough, dynamic enough and have the right sense of urgency to seize opportunities that exist both within South Africa and outside South Africa.

An area that we don't emphasise sufficiently, that we should focus on a lot more - this came through the G20 discussions as well - are small-, micro- and medium-sized businesses. We need to do a lot more to support entrepreneurs, give them access to finance and create a supportive environment in our municipalities. Now that our municipalities are governed by parties other than my own in some areas, let's see what we can do in this regard. We will be interested to watch the evidence that actually emerges.

Banking regulation is part of the brief that the Ministry of Finance has. As far as we are concerned, we are compliant as South Africa and among the best compliant in terms of international requirements which emerged both from the crisis, the Financial Stability Board and other bodies incorporated in

or accountable to the G20 forum. Also, our standards of regulation are the best they can be. In some instances we have regulations imposed upon emerging markets like our own because of factors that have been affecting advanced economies that are not really to our benefit, but we have fora, such as the FSB and others, where we can actually raise these sorts of issues.

We also have the banking ombud who has certain powers, which perhaps need to be reviewed if there are customers that have problems with the banks. [Applause.] So, as far as financial institutions are concerned there is a difficult balancing act - let me be frank, Madam Speaker. The balancing act is between ensuring that there is stability in this sector, that it is well regulated and that it doesn't constitute a risk to the country's economy and the fiscus, as we learnt from the 2008-09 financial crisis.

On the other hand, we need, equally, to be very aware that the banking sector can run away with itself. Its charges might be excessive, its customer service might be poor, and its market conduct might be questionable. As far as that is concerned, let's have a debate about whether we need to tighten the regulatory requirements.

Before Parliament right now, Madam Speaker, is the twin peaks proposal and legislation, which are directed at ensuring that we have far stronger market-conduct mechanisms in South Africa, rather than the kind of fragmented arrangement that we currently have.

So, looking forward, I think we will be in a much better place to ensure that consumers are given the right kind of deal and that the indispensable role of a well-run financial services sector is one that is maintained in line with both international standards and our own national interests and what is required here.

It is this balancing act that we, as the Ministry of Finance - which has the responsibility for stability within this sector - have assigned to the SA Reserve Bank as part of the banking regulators' mandate, which is financial stability. We will watch that area carefully. It is going to evolve over the next few years in line with the twin peaks legislation and other international and local arrangements. Let's see how that serves future generations better. Thank you.

Mr D J MAYNIER: Speaker, would the Minister concede that domestic political developments, including the disastrous

appointment of the Minister of Mineral Resources to investigate the termination of financial services to Oakbay and in terms of which process we all note that the Minister of Finance refused to participate in, undermine investor confidence and in part explain why the economy is on the brink of recession in South Africa?

The MINISTER OF FINANCE: Firstly, let's not use this session as this bogey person. I don't think anybody in this House belonging to any political party wants to talk South Africa's economy into a recession. [Interjections.] At that level, we need to put national interests first. I'm addressing the hon Maynier.

Secondly, in every country you are going to have economic events, political events and social events that will create mini crises from time to time. It's the resilience of your institutions and the resilience of your systems that will actually ensure that you survive these crises and move beyond them. Crises don't last forever. That's why institutions are so important. That is why the leadership that we put into institutions is so important, because not only does it have to serve the present, but it also has to create conditions for those institutions to survive into the future. And, the more of us who realise the importance of institutions, the better it is

for the richness of our democracy - not the richness of the pockets of some people - so that that democracy serves all of the citizens of the country. For the record, I didn't refuse to participate in the three-person or four-person committee; the logistics didn't work out in the right kind of way. Therefore I was unable to make what would have been a justifiable contribution to the outcomes of this structure. [Interjections.]

Mr N SINGH: Thank you, hon Speaker. Hon Minister, I can't agree with you more when you say that we need to establish an environment that promotes the right level of confidence. Indeed, the resilience of our institutions is tried and tested. Whilst we applaud the sector quarter growth of 3,3% - in this quarter here, which has prevented us from going into recession - the question remains, hon Minister: How do we sustain such growth, and how do we avoid falling into a technical recession particularly when your office and you in particular seem to be under multiple threat from various quarters? Markets and exchange rates enjoy certainty. At this moment in time there is this level of uncertainty in foreign direct investment coming into the country. What is the solution, hon Minister?

The MINISTER OF FINANCE: Let us, once again, confirm that whether in South Africa or anywhere else in the world,

confidence is the key to investment by anybody in an economy. You are not going to put R1 000 into an environment when you are not sure you are going to get it back. So, I think the more of us who understand what confidence means, how you generate confidence and how you can all make a direct and meaningful contribution to it, the more helpful it is to the country as a whole.

Don't read too much into the 3,3%; it's only for one quarter. If we average it out over the year, we are still in a sub-1% zone as an economy. Our aim should be to continue to create conditions, depending on what external and internal circumstances allow, to reach the 5% that the National Development Plan speaks about.

But there are very serious circumstances right now globally. For example, I read in the *Financial Times* today that in the US you still have people in the US Federal Reserve who are arguing for an increase in interest rates. The minute the US increases interest rates, financial flows change and volatility of a higher order begins to return, and this creates an environment that you can't actually find predictable.

Secondly, we have done a lot of business with Africa - we should be doing more - and this year Africa is growing at 1,6%, and for the first time this is lower than some of the advanced economies. Next year Africa picks up again as a whole - above 3%. So that is a good sign, unless something happens to decrease those growth numbers as well.

Thirdly, you have Brexit and all the unpredictability that comes with Brexit. Fourthly, you have a recession in two of the major Brics countries - Russia and Brazil. It is hoped that they will move out of that in the coming year. Also, internally we still have to undertake some massive restructuring and transforming of our economy. The majority of our country is still marginalised in terms of our economy. The majority of our people in South Africa don't even get easily accessible finance to start a business, let alone enough to become big-time entrepreneurs in our environment. We repeatedly have it pointed out to us by international agencies that we have excessive product market concentration in South Africa. That means we have lots of oligopolies: a small number of large firms that dominate important sectors of our economy. We should start discussing how we restructure an economy like this and how we change that environment. We still have spatial arrangements in our cities that are akin to the apartheid era. That needs to change in

order to change the geography and the demography and the relationship between the two, and, more importantly, we should start discussing how to create business and other opportunities for our people as well.

So, yes, the nonsense that is going on which is relevant to another question that will come later - let me address it then - in respect of the Treasury or me is not, I think, to the benefit of this country. But let me address some of those issues when we come to that question, if the hon Singh doesn't mind. Thank you.

**Particulars regarding sale of strategic fuel stock held by
Strategic Fuel Fund**

167. Mr P van Dalen (DA) asked the Minister of Energy:

(a) Why did she authorise the sale of all of South Africa's strategic fuel stock held by the Strategic Fuel Fund and (b) what is or are the name(s) of the advisor(s) who advised her to sell the specified stock? NO1984E

The MINISTER OF ENERGY: Hon Speaker, the authorisation for the sale of strategic crude oil stock held by Strategic Fuel Fund,

SFF, was authorised with certain conditions following a motivation from the SFF.

The conditions were that any rotational stock will be undertaken with the ministerial approval, preceded by a detailed due diligence, undertaken by the SFF and supported with a comprehensive motivation to the Minister.

The integrity of our stock levels must be assured in all instances. A trading division should be established within the SFF and must be appropriately staffed with skilled personnel and resources to undertake trading activities which must generate revenue for the SFF. They were also requested to provide a monthly report to the Minister and department on all activities in relation to the right directive herewith.

We have subsequently provided all detailed documents to the Treasury and the Auditor-General and appointed an independent review panel to look at all the transactions which were entered into in terms of the ministerial directive.

We have indicated that if there were any lapses in governance processes or irregular actions that this be investigated. If there is any knowledge of any improper or illegal behaviour, I

employ all members of Parliament and society to report this to the necessary law enforcement agencies and that action be taken.

I thank you.

Mr P VAN DALEN: Hon Minister, in your Budget Vote speech on 11 May 2016, you said and I quote:

Through the rotation of strategic stocks and trading initiatives, the SFF has further consolidated its ability to be self sustainable. This has also allowed us to replace the unsuitable stock that we have been in storing in our tanks which has been both uneconomical and didn't contribute to security of supply.

When in fact it was the sale of our strategic oil reserves, we know this from a statement made by Central Energy Fund, CEF, on 7 June 2016 that in December 2015, following a ministerial directive from the Department of Energy, 10 million barrels of crude oil stock was sold to Vitol, Glencore and Taleveras.

The R5 billion which was raised in the deal is residing in CEF waiting for a further instruction from the Minister. This comes down to the theft of our strategic oil stock by ministerial directive. Why do you Minister, mislead South Africa and this

Parliament that we are rotating and not the sale of it, when in fact is the sale of the oil stock? Thank you.

The MINISTER OF ENERGY: The current strategic stock is still in our tanks, so nothing has left the shores of South Africa. So, we have requested that a full enquiry be done before any further rotation is done. So, once we have satisfied ourselves that Treasury and the Auditor-General are happy with all processes and any transaction which has taken place, we will advise you further on the matter. I thank you.

Mr M M DLAMINI: Minister, in 2013, the Public Protector found you guilty of maladministration on your previous Ministry, and asked that you must be disciplined, but because Mr Jacob Zuma doesn't respect the Constitution it didn't happen. He moved you to another Ministry. Now, on this current Ministry, it has happened that SFF announced that they are buying the stake on Chevron without your permission, and you were fuming, and you fought them, which resulted to the resignation of your Chief Executive Officer, CEO, and the Chairperson. Now you sold 10 million barrels of our crude oil without getting concurrence from the Treasury as it is outlined on the Treasury Act, that you must get concurrence on the Central Energy Fund Act. Why did you not do that? Do you have issues with Treasury? Are you part

of the Ministers that were told to go and fight Mr Pravin Gordhan, because this is 10 million crude oil stock of South Africa that you sold without speaking to Treasury? Why is it that? Also, the issue of the nuclear deal, are you going to sign that nuclear deal, which is primarily going to benefit the Gupta family, and how far is the process of signing the nuclear deal? Don't forget that on one of your presentations here, you said, your sons ask you to do the right thing. Can you do the right thing and answer correct and honest question? Do you have problems with Treasury? Do you have problems with Minister Pravin Gordhan? Thank you.

The MINISTER OF ENERGY: I have absolutely no problems with the law. I account to this Parliament on implementing the law. We have as I am saying to you subjected ourselves to scrutiny by Treasury. We have concurrence by Treasury that approval of Treasury was not required in the matter, and that as I am saying to you, will be tested in each and every transaction which has happened. If there has been any untoward behaviour, I really appeal to you to inform me so that the law can take its course. I am asking you that you provide me detail of any nuclear deal that has been signed or has to be signed. Could you please provide me with that detail?

As far as I am concerned, a request for proposal will be issued on 30 September 2016 for the procurement processes in which we have a Cabinet approval to test the market on the procurement of nuclear. There has been nothing signed. There is an intergovernmental agreement which has been signed. There is no deal that has been signed.

There is an intergovernmental agreement which has been signed, and that intergovernmental agreement has been made public. It was presented to Parliament. It is a parliamentary document. It is a public document. Please I can't respond to speculation or to gossip. I thank you.

Mrs D CARTER: Speaker, through you to the Minister, did the ANC or any of its representatives or family of a representative of the ANC benefit directly or indirectly from the sale of the strategic oil reserve? Thank you.

The MINISTER OF ENERGY: Hon member, as I said to you I can't respond in this hon House to any gossip. If you have substantial evidence in that regard, please provide us with the evidence and we will be able to take appropriate action. I would really appreciate it if you could give me documentary evidence of the said allegation. For now, you are making serious allegations and

casting aspersions on individuals and organisations. Please provide us with the evidence. I thank you.

Mr M WATERS: Speaker, may I address you on a point of order?

The SPEAKER: What is the point of order, hon Walters?

Mr M WATERS: Hon Speaker, the Minister deliberately misconstitutes the question by hon Carter. The hon Carter didn't make any allegations. She simply asked a question whether anyone in the ANC had benefited from the sale of the oil. We all want a yes or no, that's all we want. She never said so and so has benefited. So can the Minister, please answer the question? Can you please hold the Minister to account, Speaker?

The SPEAKER: She will answer. Let me ask hon Esterhuizen to ask his follow up question then the Minister can take what you want her to address as well as what hon Esterhuizen is going to raise. Proceed, hon member!

Mr J A ESTERHUIZEN: Hon Minister, if you said that the oil will never leave the country and we are only storing and then we are storing at our cost for somebody. The fact of the matter is, hon Minister, in December, at the worst time when crude was at low

as to \$38 a barrel, we sold 10 million barrels for \$28 per barrel, that was \$10 less than the market price at the time.

Minister, we can only judge by media reports, none actual transaction documents had been made public. This was not a rotation but an outright sale. If this was a rotation, the plans, contracts, and prices related to the replacement oil would have been concluded. Is that then not correct, hon Minister, to say that somebody stole as much as R2,2 billion from South Africa's taxpayers and I do hope that the law will take its course. Thank you.

The MINISTER OF ENERGY: Hon Esterhuizen, you are a member of the Portfolio Committee on Energy and we have committed ourselves to providing you with those detailed documents. I can't comment further on what is reported in the media. I have requested a full investigation on the matter, and will respond once I have all the details at hand. I thank you.

**Strategic plans implemented to address challenges identified by
Presidential Review Commission on State-owned Enterprise**

187. Ms D Z Rantho (ANC) asked the Minister of Public Enterprises:

What strategic plans and measures has her department put in place to address the challenges of effective leadership and huge infrastructure financing requirements, as identified by the Presidential Review Commission on State-Owned Enterprises?

NO2004E

The MINISTER OF PUBLIC ENTERPRISES: Madam Speaker to the hon member, thank you for the question. The state-owned companies' reform is one of the critical deliverables in the department's strategic plan. In support of this work, the department has devised a comprehensive approach on the turnaround of the state-owned companies in its portfolio.

This approach is centred on the creation of strong leadership both on executive and non-executive level within the state-owned companies. What they have to do is to enhance operational performance as well as strengthen the financial performance and general stability within the state-owned companies. Already we are starting to see positive results using this approach at Eskom. Transnet, whilst have been quite stable over the last couple of years, they operate in an environment where there are exogenous knocks. And in this case, for example, the commodity downturn has moved Transnet's market demand strategy from seven

to 10 years. This means that it will be concluded in 10 years instead.

The state-owned companies in my portfolio continue to carry out its given mandate of ensuring infrastructure development. The challenge to the ministry, the boards and the department is how we ensure that this work and the funding required do not put undue strain on the state-owned companies' balance sheet. Where the economic cycle is not assisting the project's financial sustainability requirements we then have to review the plan. That is what we have had to do in terms of Transnet's market demand and strategic plans. Thank you.

Ms D Z RANTHO: Deputy Speaker to the Minister, thank you for the comprehensive answer. [Interjections.] Hon Minister, are we beginning to experience any positive impact from the turnaround strategy in the state-owned entities, SOEs, in particular on the matter of governance; and has the strengthening of governance structures contributed to the success of Transnet and Eskom in respect of their developmental and financial mandate? What is the situation around other SOEs?

The MINISTER OF PUBLIC ENTERPRISES: The issue is that we have seen Eskom's operational and financial changes within the last

year. It is just a year ago when we were confronted with, at a public level, load shedding. It is a year later and there is no load shedding at the moment. Eskom has managed a maintenance programme and financial sustainability that when we went to an AGM recently we have seen that Eskom has clocked a profit for the first time in a while. So, I am very pleased with the leadership - the Chief Executive Officer, CEO, the Chair and their teams - that Eskom has provided.

Transnet has been relatively stable over the last couple of years. As I said earlier, part of the dilemma we have in

Transnet is the commodity downturn. What it meant was that infrastructure-led economic development has had to be stretched from seven years to 10 years. And over 10 years we would spend about R250 billion which started two or three years ago.

If I look at some of the smallest state-owned companies like Alexkor and SA Forestry Company, Safcol, I am very happy that we have seen a little bit of green shoots in terms of Safcol. The leadership of Safcol has strengthened but now we have to go and appoint a CE and so forth. I am very pleased to also note that within Safcol, they have taken actions and as we speak today, many of the former executives' matters have been taken to the

Hawks. So, it is still at a sensitive level but we need to deal with it. Thank you. [Time expired.]

Mrs D CARTER: Deputy Speaker, has the Minister been allowed to carryout her functions without fear or favour? Thank you.

The MINISTER OF PUBLIC ENTERPRISES: Yes, I have.

Mr N F SHIVAMBU: Deputy Speaker, the Executive Members' Ethics Act compels Cabinet Ministers to not engage in activities that will compromise their public responsibilities and private interests. I want to ask a direct question to the Minister of Public Enterprises: Noting that the Gupta family has substantial interests in Transnet, Eskom and Denel which you, as the political head, are overseeing, have you ever met with the Gupta family? Did you ever discuss any private interest with the Gupta family? When was the last time you went to Saxonwold to meet the Gupta family? Honest answers and we will make a follow-up about this. If you lie to us here you must know that you are going to go down very soon. Your response?

The MINISTER OF PUBLIC ENTERPRISES: I have no private interest in any businesses. I actually believe that as a politician and as somebody who is a public representative, I should never have

other interests. That doesn't mean that other people who declare that have done anything wrong. It does mean that you have to declare but for me personally I do not do so. Have I ever met the Guptas? I have to say, I use to be the MEC for Economic Development and Finance in the Western Cape and I met the eldest brother 15 years ago. And so, yes, I have met them. Have I done business with the Guptas? No. Have I done anything for the Guptas? No. Have I met any of the families, the Ruperts and so on? No. Can I also say that I have never gone to visit them at their home.

Mrs N W A MAZZONE: Deputy Speaker to the hon Brown, in terms of the leadership part of the question, what measures have the Department of Public Enterprises put in place to ensure that experts in various fields rather than political appointees are head hunted to lead out state-owned entities? Has Minister Brown ever been instructed by any member of the Gupta family to appoint any person to any position in a state-owned entity and or does Minister Brown know of any appointment that has been made in an SOE at the request of the Gupta family?

The MINISTER OF PUBLIC ENTERPRISES: To all these questions I would like to say, no. And I do say, no. What I have in the department is a very carefully structured programme. We

advertise and all those who come through the advertisement go through the legal and government structure of my department and then it is in the department that they are shortlisted in terms of the specific skills that are needed for the specific state-owned company. Eventually we get to the point where there would be the best possible people within the board or for that board. And then, of course, it goes through another process where it eventually gets to Cabinet for approval or disapproval. Sometimes Cabinet disapproves and if it does I have to go back and start all over again.

Let me just make another point: It doesn't mean that the people appointed on the boards are somehow connected. That is an insult. I think every single board member whom I have appointed has the requisite education, the requisite skills and are participants and often leaders in the society. Therefore, I think it is quite insulting. I am very proud of those people I have appointed to those boards and those who have led the boards. [Applause.]

The DEPUTY SPEAKER: Thank you hon Minister. Hon members, before we proceed we do want to remind you that a supplementary question may not consist of more than one question. Members can count, that I can ensure the House. Members are able to count.

So if you go beyond one question, whoever that question is directed to must answer the first question and ignore the rest. Thank you very much. Anyway it is your choice to respond or not but the requirement is that you stick to one question. The intention is to spread these as many times as we can.

**Particulars regarding response to Labour Activation Programme
and plans to address related challenges**

186. Ms S R van Schalkwyk (ANC) asked the Minister of Labour:

In view of the fact that one of the objectives of the Labour Activation Programme located in the Unemployment Insurance Fund (UIF) is to provide skills to unemployed UIF beneficiaries thereby helping them to integrate back into the labour market, or start their own businesses, (a) what has been the response from unemployed UIF beneficiaries to the specified programme and (b) given that discouraged job seekers would fall outside of the specified programme due to time limitation, what plans does her department have in place to address the challenges of reintegrating identified discouraged job seekers back into the labour market?

NO2003E

The MINISTER OF LABOUR: Hon Deputy Speaker, the response on subquestion(a) is that it has been very good and as a result, a number of projects are in the process of being rolled out to capacitate the unemployed in order to reintegrate them back into the labour market. The department, through partnership with at least four sector education and training authorities, Setas, is targeting over 10 000 learners in the next three years and these include the following: 3 600 on motor mechanics, panel beaters and spray painters; 1 000 on welders, boilermakers, electricians and plumbers; 2 000 farm together learnerships and mixed farming programmes and 6 000 on economies revitalisation programmes. The Setas that we have partnership with are transport education training authority, Teta; manufacturing, engineering and related services sector education training authority, MerSeta; agricultural sector education training authority, AgriSeta, and Wholesale and Retail Seta.

On subquestion(b), funding agreements were signed with 33 technical vocational education and training, Tvet, colleges to provide training on building and civil construction qualification on National Qualifications Framework, NQF, Level 3 - which target those who are classified as discouraged work seekers. Thank you.

Ms S R VAN SCHALKWYK: Deputy Speaker, through you to the hon Minister, the labour activation programme is regarded as a vehicle with which the Department of Labour avails funds to Tvet colleges and partner companies for training and placement of the unemployed and Unemployment Insurance Fund, UIF, beneficiaries in companies. How many service level agreements were signed with educational institutions since its inception? How many youth have benefited from the training or are in training from the programme? I thank you.

The MINISTER OF LABOUR: Hon Deputy Speaker, the service level agreement that have been signed was signed with 33 municipalities for the current programmes that are going to take place, particularly on those that are being trained on building and civil construction. Those service level agreements are to assist learners to do practical work but at the same time, we have agreed that if there is a need, municipalities can absorb them. Let me also say that previously we have signed the service level agreements with the Ekurhuleni Metropolitan Municipality where 300 learners on solar water heaters were trained and all of them were absorbed by the municipality.

We have also signed with the South African Maritime Safety Authority, Samsa, partnerships, but under the Seta for transport

where 500 cadets were absorbed. The 160 scuba divers that we have trained, all of them were also absorbed. We have received a request from various municipalities to train scuba divers so that they can be able to assist them when they have challenges. I must also say that we have trained about 2000 young people on information and communications technology, ICT, of which all of them were absorbed. As we speak today, we are training 20 pilots that will be finishing their training in 2017. We also have a service level agreement with one of the airlines to absorb them. Thank you very much.

Mr M BAGRAIM: Hon Deputy Speaker, Madam Minister, further to the sweetheart question, whereby the UIF is to provide skills to help integration, the answer does not do justice to the disaster that we are facing in South Africa.

We are now in the worst stage of unemployment. The country has even faced the Congress of SA Trade Union, Cosatu, and is telling us that there are 60% unemployed youth. The UIF has reported and accumulated reserves of about R120 billion. Yes, a R120 billion; yet we were unable to make even a small dent in the shocking rate of unemployment. We must realise that the UIF is unable to deliver and certainly any plans are a mere rearranging of the deckchairs on the Titanic. Surely, the

Ministry can see that this hopeless failure means a restructure of the entire staffing and administration of the UIF. It is a clear case of gross negligence. It is repetitive as has been said by Albert Einstein, that ... [Time expired.]. Thank you

The MINISTER OF LABOUR: Hon Deputy Speaker, let me first correct the hon member that the UIF portfolio now is R123 billion based on the audit for the 2015-16 financial year. The reason why we are investing UIF proceeds, particularly when it comes to the investment on our behalf by the Public Investment Corporation, PIC, is that at the same time we have even invested on Eskom - that's why we no longer have load shedding. The hon member must recall that we have even indicated that today we have Medupi Power Station where the PIC has invested on our behalf. Maybe the hon member should request the Treasury which administers the PIC just to come and brief the portfolio committee on what projects were created under the investment by the UIF exactly and on how many jobs? Thank you.

Mr T KHAWULA: Minister, for many years we have witnessed UIF surplus grow to billions. Now, according to the unaudited financial statement, surplus stands, as you say, at R120 billion while labour division programme may have its merits not in its current form whereby there is no co-ordination across

governments. Weak administration of funds and duplication of programmes to match employment opportunities with UIF beneficiaries is evidenced by the failures of employment services of South Africa, under your Ministry, increasing unemployment rate at 26,6%. Now the question is, "What role will the minimum wage play to facilitate reintegration of discouraged workers and recently unemployed beneficiaries of UIF?" Is the department planning to send some of the UIF surplus to smooth in transition to a minimum wage? Thank you.

The MINISTER OF LABOUR: Hon Deputy Speaker, I think the issue of the minimum wage deals with the salaries of the workers and that they should not be paid below a certain amount of money. But there are challenges - for example, if the member wanted some other programmes under the UIF during the Unemployment Insurance Fund Amendment Bill, he was supposed to make those requests. I must say that UIF is a temporary insurance for the workers, in case the workers are retrenched and that is when they can be supported on those particular issues. As I have indicated, in terms of unemployment, we are contributing through the investment - through the PIC and Industrial Development Corporation, IDC, so that more people can be reintegrated into the labour market.

Mr M A MNCWANGO: Hon Deputy Speaker, arising from your response, hon Minister, with unofficial figures indicating almost 9 million people finding themselves unemployed in South Africa and with unemployment being the highest among our youth, we should be exploring all avenues to get all South Africans working. Our rural areas are rife with unemployment, what programmes, in particular, are identifying and assisting unemployed youth in these areas to find work and further develop skills? I appreciate the effort that has been done with regard to youth in the urban areas.

The MINISTER OF LABOUR: Hon Deputy Speaker, as I have even indicated, we are working together with the Department of Higher Education - particularly the Setas, and we have the skills exhibitions throughout the provinces where we go with the Setas to explain to young people which skills are needed for the economy. We also explain how young people can have access to funding through the Setas because when we work together with the Setas, each of us contributes 50%. Therefore, I will urge that even when we go to these skills exhibitions, it will be good if members of this House can come and see for themselves on how we deal with those particular issues - particularly when we go out with those programmes. And I also want to indicate that if we do the skills exhibition programme, we go with other departments

which exhibit. Sometimes you will find that young people are employed during those processes because those who exhibit go there and show them the vacancies they have and therefore young people will apply and will be interviewed on the spot and be employed there. Thank you.

Departmental response to litigation regarding Mining Charter

169. Mr J R B Lorimer (DA) asked the Minister of Mineral Resources:

How is his department responding to any litigation regarding the Mining Charter? NO1986E

The MINISTER OF MINERAL RESOURCES: Deputy Speaker, as we have said in the portfolio committee, the department is opposing the litigation accordingly. Opposing affidavits have been filed and the application for joinder by Adv Hulme Scholes has since been successful. At the same time, the department has been engaging with the Chamber of Mines with a view of finding a solution outside the courts. I can report in this House that our engagements are progressing well.

Mr J R B LORIMER: Thank you, Deputy Speaker. Minister, throughout this process of engaging with the Chamber of Mines, I believe that the situation is different from what it was in the past with Mining Charter 1 and 2 where there was a negotiation, in that now the department is just saying what it is going to do. I believe in the Scholes' case, which is still on, that you have not even contacted Adv Scholes to see if you can organise a settlement. The department is also dragging its feet on that case. It has failed to meet legal deadlines and it was set on the unopposed roll because the department had not filed an affidavit at one stage.

Now the department is dodging a court date by saying it can't go to court on the Adv Scholes matter this year. Minister, are you going to come to this Parliament to pass the Mineral and Petroleum Resources Development Act, MPRDA, before clearing up the legal challenges, and are you going to do that knowing that the Mining Charter may be overturned in court?

The MINISTER OF MINERAL RESOURCES: Well, you and I have a responsibility of ensuring that the MPRDA comes to this House, and is passed by this House. We are well aware that the issue of Adv Hulme Scholes is going back to court filing and we are ready to oppose that measure. As I have said, the stakeholders are

engaging on this matter and we are finding a way forward. Thank you.

INKOSI Z M D MANDELA: Ndiyabulela Sekela Somlomo. [Thank you Deputy Speaker.]

Hon Minister, what are the implications of the draft Review Mining Charter on the provisions of the Broad-Based Black Economic Empowerment Act, Act 53 of 2003, and the Department of Trade and Industry codes, collectively referred to as the Department of Trade and Industry laws, and how will the draft Review Mining Charter benefit the previously disadvantaged entrepreneurs and the mining community?

The MINISTER OF MINERAL RESOURCES: The Mining Charter is currently under review, hon Mandela. We have since received positive inputs from various stakeholders, including the matter that you are raising. We are positive that the outcome of the Mining Charter will take us all forward on these matters. I may not be able at this stage to specifically raise issues as you know that we are busy engaging on the Mining Charter. Thank you.

Adv H C SCHMIDT: Hon Minister, you will agree that any responsible government would have a contingency plan in place,

should the department lose a court case instituted by Adv Hulme Scholes against the department in respect of the Mining Charter. This contingency plan would of course prevent chaos, should the MPRDA inclusive of the Mining Charter be found to be unconstitutional due to its vagueness. The question is: What contingency plan does your department have in place should it lose a court case, and if you do not yet have a contingency plan, what are you still doing in government as the Minister of Mineral Resources?

The MINISTER OF MINERAL RESOURCES: The spirit by the department is not to go and stay in courts in resolving our matters. We are engaging all the stakeholders that are there and we are allowing those who want to court, like Adv Scholes, to go. As I have said earlier on, we will oppose that matter. In opposing the matter, we have facts that we believe the courts will rule in our favour should we get to courts. The Mineral and Petroleum Resources Development Act, as we speak, has gone the processes that it should go; and in terms of our view as the department, we don't see the vagueness that the member is talking about.

Mr L G MOKOENA: Minister, the MPRDA has not been signed into law and it has been three years now. It was brought back to Parliament and the paralegal services, the portfolio committee

and the state attorney have all said that there is nothing unconstitutional about it. Now, what measures will you put in place to make sure that we are able to continue as a country because at the moment there is no framework, and what were the reasons why the MPRDA has not been signed into law so far? Thank you very much.

The MINISTER OF MINERAL RESOURCES: Hon member, you will remember as the member of the portfolio committee that we did talk about the MPRDA earlier today and we both resolved amicably on the way forward. However, let me say in moving forward that, what made the MPRDA not to be signed up to this point is that there were four issues that were raised by the President and taken back for those issues to be corrected. That is why the MPRDA is currently with the portfolio committee because those issues have since been attended to, and I am confident that we will, in time this year, be able to approve the MPRDA.

**Particulars regarding forensic audits with regard to contracts
signed by state departments exceeding R10 million**

193. Mr N F Shivambu (EFF) asked the Minister of Finance:

- (1) Whether the National Treasury conducted a forensic audit or any form of investigation with regard to contracts signed by state departments to review the number of such contracts exceeding R10 million; if so,
- (2) was Eskom's coal contract which involves a certain company (name furnished) one of the contracts investigated; if so, what was the outcome of the specified investigation?

NO2010E

The MINISTER OF FINANCE: Deputy Speaker, our response is as follows. The National Treasury has previously conducted forensic audits and reviews of contracts across government above the value of R10 million - that is, contracts above the value of R10 million. And, yes, the coal contract between Tegeta Exploration and Resources and Eskom is amongst the coal contracts reviewed. Eskom has delivered all the relevant reports and information required by the National Treasury. These reports were delivered on Tuesday, 30 August 2016, at midnight. National Treasury is evaluating the reports and will soon be concluding this evaluation process. Thank you.

Mr N F SHIVAMBU: Speaker, the CEO of Eskom, Brian Molefe, is in the pocket of the Gupta family. They control him. They tell him what to do, when and how - every day. He came here to Parliament to the Portfolio Committee on Public Enterprises to say, amongst other things, that maybe the Gupta family had captured the National Treasury - that is he what he said - because National Treasury is the one that has preapproved the hundreds of millions of rand which National Treasury paid into Tegeta Exploration and Resources to supply coal. The money was paid upfront. Is National Treasury captured by the Guptas, as Brian Molefe suggested, and why did you pre-approve such an amount of money for a company of Guptas who all of you agree has captured the President of the ANC?

Mr B A RADEBE: On a point of order, Chair. [Interjections.]

The DEPUTY SPEAKER: Yes, hon member?

Mr B A RADEBE: The member has just insinuated that the President is captured by the Guptas. That thing must come to a substantive motion. Can you make him to withdraw that, please?

The DEPUTY SPEAKER: Hon member, I will come back to that one because ... Hon members! The language we use in the House not

only about Members of Parliament but also about officials who are not able to respond on their behalf for themselves, we should not speak about them in a disparaging manner. I suggest that we be careful about doing that. Yes?

Mr N F SHIVAMBU: What Rule is that which you have just made reference to now?

The DEPUTY SPEAKER: Hon member, I am pointing out to you ...

Mr N F SHIVAMBU: Can you give us the Rule that gives you what you have just said now?

The DEPUTY SPEAKER: Hon member, I will give you the Rule. Please take your seat.

Mr N F SHIVAMBU: Please do before the end of this session.

The DEPUTY SPEAKER: No, no. Take your seat. Take your seat. You must do that. I'll do that. Don't worry. Don't worry, hon member. It is not a mystery. Hon Minister, proceed.

The MINISTER OF FINANCE: Deputy Speaker, firstly, as a representative and as the head of the National Treasury, I stand here as a free, uncaptured individual - by anybody.

Our job as the National Treasury is to serve South Africa as a whole to ensure that all the legislation that is assigned to us by the President is dealt with in a fair, equitable and legal manner, and to ensure that all our decisions are in compliance with the law. I'm not sure where these preapproved finance issues are, but if the hon Shivambu could give me more facts, we would certainly look into that. I thought it was Eskom that prepaid certain amounts of money, not the Treasury. But that might be a question of argument at the end of the day.

So let's be absolutely clear: It's funny how, in our society at the moment, there is such a well-orchestrated campaign about who is captured by whom, when the facts are fairly clear about where the influences lie and what the purpose of these influences is. And, at the end of the day, it is advantaging certain groups of people to the disadvantage of 55 million citizens, which is the concern of the National Treasury and the Ministry of Finance.

Secondly, let me say that section 217(1) of the Constitution stipulates that when any public entity contracts for goods or

services are contracted, it is required to use a system that is fair, equitable, transparent, competitive and cost-effective. In addition, in line with section 54(1) of the Public Finance Management Act, which is administered by the National Treasury, the accounting authority for a public entity must submit to the relevant Treasury or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed, or as the relevant Treasury or the Auditor-General may require.

Chapter 13 of the Constitution further mandates the National Treasury to ensure transparency, accountability and sound financial controls in the management of public finances in line with section 6 of the Public Finance Management Act, and the Treasury is empowered to prescribe uniform Treasury norms and standards and monitor the implementation of the Act including any prescribed norms and standards.

Now, these ...

The DEPUTY SPEAKER: Thank you, hon Minister.

The MINISTER OF FINANCE: ... constitutional obligations are what make the National Treasury the target of certain individuals and entities.

The DEPUTY SPEAKER: Hon Mahlangu?

Ms D G MAHLANGU: Thank you, hon Deputy Speaker. Hon Minister, from the investigation conducted by National Treasury, what is the assessment of the performance in the overall compliance of state departments with Treasury regulations and are departments more compliant now than in previous years? Thank you.

Mr N F SHIVAMBU: On a point of order ...

The DEPUTY SPEAKER: What's your point of order, hon member?

Mr N F SHIVAMBU: The Rules of the National Assembly that deal with questions are such that when we ask a follow-up question it must be a related question. At question now is the question of Eskom and how the National Treasury has conducted itself in relation to Eskom. Why, now, is a new question - completely new - that relates to national departments being asked and must be responded to? If she wants to ask a question, she must ask an original question and not jump on my question and want to

smuggle in other issues. It's not allowed in terms of the Rules of the National Assembly. It's as simple as that, and I'm sure you know that, Deputy Speaker. You must dismiss that question and take the next list of questions that are coming.

The MINISTER OF FINANCE: Let me make it for the hon Shivambu's benefit and, correctly so, specific to Eskom. As I explained, we have just recently received all the information that the CPO requires. Give us time to evaluate what this information is and, once the process is complete, we will be in a much better position to answer the question. Thank you.

Mr D J MAYNIER: Speaker, we can only hope that the ambassador from Saxonwold sitting over there is listening to the Minister of Finance. Now, the Minister must be aware that Brian Molefe claimed Eskom, "has been co-operating with National Treasury's review of its coal contracts with Tegeta". But the chief procurement officer, Kenneth Brown, claimed publicly that Brian Molefe was lying. So, would the Minister tell us whether he supports and indeed stands by the view held by the chief procurement officer, Kenneth Brown, that Brian Molefe was lying when he claimed Eskom was co-operating with National Treasury?

The MINISTER OF FINANCE: The hon Maynier is usually quite good at doing his research, so he would have read the media statement issued by the National Treasury on 29 August 2016, that is, prior to the submission of documents on 30 August 2016. In this press statement, as matters stood at that point in time - that is 29 August 2016 - we make this very clear:

The National Treasury is surprised by media reports of Tegeta ...

This is the Gupta-related company -

... "warning" and threatening to interdict the department should it release a report into its investigation of Eskom's coal contracts.

National Treasury has also noted with concern the statement issued by Eskom on Sunday, 28 August 2016, suggesting that it has been co-operating with the process of reviews of the coal contracts. The National Treasury would like to categorically state that its efforts have met resistance.

Subsequent to that, Minister Brown instructed, to the best of my knowledge, Eskom to submit the necessary documents, which has

been done as I recorded earlier on. And, as I also indicated - in line with our constitutional responsibilities - the necessary assessment of the matter is actually currently taking place, and when Mr Brown addressed himself to the public through the media, he was absolutely right as matters stood at that point in time.

Mr N SINGH: Thank you, Deputy Speaker. Hon Minister, I think it is public knowledge - and all of us are aware - that there was a serious public spat between Eskom and Treasury on this particular matter, which you have referred to. And you quite correctly say that it took the intervention of the Minister of Public Enterprises - and we don't know why - for Eskom to respond to this 172-page report. I don't know, Minister, if you are aware ... Why did it take Eskom such a long time and why did they have to be coerced into responding to legitimate questions which are within the right of Treasury, as enshrined in the Constitution of our country? And, was there insistence from Treasury that the board of Eskom had to approve the contents of the report before it be submitted to Treasury? Thank you.

The MINISTER OF FINANCE: Why it had to be coerced I don't know. I think Mr Molefe is on public record as defending his position as far as this particular family is concerned. There is no doubt that as South Africans we have to ask the question why both in

this Chamber and elsewhere we spend such an inordinate amount of time discussing one family's influence in this country.

[Interjections.] It is amazing. [Applause.] Don't we have discussions on how we are going to create 20 million jobs? Don't we have the obligation to ask the question: How do we through, the various agencies that we are referring to, create more investment in our country? You have to ask how you would create a better and more stable economic environment, rather than whether you are pro Gupta on anti Gupta. And, of course, I can give you my personal experience that the minute you criticise them, all of the armoury is opened up, whether on television or in the print media, or whatever the case may be.

So, hon Singh and Deputy Speaker, with deep respect, perhaps the best person to answer your question is Mr Molefe himself.

Particulars regarding proclamation of fishing communities as beneficiaries of small-scale fisheries policy

202. Mr P D N Maloyi (ANC) asked the Minister of Agriculture, Forestry and Fisheries:

(a) How many fishing communities have been proclaimed as beneficiaries of the small-scale fisheries policy and (b)

have the specified fishing communities received any direct benefits from the designated status?

NO2020E

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Deputy Speaker, hon Maloyi, thanks for the question. A total of 316 communities submitted an expression of interest to the department to be considered in the implementation of the process of small-scale fishing policy. The department conducted an extensive registration verification process in the respective communities from 30 March 2016 until 20 August 2016 to determine if the members of these communities met the small-scale fisheries criteria. The department has subsequently completed an assessment of the Northern Cape communities and made an announcement on 26 August in the Northern Cape regarding the provisional list of recognised small-scale fishers.

An announcement in other provinces will follow once the assessment work is concluded. After the announcement an appeals process will follow before the provisional list can be finalised. It will be at this point when the department will be able to proclaim the number of small fisheries per small-scale fisheries community. Currently no small-scale fisheries communities have been proclaimed and no small-scale fisheries co-operatives have been established.

Furthermore, small-scale fishing rights have yet to be granted hence the no-scale fishing community has received the benefits under the small-scale fishing policy at this stage. But we can assure that this work is taking place to ensure that small-scale fishermen and fisherwomen are given the rights, as the people of this country, not to be harassed when they go and fish or be exploited by unscrupulous people who are in this business.

Mr P D N MALOYI: Deputy Speaker to the hon Minister, I went through the site of the department and I had an opportunity to read the booklet on small-scale fisheries. It is quite informative and I am happy that if we are to adhere to the process as outlined in the booklet we will be able to achieve our intended objectives. I invite all other Members of this institution to also go through that site because as people who play an oversight role it will assist them to do their work properly. Now, having said so Minister, in your elaborative answer that you have just presented to this House, it is clear that you are saying the small-scale fishing rights are yet to be granted. Can you share with us when will you grant such rights to small-scale fishing communities? Thank you very much.

[Applause.]

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: According to our plans we have made a point that a basket of species for small-scale fishing communities will be done by March 2017. The reason for doing that is to ensure that those people, for the first time in the history of fishing in this country, would have rights to go and fish on the basket of fishes they have been allocated without fearing anybody. That will be the time when they will have dignity and be able to enter the market space marketing their own product.

Mr M N PAULSEN: Deputy Speaker to the hon Minister, the small-scale fisheries policy is silent on the plight of traditional subsistence fishing communities living in close proximity to areas now declared as Marine Protected Areas, MPAs. These marine protected areas then exclude people from accessing marine resources as is the case in Port Nolloth and Alexander Bay in the Northern Cape and as is the case in Dwesa and Cwebe in the Eastern Cape. What is your department doing to ensure that the conservation agenda is not used to prevent poor black communities from accessing marine resources? Thank you very much.

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Deputy Speaker, this work of declaring some of the areas as MPAs is

done by the Department of Environmental Affairs. The reason for doing that is to allow spawning to take place so that fish can multiply especially on species that are under stress. I understand and I agree with you that science has shown that some of the areas like in Tsitsikamma, a small-scale fishing of small-scale fishers can take place without endangering those processes. But when that was done last year by the Department of Environmental Affairs, they were taken to court by NGOs. That matter is before court. I can assure you that we are dealing with that because the aim is to ensure that fish can be allowed to spawn and their numbers increase but it is not meant to declare people or to make sure that it becomes permanently disallowed to earn their livelihood around that. And I therefore hope, Mr Paulsen, that you will join the department when we go to court, maybe you can march better to realize the interest of those communities. Thank you very much. [Applause.]

Mr M L W FILTANE: Hon Deputy Speaker to the hon Minister, for the communities that live along the coast, fishing is for them a matter of life and death. Literally, so many of them depend on daily fishing in order to have any meal at all. So far, efforts by government to ensure effective empowerment have not brought or yielded the desired results. Now given the situation as outlined above, what socioeconomic impact is this gesture likely

to have on the beneficiaries? I have taken note of the date that you have just given when responding to the earlier question but I would still love to know if the department has measured the expected socioeconomic impact so that we can see a smile on the faces of those people. Thank you.

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Hon Chair, to the hon Filtane, I believe that if you were to visit the cited site and look at what the intentions of the department are. One of the key things affecting our small-scale fishermen, if you can drive towards Qolorha you will find fishermen using orange bags catch different fish species but who do not know where they will sell that fish. They are being exploited currently. Those who are clever and who have got means will buy that crab for R90 and sell it for R400. This is what we are faced with today. We want to give them the right to go and fish without any fear of being chased by anybody and to look even at the methods and facilities they use in fishing. We want to give them the right not only to fish without fear, but to be able to sell and get extra income. They are currently being exploited.

I am confident that we will be thorough in the work that we are doing. And where there are complaints we will make sure that processes of appeals are taken. This policy is so clear and I

believe that people from Bizana up to KwaZulu-Natal, KZN, who are being exploited currently, will find it better under this current provision. Thank you very much.

Mnu R N CEBEKHULU: Sekela Somlomo, mhlonishwa Ngqongqoshe, ezimpendulweni zakho kuyacaca ukuthi kunokhalonyana olusazohanjwa. Engifisa ukukwazi ukuthi eMnyangweni ikhona yini imizamo ekhona yokulekelela intsha ekutheni nayo ikwazi ukungena emkhakheni wezokudoba ukuze ikwazi ukuziphilisa ivule namathuba emisebenzi kubona bonke abanye abantu ngaphandle kokuthi yethembele ekuqashweni yilabo abangabadobi abakhulu. Ngiyathokoza. *(Translation of isiZulu paragraph follows.)*

[Mr R N CEBEKHULU: Deputy Speaker, hon Minister, it is clear from your responses that there is still a long way to go. What I would like to find out from the department is if there are any attempts made to assist the youth to go into fishing so that they are able to make a living and create job opportunities for everyone without them being dependent on being hired by those who have fishing rights. Thank you.]

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Ndabezitha, ngiyathokoza. [Your Highness, thank you.]

And I would like to say that we are concerned about youth unemployment. We would like to make sure that our youth form part of this new venture so that they can be empowered. By the way, I am sure you will agree with me that on the coastal areas of KwaZulu-Natal, young people are currently working for those with fishing rights, pushing their boats into the ocean and expecting to be given just a token. We want to change that. Young people belong to this department and we will make sure that they play a major role in that process. We are busy going, by the way, to visit even amaKhosi [Chiefs] so that in doing that we can be able to ...

... ukunika isithunzi kubantu bezwe lethu. Baziqhenye ... [... giving dignity to the people of our country. They must be proud ...]

... of staying next to the ocean. Not just to stay there and count ships that are passing by, without doing anything.

Particulars regarding (i) progress made interms of investment in renewable energy resources and (ii) decision not to sign further contracts with independent power producers

179. Mr J A Esterhuizen (IFP) asked the Minister of Energy:

- (1) With reference to her reply to question 275 on 8 April 2016, and in light of the high cost of energy distribution across the country and to the many expansive rural communities and villages that characterise the South African landscape, what progress has her department made in ensuring that Eskom invests in cost-effective renewable energy resources;
- (2) whether, with reference to Eskom's alleged decision not to sign any further contracts with independent power producers, she has found that Eskom is not in transgression of any of its rules and regulations in order to protect the power utility's expansion into nuclear as a source of energy; if not, what is the position in this regard; if so, what are the relevant details?

NO1996E

The MINISTER OF ENERGY: Deputy Speaker, as part of the National Electrification Strategy, rural areas are either supplied by grid or nongrid technologies, but technology choice is dependent on amongst others grid access, socio-economic development, developmental policies of government and our Electrification Master Plan.

More than 124 000 systems have been successfully implemented under national integrated energy programme. This programme is assisting considerably towards energy savings in the country as well as a whole and I would like to thank Minister Lynne Brown and Eskom for the role in the Integrated National Energy Plan, INEP.

The department is working very closely with the Department of Public Enterprises and Eskom in particular and National Treasury as well, to discuss the concerns related to the Independent Power Producers, IPPs, programme and once such consultations are concluded, and a government position will be announced on the issue of the IPPs, the renewable IPPs in particular. At this stage the IPP programme continues in its current shape and form and continues to form an important of our energy mix.

I would like to add on the matter of the Mineral and Petroleum Resources Development Act, MPRDA. We support Minister Zwane, in the work he is doing on the MPRDA. The Minister has done quite significant work on the Act since it impacts on the Department of Energy as it relates to petroleum and gas resources. We are convinced that the Department of Energy and the Department of Mineral Resources would be able to take this legislation through Parliament quite soon. Thank you, Minister Zwane, for that.

Mr N F SHIVAMBU: On a point of order.

The DEPUTY SPEAKER: Yes, what is the point of order?

Mr N F SHIVAMBU: I think the Minister is for ... I don't know for what purpose is deliberately misleading this House because Zwane now knows nothing about MPRDA ...

The DEPUTY SPEAKER: Hon Zwane, hon Shivambu, hon Zwane.

Mr N F SHIVAMBU: He is working on an amendment Bill ... Well, Mr Zwane. So, to say that we thank him for the work he is doing with the MPRDA ... [Interjections.]

The DEPUTY SPEAKER: Hon member, that is not a point of order. Take your seat!

Mr N F SHIVAMBU: Which work has he done? It is just misleading.

The DEPUTY SPEAKER: That is not a point of order.

Mr N F SHIVAMBU: Because he found a Bill here. He has not done anything because the Bill has not been signed.

The DEPUTY SPEAKER: Hon member, you are making a political statement and that is not a point of order.

Mr N F SHIVAMBU: [Inaudible.] ... mislead us like that?

The DEPUTY SPEAKER: Hon member! Hon Esterhuizen! Hon members, you have a responsibility to obey the rules that have been agreed to in the House. If you don't, you are going to suffer the consequences of that. Go ahead, hon member. No, we will take action according to the Rules. Go ahead, hon member. Hon members, order. Stop shouting, you are supposed to be hon Members of Parliament. What is wrong with you? Go ahead, hon member. Please ignore them. Go ahead. No.

Mr J A ESTERHUIZEN: Deputy Chair, for Eskom as a coal based power producing monopoly, the rise of renewables as a competition is a problem. For South Africa, its economy and people, renewables must form a vital part of the energy solution. At the end of the day, hon Minister, the government as the main shareholder in Eskom must act in the best interest of us all. Their failure in doing so showed in the results of the latest local election.

Given the contradicting statement made by Eskom, Minister, and it always seem unfair to ask you questions about Eskom, and I think it falls more in Minister Brown's domain, but how you see renewables? Do they still fit into the future government energy supply solutions in this country? Thank you.

The MINISTER OF ENERGY: Renewable energy is part of our country's energy mix. It is written in our government policy. The integrated resource plan actually commits this ANC government to renewable energy. I thank you.

Ms Z JONGBLOED: Sorry chair, it was a mistake.

The DEPUTY SPEAKER: Oh, it is not hon Jongbloed. Sorry.

Mr M M DLAMINI: Deputy Speaker, you know, Minister, what is clear now is that the municipalities are mismanaged especially under the ANC government, especially under this current useless Minister called Mr Des. So ...

The DEPUTY SPEAKER: Hon member, you can't call hon Minister useless. That is not appropriate.

Mr M M DLAMINI: But Gwede Mantashe said he is useless, not me.

The DEPUTY SPEAKER: Hon member, when you are called like that, you are going to object. So, don't call anybody like that. Please.

Mr M M DLAMINI: No, but Gwede Mantashe said so, I am just repeating what Gwede Mantashe said.

The DEPUTY SPEAKER: No, don't repeat it, hon member.

Mr M M DLAMINI: He said Mr Des ... [Interjections.]

The DEPUTY SPEAKER: Hon member, Rule 82 and 84 says you mustn't use language that is inappropriate and disrespectful. Don't do it, please.

Mr M M DLAMINI: But it's Gwede Mantashe ...

The DEPUTY SPEAKER: Just withdraw it, hon member. Withdraw that.

Mr M M DLAMINI: Which one?

The DEPUTY SPEAKER: I told you Rule 82 and Rule 84 please withdraw it.

Mr M M DLAMINI: So, what should I withdraw?

The DEPUTY SPEAKER: Withdraw calling the member what you called her.

Mr M M DLAMINI: Which one?

The DEPUTY SPEAKER: Hon member, if you don't want to withdraw what I said you should withdraw, which is calling the Minister ... no, take your seat. There is a Member ...

Mr N F SHIVAMBU: Point of order.

The DEPUTY SPEAKER: Hon member!

Mr N F SHIVAMBU: You must learn to communicate clearly. What do you want him to withdraw?

The DEPUTY SPEAKER: Hon Shivambu? Speaking without being recognised, you are out of order. You are even disrespecting of your own member. No, the answer is no. Hon member, please withdraw that statement.

Mr M M DLAMINI: Which one?

The DEPUTY SPEAKER: And if you don't want to withdraw... What were you saying you are repeating?

Mr M M DLAMINI: So, I must withdraw from the stand ...

The DEPUTY SPEAKER: What were you saying you are repeating the Minister?

Mr M M DLAMINI: But can you clarify me here, Deputy Speaker, which one should I withdraw?

The DEPUTY SPEAKER: Hon member, please withdraw the statement that you made, which you said you are withdrawing. You are reinstating.

Mr M M DLAMINI: I didn't say I am withdrawing anything. I am asking you.

The DEPUTY SPEAKER: Okay, hon member, if you refuse to withdraw ... [Interjections.]

Mr N F SHIVAMBU: On a point of order.

The DEPUTY SPEAKER: Hon member, you going to have to leave the Chamber. [Interjections.]

Mr N F SHIVAMBU: On a point of order.

The DEPUTY SPEAKER: I told you explicitly.

Mr N F SHIVAMBU: On a point of order.

The DEPUTY SPEAKER: Hon Shivambu! I ...

Mr N F SHIVAMBU: I am rising on a point of order.

The DEPUTY SPEAKER: What is your point of order?

Mr N F SHIVAMBU: It is allowed.

The DEPUTY SPEAKER: On what basis?

Mr N F SHIVAMBU: The point of order is that the member has got a right to ask which statement you are asking him to withdraw.

The DEPUTY SPEAKER: I answered that question, hon member.

Mr N F SHIVAMBU: Or to withdraw everything there?

The DEPUTY SPEAKER: Hon Shivambu, please take your seat. I answered that question.

Mr N F SHIVAMBU: Yes, you must answer it. He still he doesn't understand, satisfy the fact that it must be understood.

The DEPUTY SPEAKER: I have answered that question. Take your seat.

Mr N F SHIVAMBU: He said Des is useless because Gwede Mantashe said it.

The DEPUTY SPEAKER: Hon member, you have adopted Rule 82 and Rule 84. You will not call another member that. It is disrespectful ... [Interjections.]

Mr N F SHIVAMBU: But he is repeating what Gwede Mantashe said.

The DEPUTY SPEAKER: ... It is unacceptable language and I am suggesting that you withdraw it both of you and if you don't, you know what you must do.

Mr N F SHIVAMBU: We withdraw the words of Gwede Mantashe.

Mr M M DLAMINI: Deputy Speaker, I also withdraw the words of Gwede Mantashe.

The DEPUTY SPEAKER: Hon members!

Mr M M DLAMINI: Yes. But I withdraw.

The DEPUTY SPEAKER: You are demonstrating contempt. I suggest to you that if you continue to do that hon member, you will have no chance, but you will have to go out of this Chamber.

Mr M M DLAMINI: Okay, I withdraw. Can go ahead? I withdraw.

The DEPUTY SPEAKER: Go ahead.

Mr M M DLAMINI: You are happy?

The DEPUTY SPEAKER: The Rules require you to be expressly unconditional.

Mr M M DLAMINI: Okay, no problem. Let's go. Minister, the fact of the matter is that the people that owe money to the

municipalities that makes the municipalities fail to pay Eskom - lot of them are pensioners. Lot of them are indigenous people, who are unemployed and who have no chance of settling that bill going forward.

So now Minister, don't you think is a sensible thing from your Ministry to intervene by settling that debt or writing off that R10 billion debt that is owed because the reality is that our people are unemployed and even the Treasury is saying the economy is going up, but it is a jobless economy. So, that means there are people who have no chance of getting a job. So, don't you think is a sensible thing to intervene that we must write off that debt that is owed by our poor people? Can you please help on that, our Minister? But there is no stew municipality.

The MINISTER OF ENERGY: Hon member, its quiet ironic that you can call a Minister useless, yet you yourself do not understand how debt collection works. Eskom is responsible for debt collection.

Ms H O HLOPHE: Order, Chair! Chair!

The MINISTER OF ENERGY: Now I take strong inceptions that you call a colleague useless when you yourself do not understand how debt collection looks.

The DEPUTY SPEAKER: Hon Minister, please hold on. Yes, hon Hlophe.

Ms H O HLOPHE: Chair, I think the Minister is out of order because he has withdrawn to that fact. So, why the Minister is venting on that one? Who gave her the mandate to question the member?

The DEPUTY SPEAKER: No, hon member, this is precisely why we suggest to you not in the first place begin using inappropriate language.

Ms H O HLOPHE: But he withdrew, Chair.

The DEPUTY SPEAKER: Take your seat!

Ms H O HLOPHE: So, he withdraws. So, what is the use of the Minister to question him because he withdraws those words?

The DEPUTY SPEAKER: Hon member, please take your seat! We heard that in the House.

Ms H O HLOPHE: No, you are so unfair, that's why Gwede said so.

The MINISTER OF ENERGY: Hon Deputy Speaker!

The DEPUTY SPEAKER: Proceed hon member.

The MINISTER OF ENERGY: Hon Deputy Speaker, we have to make it to generate more revenue at a local government level.

Mr N F SHIVAMBU: On a point of order!

The DEPUTY SPEAKER: Hon member, let the Minister finish.

Mr N F SHIVAMBU: Can I ... I am rising on a point of order on an event that happens when she was speaking now. I can't rise a point of order when is too late. I don't want to do like Mr Makwetle does.

The DEPUTY SPEAKER: What's your point of order?

Mr N F SHIVAMBU: The essence of what this Minister is saying is that our hon member here is useless and he shouldn't refer to Mr Van Gupta Royen as useless. That's what she is basically saying. If we listen to the essence of she is saying, she says that how you can refer to that person when you do not understand dept collection, basically trying to throw what you said must be withdrawn back at him. So, we stand up to call a point of order for you to be consistent that she must withdraw that innuendo and then we move on properly.

The DEPUTY SPEAKER: Hon members!

Mr N F SHIVAMBU: You must withdraw or you must chase her out of the House because that is what you threaten to do with us. You must be consistent with the Rules. It's as simple as that.

The DEPUTY SPEAKER: No, hon. Hon Shivambu, it is you who's consistently out of order. [Interjections.] No, that point of ... Hon members, I have told you and the hon Dlamini and other members of the House to recognise why it is important that you obey the Rules that you adopted here because it creates precisely what you are complaining about. Hon members, I am making a ruling that we don't proceed on this line. There are members who have asked questions who are waiting for their

responses to their questions and they do want supplementary questions. So, we proceed on that ground. Go ahead, hon Minister.

Ms N V MENTE: Deputy Speaker! [Interjections.] Deputy Speaker!

The DEPUTY SPEAKER: Hon members, I will rule subsequent to this I would not rule now. Take your seat, please!

Ms N V MENTE: I will come back.

The DEPUTY SPEAKER: Go ahead hon member. Minister, please go ahead.

The MINISTER OF ENERGY: Deputy Speaker, we have been able to generate more revenue at a local government level. Thanks to Eskom and local government. So, in fact the capacity of municipalities that have been strengthened and the collection of debt has become a priority for Eskom.

The Department of Energy does not collect debt and does not write off debt. So, we are there to ensure that we develop policy. For now, our concentration is on illegal connections. We have found that illegal connections in fact are responsible for

quiet considerable tariff collections of Eskom and the price increases of tariffs actually have a very good and narrow and a sound connection with illegal connections.

So, we are addressing for us now is not about recovery of debt alone, but also about illegal connections and how we address those illegal collections. Thank you, hon member.

The DEPUTY SPEAKER: Hon Kupane.

Mr G MACKAY: So, Deputy Speaker, there is some confusion with switchers, I am Mr hon Mackay who is addressing the question.

The DEPUTY SPEAKER: I definitely know you are not Kupane.

Mr G MACKAY: I am grateful for that, Chair. I am a member of the committee if I may direct my question. Deputy Speaker if I may, there seems to be a problem with the switches at the back. Hon Mhlate pressed the button.

The DEPUTY SPEAKER: Okay. All right, go ahead hon member.

Mr G MACKAY: Minister, Gupta buddy, Zuma ally and Eskom CEO Brian Molefe were not auditioning for the Minister of Finances

job seems to be calling the shoots on a broad range of energy policy issues ranging from the independent power producer programme to the nuclear new build programme. This is creating major uncertainty in South Africa's energy market. Could you clarify once and for all who determines energy policy in the Republic? Secondly, how you plan to deal with increasing exuberant Mr Molefe? Thank you.

The MINISTER OF ENERGY: Energy policy is set by the Department of Energy. Mr Molefe reports to the Minister of Public Enterprises. Thank you.

Nkul R T MAVUNDA: Mutshamaxitulu, leswinene swa khensiwa, swi hoyodzeriwa na ku beriwa mavoko. Hi hoyodzela ku hungutiwa ka petirolo hi 18c na dizele hi 48c. (*Translation of Xitsonga paragraph follows.*)

[Mr R T MAVUNDA: Hon Chairperson, good things deserves to be praised, to be acknowledged and applauded. We would like to applaud the decrease in petrol by 18c and diesel by 48c.]

Hon Minister, Eskom's power purchase agreement with the Independent Power Producer, IPP, is negotiated with the Department of Energy. Can you share with us or provide clarity

on how the current round of electricity purchases with the Independent Power Producers, IPPs, will be finalised? Thank you, hon Speaker.

The MINISTER OF ENERGY: The power purchase agreements are concluded in conjunction with National Treasury, Eskom and the Department of Energy and the IPP office. The expedited round 4,5 is a matter of discussion within the IPP office, Eskom and the Department of Energy. I am sure that we will be able to resolve this matter quiet soon. I thank you.

**Particulars regarding households without electricity in
Uthungulu District Municipality**

204. Prof N M Khubisa (NFP) asked the Minister of Energy:

Whether there are any municipalities within Uthungulu District Municipality that have households without electricity; if so, (a) what is the total number of the specified households and (b) when will the electrification programme reach the specified households?

NO2022E

The MINISTER OF ENERGY: Deputy Speaker, there are approximately 13 500 households in the Uthungulu District Municipality without

electricity. The number of households per municipality without electricity as well as the separation between Eskom and municipality-driven projects will be listed in a spreadsheet to be submitted as a written reply after the sitting. The financial years in which these backlogs will be addressed are also indicated in the spreadsheet. I thank you.

Prof N M KHUBISA: Thank you, Deputy Speaker. Minister, the economy of the Uthungulu District Municipality, now the King Cetshwayo District Municipality, comprises 40,9% manufacturing, 15,2% mining, 11,9% community services, 8,7% finance, 8,5% transport, 5,3% agriculture and 2,1% construction. All of these depend on electricity. Now the question is, hon Minister: What plans does the department have in place to assist the district municipality to speed up its plan to address all the households you mentioned - 13 000 households - that are left behind in terms of electricity, whether universal electricity access plans or renewable energy plans? Secondly, has the department, together with co-operative governance and traditional affairs at a provincial level, and the district municipality tried to come up with any plans to ensure there are other alternative forms of energy? Thank you so much.

The MINISTER OF ENERGY: Thank very much, hon member. Thank you very much for that comprehensive question. We do work with Eskom and with municipalities to ensure that we can have household electrification and meet our universal access to energy needs within the next 10 years. We are convinced that we will meet those targets.

Regarding the Uthungulu District Municipality, we are indeed looking at off-grid solutions for electrification, because whilst the grid is under constraint, we have to look at alternatives and not wait for the grid to be expanded to certain areas. And, indeed, we did a pilot on off-grid electrification in the Nelson Mandela Bay Municipality. It worked out very well. We did it at an informal settlement in Nelson Mandela Bay and we will certainly be able to roll out the pilot in other municipalities. I hope we will be able to respond to you in that way. I thank you.

Mr G MACKAY: Thank you, Deputy Speaker. Minister, you have a great habit of claiming that you want transparency in all energy issues and then denying various pieces of documentation to the portfolio committee. I read to you now a legal opinion from Parliament's legal adviser, stating that in performing its functions the committee is empowered to summon any person to

produce a document it requires in carrying out its functions. With regard to the documents that may contain confidential information, the NA Rules provide a mechanism for the chairperson to declare the document as confidential and limit access to the confidential information.

Minister, will your department and will you yourself now abide by this legal opinion and provide the committee with all information relating to the Uthungulu District as well as the various nuclear documents which you failed to provide to the committee upon request, a request made almost eight to 10 months ago? Thank you.

The MINISTER OF ENERGY: Hon member Mackay, we issue requests for proposals for over 10 000 megawatts of renewable energy through requests for proposals and the IPP Office, or Independent Power Producer Office. You have never asked for any of those procurement documents.

Now, the requests for proposals for nuclear will be issued by the end of September. Those procurement documents will then be available. If you really want those procurement documents before we issue requests for proposals, I then make the procurement ...

Mr G MACKAY: Point of order, Chair. Sorry, Chair, the Minister has misconstrued the question. She is referring to the incorrect documentation. If I may clarify for the Minister's sake: I am referring to all nuclear documentation that was requested in the committee and the subsequent ones that are before the High Court in the Western Cape that we have also asked the Minister for and which she has also declined.

The DEPUTY SPEAKER: No, Minister, please complete your answer. The member proceeded without being given permission to proceed. Go ahead, hon Minister.

The MINISTER OF ENERGY: Thank you, hon Mackay. I think the hon member is being quite disingenuous. He has been asking consistently for the procurement documents. I am saying to him: those procurement documents will be ready by the end of September. The documents which you have presented to the High Court are the matter of a court case. So, once we have presented our documents to court and the court gives us permission to make those documents available to you, we will gladly do so.

Ms Z C FAKU: Thank you, hon Deputy Speaker. The electrification programme was endorsed after 1994 through the Reconstruction and Development Programme. This further resulted in the

establishment of the Integrated National Electrification Programme Business Planning Unit, or the Inep BPU, within the Department of Energy which led to addressing not only backlogs, but also newly built houses and informal households. This was as a result of the inefficiencies in the electricity distribution industry, EDI, owing to difficulties in networks that required serious upgrading. This has been the department's role in co-operating with the KwaZulu-Natal provincial government to solve some serious network constraints which resulted in the inability to roll out connections in some parts of KwaZulu-Natal. I thank you.

The MINISTER OF ENERGY: Hon member, thank you very much for that question and for your statement. I had raised the matter of transmission lines and we are working with Eskom and the Minister of Public Enterprises on the transmission network capacity of our grid and our country. The challenges encountered in increasing energy supply include, in the main, not only our transmission network but also our distribution capacity. So, improving the power capacity of certain substations and making sure that those substations are not compromised through illegal connections will indeed increase our energy supply in many provinces including KwaZulu-Natal. Thank you, hon member Faku.

The DEPUTY SPEAKER: Hon "Kgawula". Oh, "Khawula".

Nks M S KHAWULA: Hawu, Khawula. O, Khawula.

USEKELA SOMLOMO: Hawu ngiyaxolisa, Khawula.

Nks M S KHAWULA: Hawu ngiyabonga, hawu uyahlonipha kanti.

[Uhleko.] Ngqongqoshe lapho ngaphambili, ngizocela nje umbuzo uwuphendule ngoba unjalo, laphaya eWadini 54 eNanda, Newtown C, izingane azifundile isonto lonke ngenxa kagesi, aziyile esikoleni. E-101 e-Mayville abantu bakhona bakhelwa izindlu ugesi abanawo. E-102 e-Chopas [Akuzwakali.] ugesi abanawo abantu babulawa izinyokanyoka. E-Kenville bafa iminyaka ngeminyaka [uwufakazi, ugesi abanawo. Bese kuthi laphaya e-Rustenburg eNtshonalanga Esenyakatho kuwadi-30 nowadi-33, 35, ngonyake odlule ngo-Agasti, wabathembisa wena ukuthi bazobafakela ugesi, wathi ngo-Oktobha wothi uphela nje ngowezi-2015 ugesi uyobe ukhona.

Ngifuna ukwazi ukuthi Ngqongqoshe abantu bakithi abamnyama, yini inkinga yokuthi yonke into ibenzima ukuza kubona ikakhulukazi ugesi. Mawubheka kwezinye izindawo njenga ko-Durban North, e-Phoenix, ngeke ubone ugesi uphela. Ngifuna ukwazi ukuthi uzimisele ngani Ngqongqoshe? Ngicela impendulo angifuni ulokho

ushona le nalena ubika imbiba nebuzi. Ngiyabonga. [Uhleko.]

(Translation of isiZulu paragraphs follows.)

[Ms M S KHAWULA: It's, Khawula. Oh, Khawula.]

The DEPUTY SPEAKER: Oh no, apologies, Khawula.

Ms M S KHAWULA: Oh thank you, oh so you are respectful.

[Laughter.] Minister there in the front, I would like to request that you respond to the question as it is, at ward 54 in Nanda, Newtown C, Children haven't been schooling for a whole week due to no electricity, they are not at school. At 101 in Mayville there were houses built for the people but they don't have electricity. At 102 in Chopas [Inaudible.] they don't have electricity people are being killed by the people who do illegal electricity connections. At Kenville they are dying year after year you can attest to that, they don't have electricity. Then in Rustenburg in the North West in ward 30 and ward 33 and 35 last year in August, you promised them electricity, you said that they will have it by the end of October 2015. I would like to know why it is so difficult to provide services to our black people especially electricity. If you look at other areas like Durban North, Phoenix, you would never see them run out of electricity. I would like to know what your plan is, Minister?

Please respond and don't beat around the bush. Thank you.

[Laughter.]

The MINISTER OF ENERGY: Hon members, I would respectfully like to give you an exact response. So if you supply me with the details, I can respond accurately. As that is a follow-up question, I am not prepared to do some thumb-sucking. However, 90% of the household electrification budget is transferred to Eskom.

So, the implementation of household electrification actually happens at the municipal level and Eskom. We do not abdicate our responsibility. We do provide monitoring, evaluation and oversight. If you do provide me with the details - I'll personally request that you do so - I'll be able to provide you with detailed responses. But as that was a follow-up question, it is difficult for me to have those statistics at hand. Thank you.

Ms M S KHAWULA: Uxolo we Som ... hhayi, mane uthi hhe-e hhe-e ... [Excuse me Speaker ... no, just say no no ...]

The DEPUTY SPEAKER: Hon member, no, no, no. Don't do that. Yes, hon member?

Ms H O HLOPHE: Somlomo, nginephuzu lesincomo. Ngicabanga ukuthi Ngqongqoshe waya yena ewadini-54, yena ... [Speaker, I have a point of order. I think the Minister did go to ward 54 she ...] So she can't say that was a follow-up question.

Waya yena ngakho umama uKhawula ubuza ukuthi wena uye laphaya ngesikhathi sokhetho uthini manje ngoba awukho ugesi?

(Translation of isiZulu paragraph follows.)

[She did go but, hon Khawula wants to know that since you went there during the election time what do you say now that there is still no electricity?]

The DEPUTY SPEAKER: Hon member! Hon members, let's go to the next question. It is addressed to the Minister of Agriculture, Forestry and Fisheries by the hon Tongwane.

Ms E N LOUW: On a point of order, Deputy Speaker?

The DEPUTY SPEAKER: Yes, hon member.

Ms E N LOUW: Deputy Speaker, we can't have this the whole day - for three hours - you protecting these Ministers from answering questions. [Interjections.] We have come here for three answers

- we have prepared these questions - and your reluctantance and protection of these Ministers ... Every time they come here they don't answer. It is really unbecoming. We can't have this, Deputy Speaker. Let them answer the questions.

The DEPUTY SPEAKER: Hon member, in the beginning I said to you that a supplementary question must be one question. The hon member asked three supplementary questions. The Minister says that she will answer those questions in addition to what she said here. I'm not protecting the Minister. I have no interest in protecting her. [Interjections.] Just like everybody else wants to know the details, those answers will be provided. There is a process under way here to answer questions. My interest is in ensuring that as many of the Ministers present here as possible answer the questions that have been asked, and that is what I am moving towards. Yes?

Ms H O HLOPHE: Somlomo, nginephuzu lesincomo. Asizwani nawe futhi kwi-Chief Whips' Forum ... [Speaker, I have a point of order. We do not understand each other, and on the Chif Whips' Forum ...]

... you were not there for so long. We spoke about this - about the Chairs who are protecting Ministers. We also raised this in

the programming committee; you were not there. So, please, do the honourable thing: ask the Minister, because the Minister was there personally during elections and made promises to people. So people are watching at home. So, don't protect her; throw the question back to her - to answer the question.

Nks M S KHAWULA: Somlomo, nginephuzu lesincomo. Uxolo kancane lapho ngokukhulu ukuhlonipha, Sihlalo, ngiyaxolisa mntakwe ... ngiyabonga. Lento ngokomthetho asike siyibekeni nje lapho sithi uwenalhlala ezindaweni zabantu abamnyama. Kuyahlupha ukuhlala ezindaweni zabantu abamhlophe ngoba engikwaziyo ukuthi uNqgongqoshe unayo i-TV kwakhe. Uyabazi abantu ababulawa izinyokanyoka esebheleli iminyaka engamashumi amabili ezindaweni. Uyalwazi lolu daba manje uma uzomvikela. Yindaba nithi asibuze imibuzo pho? Musani ukudlala ngathi bafowethu.
(Translation of isiZulu paragraph follows.)

[Ms KHAWULA: Speaker I have a point of order. Excuse me there with all due respect, Chair, I'm sorry dear ... thank you. Let's say for instance that you are the one who stays in black areas. It's not good to stay in white areas, the one thing I know is that the Minister has a TV at home. You know people who died of illegal electricity connections who have beend in that situation for 22 years in their areas. You know about this I don't

understand why you are protecting him. Why do you ask us to ask questions then? Stop making a fool of us.]

The DEPUTY SPEAKER: Hon members, I plead with you to accept that we must proceed. Yes, hon Mokoena, on what point are you rising?

Mr L G MOKOENA: Chair, let's not let the House degenerate at this point in time. You misconstrued the question that the hon Khawula asked. She asked one question and gave four examples. She asked one simple question: What are you going to do for the benefit of those people who do not have electricity? You promised them electricity; you were there yourself. Please, let's get the Minister to answer the question, and let's not let the House degenerate.

The DEPUTY SPEAKER: Hon Minister of Agriculture, Forestry and Fisheries, please respond to the question.

Mr M M DLAMINI: Deputy Speaker, on a point of order ... On a point of order, hon Deputy Speaker: The Minister actually wants to answer this question. Could you allow her to answer, please? Please. She wants to answer. She is ready. I sat with her in the committee. She answers questions. Just allow her to answer this one. She was there during elections and she made a commitment to

those people. She must just answer. I know she can answer. Let her answer.

The DEPUTY SPEAKER: Please take your seat.

Mr H P CHAUKE: On a point of procedure, Deputy Speaker. Order!

The DEPUTY SPEAKER: Yes, what's your question, hon member?

Mr H P CHAUKE: I want to make the appeal that the Deputy Speaker apply the Rules of the House ... [Interjections.] ... because we are just degenerating into something else. That's an appeal that we are making, please.

The MINISTER OF ENERGY: Hon Deputy Speaker, I am quite prepared to answer the question. [Interjections.]

The DEPUTY SPEAKER: Go ahead, hon Minister. Go ahead.

The MINISTER OF ENERGY: The Integrated National Electrification Programme, or Inep, is what is used to provide household electricity. Hon member, I apologise if I did not answer that directly. I really apologise. I am younger than you. I will not disrespect you.

The Integrated National Electrification Programme caters for formal households. We have gone further to say that informal households are not part of this programme. I explained this further to the hon member. So, for the informal households, we now have renewable energy - solar energy - which we are doing directly with the municipalities in order to connect those houses without electricity much faster than in terms of Inep. I hope that now answers the question.

The DEPUTY SPEAKER: Thank you, hon Minister. Hon Minister, please proceed.

**Particulars regarding impact of drought on agricultural sector,
and assistance given to smallholder farmers**

203. Ms T M A Tongwane (ANC) asked the Minister of Agriculture, Forestry and Fisheries:

In light of the fact that in 2015 South Africa was hit by one of the worst droughts in Southern Africa in three decades, (a) what has been the impact of the drought on the agricultural sector with regard to employment and (b) what kind of assistance has been given to smallholder farmers, most of whom cannot afford insurance? NO2021E

MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Thank you Deputy Speaker, and thank you, hon Tongwane, for the question. According to Stats SA 2016, the total number of people employed in the agricultural sector declined by 5% in the second quarter of 2016, from 869 000 persons in the second quarter of 2015 to 825 000 persons in the second quarter of 2016. Of the 44 000 jobs lost in the sector in the second quarter of 2016 compared to the second quarter of 2015, 36 000 jobs were lost by women while 8 000 jobs were lost by men. In total, the agricultural sector comprised of 235 000 women and 590 000 men in the second quarter of 2016 compared to 286 000 women and 584 000 men the previous quarter. The decline reflects the effects of drought, global and local economic challenges.

The 2030 target set out in the National Development Plan of 6% unemployment rate seems unattainable under the current economic conditions. According to studies done by the National Agricultural Marketing Council and the Department of Agriculture, Forestry and Fisheries, DAFF, in 2016, in terms of jobs loss in industries, ... [Inaudible.] ... has lost employment with food and agricultural industries suffering the most. The biggest employment losses were found to be in the field of crops, mostly in sugar cane, which was 9,3% and livestock minus 8,7%.

These three depend mostly on grain-fed pastures or rainfall planting. It is important to note that the impact of drought on employment in all sectors stands to be negative. The intervention by government, mainly drought relief, through the Department of Agriculture, Forestry and Fisheries, including provinces, has assisted in saving some of the jobs that could have been lost due to drought. May I add to say that the Department of Land Reform was also part of this programme to save jobs in giving relief to small-scale farmers, to make sure that there is feed for animals?

DAFF and the provincial Departments of Agriculture allocated R268 million towards drought relief from the Reprioritized Comprehensive Agricultural Support Programme and ...

[Inaudible.] ... funds. Provinces made available R173 million through their equitable share funding to assist farmers with animal feed and water infrastructure projects such as facilitating drilling and equipping of stock water boreholes, and distributing of stock water equipments.

The following provinces made available a further R198 million from their equitable share to assist smallholder farmers during the 2016-17 financial year, continuing with livestock feed and

water. That is Free State, KwaZulu-Natal, Limpopo, Gauteng, the Eastern Cape and the Western Cape.

Let me say that, as we speak, part of Limpopo is still affected by drought, especially the area of Modimolle. Small-scale farmers are still suffering. Luckily, the Inter-Ministerial Committee, IMC, on Drought is meeting tomorrow to look at programmes to deal with that.

Ndiyambulela uTata uShivhambu xa esithi masidibane sibonisane ngale ngxaki endaweni yokuba silwe ngayo kuba abantu bakuthi bayasokola. Ndicela kwanjalo ukuba sijonge nale ngxaki yendlala sonke singamaqela ezopolitiko kwaye ndinethemba lokuba singavana kuba silwa imfazwe enye sisisizwe esintsundu. Enkosi.

(Translation of isiXhosa paragraph follows.)

[I thank Tata Shivhambu when he says we need to meet and address this problem instead of fighting about it because our people are in poverty. Again I would like to request that we need to address this issue of poverty, all of us as political parties and I hope we can agree on that because we are fighting the same battle as the black nation. Thank you.]

Ms T M A TONGWANE: Deputy Speaker, Minister, thank you for your response. What is your message then to the farmers in light of the projected continuation of the dry conditions?

[Interjections.]

MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Our message to the farmers is that they remain optimistic and cautious in carrying out their farming activities, especially those in livestock, to ensure that the numbers in grazing areas do not cause overgrazing. In areas where you are going to plant, you should be careful as to which crops you are planting. You should also join our campaign and embrace the Climate Smart Agriculture programmes to ensure that you don't use the methods that you have used before, so that the crops that you have planted can succeed.

As the department, we will also make sure that we avail the 20% seed that is drought resistant. We call upon farmers not to lose hope. As a department, we are with them to make sure that they are able to continue with producing food.

Ms A STEYN: Thank you, Deputy Speaker and thank you for the answer, Minister. We have been asking questions about the drought since 2014. I have received a few written answers from

you and the Deputy President about the work that your department and government are supposedly doing. You know that I asked you last week in the portfolio committee to provide us with a full written response of where boreholes have been drilled and what feed has been given to farmers. I have travelled all over the country and I can promise you that I have not seen any assistance. What we have seen is a bag of food here and there. We have seen one food bag for 20 or 30 animals that will not even help the farmers for a day.

We have been told already that rain will only come in November, December, this year and January. So, we are expecting late rains again. According to the answer from the Deputy President, a food and nutrition security drought response plan has been developed and costed. What is the amount that government will put on the table to assist farmers more in this drought because the drought is not over yet? It is not only in Limpopo; it is in many parts of the country.

MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Baie dankie, agb Steyn. [Thank you very much, hon Steyn.]

Tomorrow, as I said, we are meeting, as the IMC. We are not limiting our approach to Limpopo. I use Limpopo because, as we

speak, the situation of the livestock of small-scale farmers is still very bad. We need to find a way to deal with that.

On the other question that you are raising, we are going to meet tomorrow so that we can look at what is possible to ensure that we give farmers two things: the ability to plant where they have been under stress, and to make sure that we save the animals that are under stress. I may not know where you have been, but I can assure you if you have been travelling with us in the provinces that we have been visiting, you would have seen that much work had been done. There have been complaints that it was not enough, but I think farmers were very happy with what we have done.

The Northern Cape is one of the provinces that done very well in making sure that the animals don't die. [Applause.] I will plea to say, let us not use this area as an area of finding a fight with each other. Let us work together to find a solution. I agree with you that you raised it yesterday. I can assure you that we will make that report available. In areas of ... [Inaudible.] ... we have been able to work together.

You raised the issue of ... [Inaudible.] ... We are meeting with Onderstepoort Biological Products SOC Ltd, OBP, to deal with

that. I request that, as we deal with matters of poverty, issues of unemployment or issues to access to food and nutrition, let us use less armory than our reasoning ability to make sure that we come with answers.

We have met with the stakeholders. At our last meeting, while complaining about the fact that not all of them will be better off, we have found measures and ways of assisting them. We have even been approaching banks to make sure that soft loans are made available.

Mr L M NTSHAYISA: Hon Deputy Speaker, hon Minister, there are many ordinary people in the rural areas who are very interested in farming. These are the people who can perhaps be regarded as smallholder farmers. They are also looking to the government to get financial assistance. Is there perhaps any plan in place to assist these people in co-operation with traditional leaders? Thank you.

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Ngibonge kohlomphekile, ubaba uNtshayisa. [Thank you, hon Ntshayisa.]

It is true that without traditional leaders, it would be difficult to work with small-scale farmers, but all of us who

are from the village may agree that grazing land that used to be for animals has been taken over by housing. The land that used to be land for producing food is now a grazing area. We must find a balance to ensure that farmers who want to plant are not fighting with those who have animals. We are busy with that. We have received a number of applications with regard to fencing. The Department of Land Reform and Rural Development and our department are working together to find extra funding.

We met with mining houses last week to say to them that one of the clauses that are contained in the Freedom Charter is to ensure that service-level agreement, SLA, processes also benefit the labour areas. Those are rural areas where miners have been drawn from who are no long employed. We call upon them to come on board. When we were able harvest maize in Lambas, R14 million was from Anglo Platinum. We said to them to please continue doing that because when we hold each others hand, we can deal with the legacy of unemployment, poverty and all other ills.

I agree with you, maybe when you have time, we can sit together so that we can share better views that you hold. Thank you.

Mnu R N CEBEKHULU: Sihlalo weNdlu, mhlonishwa Ngqongqoshe umuntu akathokozele umzamo woMnyango ukuba wasiza abantu abanye

babafuyi ikakhulukazi emakhaya ngokuthi bakwazi ukucosha amabhele neluseni kulezi zinkampani ebezibaphakela kodwa umbuzo wami uthi, ngabe uMnyango ukulandele yini ukuthi impela lezi zinkampani zibanikeze ngokufaneleyo abafuyi azange zakugodla okunye? Kunezinsolo ezikhona emakhaya zokuthi ngesikhathi bekipha amabhele nezitsha lezi zokuphakela imfuyo babe bethi abazobanikeza konke kulindeleke mangabe sekufike isomiso baphinde bakwazi ukubafakela, ngabe kwakuwuhlelo loMnyango ave ukuthi kukhona imali eyagodlwayo ukuthi isize abathile? Ilokho nje mhlonishwa uma ngabe kungaphenyeka kutholakale ukuthi kuyinto ekhona noma kuyinto engekho noma yizinsolo. Ngiyathokoza. *(Translation for isiZulu paragraph follows.)*

[Mr R N CEBEKHULU: Chairperson, hon Minister, let us be grateful for what the department has done by helping some of the farmers especially in the rural areas in order for them to be able to receive the bales and the lucerne from these companies that were supplying them, but my question is, does the department do the follow up in order to verify that these companies supplied the farmers accordingly and din't keep some of the things? There are allegations in the rural areas about them, that when they gave out the bales and the containers that are used to feed the livestock, they would say they would not give them all of it, they will wait for a certain situation before giving them, was

this the department's plan or maybe was there some money that was reserved to assist other people? That is all hon, if it can be investigated and be verified if it is something that happened or not, ch or if it is just an allegation. Thank you.]

MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Ngiyabonga Bayede ngombuzo wakho. [Thank you, Sir, for your question.]

I agree with you and I am very happy that at least you acknowledge that we did a bit, but not enough of course, given the level of the challenge. I can assure you that if we find that some people have used the money meant for that purpose wrongly ...

... enye yezinkinga ezinkulu emakhaya, asisenayo inqubo yokudipha Kanye nokwazi ukuthi izinkomo zingaki emakhaya. [... another big problem in the rural areas, we no longer have the dipping system in order to know the number of cattle that are in the rural areas.]

As a result, if people come and say that they have 20 cattle, there is no way of verifying that. So, we need to reintroduce a dipping system ...

... le somiso sidale ukuthi masikhulume sihlale phansi sibonisane khona sizoba nesixazululo. [... this drought caused us to sit down and talk in order for us to come up with the solution.]

... so that each and every village may know how many animals they have. We must improve on the dipping processes. We must be able to quantify if our veldts can sustain the number of animals we have. I agree with you, ...

... Le somiso sidale ukuthi masikhulume, sihlale phansi, sibonisane khona ukuze kube nesixazululo. [... This drought caused us to sit down and talk in order for us to come up with the solution.]

I was impressed last week to find that even grey water can be used if it is well treated so that you deal with the bacteria like ... [Inaudible.] ... and others, so that that water can be used in areas where you can produce feed for animal. I am busy engaging the Minister of Cogta to see that we improve our processes. If we can do that, I believe that we can change the lives of our people.

Cattle do not have to be in the veldt to be fed. You can feed them through feeding ... [Inaudible.] ... and other measures.

... amakhosi siyawabonga sisebenze kahle nawo. Sizibonile izinkinga muva nje, besimenyiwe iSilo Samabandla ukuthi sike siyovela siyobona ukuthi yini enye engenziwa. Ngiyabonga ukuthi umhlaba utholakele ophansi kwenkosi siwusebenzise siwulime ngokuzwana ukondla abantu bezwe lethu. [Ihlombe.] (*Translation of isiZulu paragraph follows.*)

[... we thank the chiefs, we worked well with them. Owing to the recent problems, His Majesty, the King invited us to also come and see what else can be done. I am grateful that the land that is under iNnkosi is available for farming together in order to feed the people of our country.]

Progress made with reconstituting SA Airways Board and with regard to privatisation on the entity

163. Mr R A Lees (DA) asked the Minister of Finance:

What progress has he made with (a) reconstituting the membership of the SA Airways Board and (b) the privatisation of the specified entity, as he announced in

his Budget Speech delivered in Parliament on 24 February 2016?

NO1980E

The MINISTER OF FINANCE: Chairperson, the appointment of the SA Airways board is done in terms of clause 13(1) of the Memorandum of Incorporation, which requires that the board be appointed by the Minister of Finance in consultation with Cabinet. The aviation experts, Deloitte, which we appointed by National Treasury during 2015, did a review of airline boards to benchmark the skills that are typically included, and the shareholder ... I'm not sure who's listening, Chairperson.

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon member! We will come to the question asked by I A Pikinini to the Minister of Economic Affairs. I'm sorry about that oversight. I will allow the hon Gordhan to finish that question, and we will then go back. We are on Question 163. Thank you.

The MINISTER OF FINANCE: I'm sure everybody is very patient. So let me continue.

These skills include finance, legal, risk management, corporate governance and human resources. A new board comprising the following nonexecutive directors was approved by Cabinet on 31

August 2016. The board is made up of the following people: Ms Myeni, Ms Tshabalala, Ms Mgoduso, Ms Moola, Mr Moosa, Ms Sepamla, Mr Buthelezi, Mr Maluleka, Mr Malunga, Dr Mbatha, Ms Romano and Mr Peter Tshisevhe. The term of the new board members will be effective from 1 September 2016. Ms Myeni continues as chairperson for a year to hand over, ultimately, to a new chairperson, and Ms Romano - who is a chartered accountant and CFO in a listed company - is the new deputy chairperson.

The next steps that will follow, having had this decision taken by Cabinet, will be a meeting I will have with the SAA board to elaborate on the Memorandum of Incorporation and the obligations that they have as the new board to the Ministry as a shareholder and to outline our government's expectations, which will be, amongst other things: that we don't want the kind of way in which we have conducted ourselves in this airline over the past period to continue into the future; that the board finalise the 2014-15 annual financial statements, and I am currently giving consideration to SAA's application for a going concern guarantee; that SAA table the 2014-15 annual financial statements in Parliament by 15 September 2016; that SAA provide the 2014-15 annual financial statements to the Hong Kong inland revenue authority and company office by 30 September 2016; and

that SAA share their 2014-15 annual financial statements with other stakeholders.

During June 2016, National Treasury issued a request for a proposal to appoint advisers to assist in exploring a merger between SAA and SA Express and the possible introduction of a strategic minority equity partner. The bid has been adjudicated jointly by the National Treasury and the Department of Public Enterprises and it is expected that their advisers will be appointed within the next few weeks.

Let me emphasise to the hon Mr Lees that in the Budget Speech we did not, by any means, use the word "privatisation" or intend it, and I quote the relevant paragraph:

It seems clear, furthermore, that we do not need to be invested in four airline businesses as the government. Minister Brown and I have agreed to explore the possible merger of SAA and SA Express, under a strengthened board, with a view to engaging with a potential minority equity partner, and to create a bigger and more operationally efficient airline.

Thank you.

Mr R A LEES: Madam Chair, through you to the hon Gordhan. Thank you very much for your comprehensive reply, Minister. I would just like to ask one follow-up question. Why did the National Treasury oppose Ms Myeni being reappointed to the board, and what were the reasons for such opposition?

The MINISTER OF FINANCE: To the hon Lees: all these sorts of compositions of boards and other structures take place in government. As a result of discussions with various stakeholders, different views are expressed on each of the members that I have named and his or her merits and demerits. The list that you see before you is the outcome of these various discussions and compromises or settlements, if you like, that we have reached so that we can get on with the job of running SAA on an efficient, effective and, above all, profit-making basis hopefully in the near future.

Mr N F SHIVAMBU: Chair, SAA has not had a board for a very long time - there were like two or three people remaining, running a very important institution which, if it collapsed, would affect the South African economy as a whole. For a very long time there was Dudu Myeni, who is the chairperson of the Jacob Zuma Foundation and Trust, and two other people - for a very long time - who were unaccountable to anyone. In two successive years

financial statements were not submitted properly. She comes to the Standing Committee on Finance and admits that she has no clue of what happens in the whole industry - and she is the chairperson of one of the most strategic entities of the state.

The HOUSE CHAIRPERSON (Ms A T Didiza): Ask your question. Your minutes are going.

Mr N F SHIVAMBU: What informs the logic of Cabinet of reappointing a person who admittedly said: We have actually even agreed on routes that are not profitable, that are making SAA to lose R40 million ... [Inaudible.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Your time is up.

Mr N F SHIVAMBU: ... [Inaudible.] What informed Cabinet to reappoint ... [Inaudible.]

The HOUSE CHAIRPERSON (Mr A T Didiza): I will ask the Minister to respond to your question.

Mr N F SHIVAMBU: ... [Inaudible.] ... who is running down a strategic entity ... [Inaudible.] ... Dudu Myeni's doing?

The MINISTER OF FINANCE: Chairperson, as I have said, compiling boards like this requires consideration of all the factors that I have outlined as the necessary skills on the one hand, and the extensive consultations and considerations that need to be given to each of the individuals on the other. Ms Myeni has been asked to serve for another year so that there is a proper handover between the two or three individuals - two of whom are not there any longer - to a board. I believe we now have the right balance.

We still have the space to add one or two more people to this board, firstly, at a skills level; secondly, in terms of making sure that proper corporative governance processes are followed; and, thirdly, to also ensure that no one individual has inordinate influence over the direction of the airline or any decision made in that airline.

I am going to insist when I meet this board that it behave in accordance with corporate governance rules. That means that we don't want the "business as usual" approach of the past to go into the future. The shareholder will be watching very carefully that the board as a whole works as a team and works in the interests of the airline and for no other purpose.

Mr M HLENGWA: Hon Minister, hindsight is always the best sight, and experience now tells us that the newly reappointed chairperson, Ms Myeni, is a one-person show. Despite all your noble intentions of wanting to interact with the board, we know that this is not going to happen because she is rogue.

Now, do you have full confidence in her in particular in that she is equal to the task at hand and that she will be able to be a team player? This is because under her leadership SAA has leapt from scandal to scandal and failed to comply: the nonsubmission of financial statements; the Emirates deal in terms of which she said that "Ubaba did not want that deal" - we wonder who that ubaba is - though it is very clear who that is; the axing of Minister Nene; and, I dare say, the current bullying you are being subjected to. This all arises from her rogue behaviour. So do you have confidence that she is equal to the task and whether ...

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon member, your time is up.

Mr M HLENGWA: ... [Inaudible.] ... function ... [Inaudible.]

Thank you.

The MINISTER OF FINANCE: I have full confidence that the board as a team ... [Interjections.] ... will be working at making sure that the right things are done. There are provisions within the Act and within normal corporate governance conduct to ensure that they be brought in line if they go out of order. My appeal to everyone who has been appointed to this board, including Ms Myeni, is, as has been pointed by, I'm sure, all sides of the House, that this is an important state asset. We need to get it back on its feet. We need to get it, over the next five years or so, to become financially effective and able to stand on its own feet. Above all, SAA should be spreading its wings rather than clipping its wings at this point in time.

So, if we do the right things and make, as I said, national interests far more important than individual or sectarian interests, I'm sure that that team can actually take us in a new direction. There are strong individuals there with very good skills across the board in terms of what is required. I would agree fully: we don't want any more scandals. We don't want any statements out there which are not in line with what is required of stable governance within an important entity like this.

So Parliament has an important role to play in this regard, apart from the shareholder, to call entities like this - and others, by the way - to account and ensure they behave in the

way they should be behaving, both in terms of national interests and in terms of the kind of financial probity that is actually required of people who are running important entities like this. If there is any bullying that I am subjected to because of this, I will certainly come back and let you know. Thank you.

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Singh, is that a point of order?

Mr N SINGH: Yes, hon Chairperson, it is a point of order. The hon Minister is answering a question that was not asked about the board. The question was quite specific about the chairperson of the board and the ability of the chairperson. So, I don't know if we can get an answer, or do we accept the answer that the Minister gave us?

The MINISTER OF FINANCE: No, I don't see this, Chairperson, as this unique, all-powerful character who can do what he or she likes. The chairperson must work in the context of a team, and decisions are made on a democratic basis in a board, not by an individual. I am sure that if we could all agree that we want the SAA board to work as a team, that we want them to work in terms of the rules and the requirements of good corporate

governance, that my answer is in fact the correct answer, hon Singh.

The HOUSE CHAIRPERSON (Ms A T Didiza): Thank you very much. Hon Mandela? No. Hon Mabe?

Mr P P MABE: Hon Minister, you have been working hard to stabilise the SAA and we must commend you for providing leadership in the shortest time possible ... [Interjections.] ... in making sure that there is an effective board.

Mr M M DLAMINI: On a point of order ...

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon member, could we allow the member to finish the question ...

Mr M M DLAMINI: I've raised a point of order here.

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon member! Could you please take your seat? I'll recognise you after he has finished the question.

Mr M M DLAMINI: But if you ... [Inaudible.] ... want to clarify something. [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon member, I made a mistake and I've given consideration to it. Could you please take your seat? Hon Mabe?

Mr P P MABE: I'll start from the beginning, hon Minister. I want to once more commend you for the leadership you have provided to the airline, making sure that there is stable leadership of the board in that it works as a team. I will go straight to my question. In retaining SAA as a state-owned national carrier, what are the economic and national interests that underpin such a position, and what can we learn from other state airlines that have successfully completed a financial and governance turnaround strategy, almost similar to what you have already spoken about, Minister?

The MINISTER OF FINANCE: Clearly, the airline industry is replete with different types of models. I am sure hon members may recall a period between four and six months ago when a US airline said that they would contest the manner in which airlines in the Gulf region, including Emirates and others, were supported by their respective governments, and, as a result of that kind of support, were able to offer cheaper fares. They therefore become a lot more competitive than they would be otherwise. More recently, though, some of that noise has

actually disappeared. So we are not in a position to have that kind of subsidy if it exists elsewhere.

What you want is a lean and mean operation, which ensures that profitability is not an unimportant factor. At the same time, if I were to talk to my colleague the Minister of Tourism, he would actually say: Bear in mind that South Africa has a particular geographic location and that if we had to attract tourists here, we need our airline and other airlines to operate in a particular way.

What we want, ultimately, is transparency. So if we are making losses on a particular route, we don't continue with that route forever, we accept that there are losses and have the courage, as has been happening in recent times, to close down that route.

Alternatively, if a route has a justifiable economic reason, then we will transparently support the airline and pay whatever we need to pay as a government for so-called developmental purposes or to gain a particular economic advantage.

Secondly, as I said in my earlier response, we are actually running four airlines and one dependent airline. There is a special arrangement, for example between SA Airlink and SAA. Now

it is time to look at some of these things and ask: Who benefits from all of this? How old are these arrangements? And, in the new way in which we want to operate, do we change all of these structures in order that we get the best efficiencies, the best synergies ... [Inaudible.] ... out of these energies.

Thirdly, in the short amount of time that we have, strategy matters a lot in an airline. Where do you want to operate? Where should you operate?

The HOUSE CHAIRPERSON (Ms A T Didiza): Minister, if you could round up.

The MINISTER OF FINANCE: So, I think, what we require in addition to a new board is really an experienced and effective new management team that will take this airline to new heights.

**Progress made by Competition Commission with regard to market
inquiry into private healthcare industry**

188. Mr I A Pikinini (ANC) asked the Minister of Economic Development:

In light of the fact that economic regulatory agencies such as the Competition Commission play a critical role in dealing with the diagnosis of the country's challenges of unemployment, poverty and inequality according to the National Development Plan by seeking to ensure inclusive economic growth and focusing on critical sectors of the economy which have a bearing on economic growth and the livelihood of South Africans, (a) what progress has been made by the Competition Commission with regard to the market inquiry into the private healthcare industry and (b) what parts of the value chain are being investigated?

NO2005E

The MINISTER OF ECONOMIC DEVELOPMENT: Thank you very much, hon Pikinini, for the question on the private health care market inquiry being conducted by the Competition Commission.

The inquiry is looking at aspects of private health care, and deals with the cost of hospitals, medical specialists, doctors, and services such as pathology laboratories and medical aids. Section 27 of the Constitution provides that everyone has a right to access health care services. The state must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of each of

these rights. High health care costs impact on access to this constitutional right for many South Africans and are also the cost drivers that negatively affect economic development.

The market inquiry therefore, focuses on the reasons for the high cost structure of the private health care industry and on remedies to address these. The inquiry is chaired by someone that many hon members here will know, namely the ex-Chief Justice of the Republic of South Africa, Justice Sandile Ngcobo.

The inquiry has conducted extensive research. It allows evidence to be led by the various parts of the private health care sector, policy makers, researchers, public organisations and citizens. The Organisation for Economic Co-operation and Development, OECD, and the World Health Organisation, WHO, have also made submissions based on some comparative research they have done between South Africa's private health care costs and that of wealthier OECD countries. Their submission says a very interesting comment, and I quote:

South Africa spends a higher share of its national total health expenditure on private voluntary insurances than any other country globally - six times the Economic Co-operation and Development average - even though it serves only 16% of the

population which is equivalent to 3,7% of South Africa's Gross Domestic Product, GDP.

I have no doubt that this research would resonate with members of Parliament and citizens. We all have stories of very high medical and hospital costs and the rising burden of medical aid costs to address this. The impact on economic development is too real. High medical costs push up salary and wage settlements and thus increase the overall labour costs in the economy. High costs for those without adequate medical cover impact not only on such individuals' health and quality of life but, also on their productivity. Monies diverted to medical costs are unavailable for other purchases by consumers and money spent on medical aid subsidies by businesses reduces the stock of funds the company has available to invest in skills for employees, in plant expansion, purchasing new technology or in product innovation. High medical costs therefore, affect economic performance and distort the distribution of national wealth.

This market inquiry is part of a wider, co-ordinated effort by the competition authorities to combat cartels, abusive market dominance, monopolies and high prices in the South African economy. It is one of three market inquiries. The other two

focus on the gas industry and on the grocery retail sector which includes shopping malls and spaza shops. Thank you.

Mr I A PIKININI: Minister, what are the preliminary findings thus far? Do these findings point to weaknesses in the regulatory environment of the private healthcare industry?

The MINISTER OF ECONOMIC DEVELOPMENT: The market inquiry is still underway at present and the processes are of course independent. So, it is not appropriate to anticipate the outcomes.

When the work is completed - which we expect to be probably by December this year - then the report will be handed over to us and I will make it available to Parliament.

I hope though that the recommendations will be bold, commensurate with the extent of the problem we are faced with. There are some areas of consensus. I think most submissions agree that health care costs are too high. There is a difference of opinion on what causes it and what the remedies are.

Health care of course, does not take place on a normal market.

If you have a heart attack or you are involved in a car accident

or are injured, then you are rushed to the nearest hospital. There is no free negotiation between buyer and seller when that happens. Therefore, what the economist calls instances of market failure happen very often. We are therefore trying to work on the appropriate remedies to address this.

The World Trade Organisation has made this point repeatedly that there is in fact a compelling argument to be made in favour of state involvement in ensuring that people have access to health care.

So, I hope that when the results come out the recommendations will be bold. At that point, they will be discussed in this august House and we will certainly act on them. Thank you.

Mr M J CARDO: Minister, hon Pikinini's question presumes that the competition authorities should strive to produce socioeconomic policy outcomes to deal with growth and employment that go beyond the realm of competition into the domain of public interest. Now, given the recent criticism of your personal interventions in both the SABMiller, Anheuser-Busch InBev merger as well as the Coca-Cola Beverages South Africa, CBCSA, merger on the pretext of public interest concerns, can you assure this House that you respect the autonomy of the

competition regulators in accessing public interests concerns in large measures and do you support the introduction of more specific and less discretionary guidelines for the assessments of public interest provisions? Thank you.

The MINISTER OF ECONOMIC DEVELOPMENT: I would certainly say that there is no question that I respect the autonomy of the competition authorities. But, I think hon Cardo refers to quite interesting examples.

Of the Anheuser-Busch InBev matter - which has now been through the competition authorities - I can speak more confidently. What is it that government has achieved? We have achieved a commitment by the company to maintain its headquarters for the African region in South Africa. We have achieved a commitment that for five years the company would maintain the aggregate employment levels that it has in South Africa. We have achieved a commitment from the company that no worker would be retrenched as a result of the merger. We have achieved a commitment by the company that it will put an additional R1 billion up to support the emergence of small black farmers in its supply chain to promote entrepreneurship. We achieved a commitment from the company that it would open up the company-funded fridges in taverns and spaza shops for competitor products.

I think we should all celebrate those things. If that is what state intervention achieves, I think it is a great thing. Thank you very much.

Mr M S MBATHA: Hon Minister, the private health care industry is part of the neoliberal agenda of spreading inequality in South Africa. At the heart of this inquiry there is something missing, and that is an investigation into the dominant players in the private health care provision. That dominance has escalated to include factors such as price fixing in the areas of provision. Is there any way in which government can reverse the unfair dominance and ruthless nature in which it has delivered inequality even further down to the people of South Africa?

The MINISTER OF ECONOMIC DEVELOPMENT: I think the hon member makes a good point, which is that ownership concentration in the health care sector - particularly at the level of private hospitals - may well be contributing to spiralling costs of health care. The OECD study that I referred to says that price inflation in the private health care industry has grown faster in South Africa than in any other country that it has studied.

I think I would invite hon members and organisations to make representations to the inquiry because that is the forum where

an independent body can make recommendations to me that I can act on.

I should say that not all parts of the private health care industry has responded with eagerness on the inquiry. We have had threats of litigation every step of the way. In fact, one of the largest private hospital groups in South Africa, Netcare, made it very clear in what was a veiled threat to the inquiry, that it reserves the right to challenge the inquiry every step of the way. It disclosed in their discussion that when the UK did a similar inquiry, the same company - the South African company that also operates in the UK - had spent about £9 million - which is about R200 million - on legal costs to ensure that its point of view was properly reflected.

So, sometimes litigants have deep pockets. We have to be prepared to take on vested interest and make sure that the constitutional right to health care is asserted by the state and that the monopolies, cartels and price fixing are eliminated in the health care sector. Thank you.

Mr M HLENGWA: Hon Minister, one must agree with you that private health care is holding a gun to the head of every South African

and only providing two options: either you pay their exorbitant prices or take a chance in public hospitals.

Of course, the reality is that the current state of poor health care in South Africa has in itself made people rather go to private practitioners and pay the inflated prices. Another question is, wouldn't it be the best deterrent for government to quicken the process of upgrading and ensuring the full capacity and functioning of public hospitals to ensure that South Africans have an option which is credible? Because, as things stand now, you are obviously going to have an uphill battle with litigation, as you said. So, shouldn't we rather divert our attention to building up the state's capacity to meet the demands that healthcare find itself in and to assist citizens with this option because ... [Interjections.] ... it is taxpayers' money ... [Inaudible.] ... people paying twice. Thanks. [Time expired.]

The MINISTER OF ECONOMIC DEVELOPMENT: Thank you very much for that question. I think I fully agree that it is important for the state to build up and support the public health care option. In fact, it is on a twin track that we are working on this issue to improve health care.

But, what the inquiry is showing is very interesting. Some of the evidence that has been led says that inflated prices in the private health care sector drives up the cost of public health care. When professionals and specialists are able to obtain very high returns in the private market, they bring those salary and payment expectations to the public sector. So, if we were to replicate and build up the public sector based on the cost structure currently in place in the private sector - where many of the top professionals are, in fact, located - it would make it unaffordable.

The Minister of Health has made this point repeatedly. If we are to have a workable and affordable National Health Insurance, NHI, system we need to be able to do the following: we have to clear up the enormous challenges in public health and address the enormous cost challenges in private health care and find a blend in the system that makes it both affordable and improves the quality of service that South Africans can rely on. So, I think it is that relationship among these that we are also pursuing.

But, the main point you have made is that we must improve public health care as it is a fundamental element of the changes that

we need to make in order to realise the constitutional principle of access to health care.

Position regarding state of readiness to host 17th Conference of Parties to the Convention on International Trade in Endangered Species of Wild Fauna and Flora

189. Mr M P Mapulane (ANC) asked the Minister of Environmental Affairs:

(1) What is the country's state of readiness to host the 17th Conference of Parties to the Convention on International Trade in Endangered Species of Wild Fauna and Flora to be held from 24 September to 5 October 2016;

(2) do we have a common Africa position with other countries affected by rhino poaching; if not, what are the substantive issues underpinning the different perspectives; if so, what is the position in this regard?

NO2006E

The DEPUTY MINISTER OF ENVIRONMENTAL AFFAIRS: Chair, the National Climate Change Response policy sets the objective: 1)

effectively managing climate change impacts through impacts through interventions that build and sustain South Africa's whole economic and environment resilience; 2) also making a fair contribution to the global effort to stabilise greenhouse gas concentration in the atmosphere at a level that avoids dangerous interference with the climate system.

The policy further sets out key interventions that are needed to achieve these objectives as part of the policy implementation process. The Department of Environmental Affairs has initiated a process of research and discussion on legal options and legal framework that would best support implementation of the policy. This work includes an analysis of existing legislation and legal options. The Paris Agreement and the requirements of the Paris Agreement are central to this analysis. Thank you, Chair.

Mr M P MAPULANE: Hon House Chair, I think the hon Deputy Minister was responding to Question 190, instead of Question 189, on a preparation for the Convention on International Trade in Endangered Species of Wild Fauna and Flora, Cites.

The HOUSE CHAIRPERSON (Ms A T Didiza): Deputy Minister, would you like to respond to Question 189?

The MINISTER OF ENVIRONMENTAL AFFAIRS: I would guess then that Question 189 would be the one on Cites, but can I just say: Pardon me for that; I am actually not ready. I am just from hospital and I was told now that the Minister is also not well. So, I just walked in.

However, in response to the Cites question: Yes, all the necessary interventions are on par as we speak on the Cites. And, perhaps you should also move away from calling it Cites, for the benefit of all other members that are here. That Cites is the Convention on the Prevention of Endangered Species, so that we would know what we are all talking about.

[Interjections.] The question though is: Are we ready for it. The answer is: Yes, we are!

The HOUSE CHAIRPERSON (Ms A T Didiza): Thank you very much. Hon members, may I appeal to you: We did receive earlier a notice from the Minister that she was not well. Unfortunately, we were not aware that the Deputy Minister has also just come back from hospital. I would ask if hon members would agree with me that we allow the question to stand over and we deal with it on the next cluster. [Interjections.] Thank you very much for your understanding.

Ms L MATHYS: Chair, I don't think we have a problem with that going on to the next cluster but can we just note our follow-up questions so that she will be prepared when she comes in.

[Interjections.] We don't want to get that response which says: Aah, we don't know; and we didn't get it! [Interjections.] So, can I just let you note that there is a follow-up question for EFF? [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Thank you, hon member. Can you please take your seat?

Ms L MATHYS: No Chair, I would like our questions to be noted because they are going to be forgotten. [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): I have noted you hon member. Let me just explain. When a question stands over, we do not make a prior notice on our follow-up questions. So, I have indeed noted that next time, as the EFF, you would like to ask a follow-up question. So, I do have your names here in terms of who were the parties that asked for a follow up opportunity during the next cluster questions.

Ms L MATHYS: Chair, the only reason I am requesting this right ... [Interjections.] No! [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon member! What is your point of order?

Ms L MATHYS: Thank you! We don't know when the Minister is going to come back, and we have the ANC who are even stealing indigenous animals. [Interjections.] We want her to be able to go and investigate so that she can come and tell us what Supra has done with R100 million worth of animals. That's all! Very simple! [Interjections.] I mean you are still the animals!

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon member, can I please appeal to you to indeed take your seat. That is not how processes are undertaken when a Minister is not available in the House. So, I have appealed to all of you and I have also explained that you don't make a notice of a follow-up question when a question stands over. However, we have noted the parties that had already indicated in our list. Order hon member!

Hon members, I think we have all agreed that this question stands over because of the circumstances that I have explained. Thank you very much.

Mr N SINGH: Hon Chairperson, I accept your ruling. The circumstances though are that Cites takes place from 24

September to 5 October 2016, and we are not going to get an opportunity to ask questions of what is going to happen in Cites as well as get South Africa's position on some of the matters that are going to be discussed there. That is the only circumstance in this question that required us to ask follow up questions. [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): I appreciate that hon member. What we can do is to consult among parties, through the Chief Whip's Forum, whether - given the status of this question and the need for preparation - we shouldn't negotiate that it be answered next week when there are questions or that members of parties participate in a portfolio committee where such an issue may also be clarified. However, we will consult in the Chief Whip's Forum on this matter. Thank you very much for your understanding. We now move to the next question - 191!

Mr M P MAPULANE: Sorry, hon House Chair! It does look like we have exceeded the time that has been allocated for questions. [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Hon member Mapulane, you would appreciate that there was a question of urgent national importance that was requested and was granted by

the Speaker, which preceded all the questions. So, our time for finishing today is 18:35. Therefore, Question 191 will still be covered within the time.

The HOUSE CHAIRPERSON (Ms A T Didiza) (Contd): We now move to the next question, Question 191.

Mr M P MAPULANE: Sorry, hon House Chair ...

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Hon Mapulane?

Mr M P MAPULANE: It does look like we have exceeded the time that has been allocated for questions.

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Hon member Mapulane, you would appreciate that there was a question of urgent national importance that was requested and granted by the Speaker, which preceded all the questions. So, our time for finishing today is 18:35. So Question 191 will still be covered within the time. Hon Minister?

Particulars regarding compliance by, and challenges experienced by, mining companies in meeting target set by Mining Charter

191. Ms H V Nyambi (ANC) asked the Minister of Mineral Resources:

With reference to the promulgation of the Mining Charter in 2004 (details furnished), what (a) percentage of mining companies have met the specified Charter's target and (b) are the challenges that were experienced by mining companies that have not complied with the specified Charter?

NO2008E

The MINISTER OF MINERAL RESOURCES: Chair, the department published a report on the state of compliance with all specified elements of the charter as well as the aggregated state of performance. In essence, there are excellent corporate citizens in the mining industry who have fully embraced transformation as not only a compliance matter, but also as a business matter that truly secures long-term development and sustainability of the industry.

Having said that, there are also corporate citizens who have a propensity to tick the box for compliance sake and others who fail to comply with the minimum requirements. Regarding the latter, the prescripts of the law are quite clear, and steps are being actively pursued for corrective action, with the ultimate

aim of the possible withdrawal of their rights. In the event that an unsatisfactory response is secured, the challenges experienced by mining right holders that did not meet the target include, albeit but not limited to, a different interpretation of the compliance requirements especially relating to the material attributes of empowerment. And, in this regard, some affected and interested parties have organised themselves to seek a judicial interpretation. Others have experienced challenges in terms of access to land and other resources within local municipalities in order to implement their commitment to transformation and aligning with the objects of the Mining Charter. Some have a total misconception and/or an ideological predisposition that is inconsistent with the transformation intention. Thank you, Chair.

Mr J A ESTERHUIZEN: Chair, we all would have understood if this Minister was no longer in the House. Hon Minister, wouldn't you agree that the consequences for the industry of the department's interpretation of the charter have been severe in terms of the destruction of the remaining investors' appetite and confidence in South African mining equities and in reducing capital allocation by mining companies? This would translate into decreased reduced production and number of staff which would put

further strain on community and employee-employer relations. What is your department doing to mitigate these affects?

The MINISTER OF MINERAL RESOURCES: Hon Chair, it is our view as the department that the Freedom Charter is one critical transformational aspect of the country and we are not in a position to compromise that. However, we are engaging with stakeholders in reviewing the Mining Charter to ensure that every interested party is taken on board in ensuring that we take South Africa forward. Thank you, Chair.

Ms H V NYAMBI: Thank you, hon Chairperson. Hon Minister, the Mining Charter also stipulates that mining companies are required to have women comprise at least 10% of their workforce. Since the dawn of democracy, many mining companies have started employing women. However, at some companies the progress has been very slow. What has been done to ensure that mining companies comply with the requirement that 10% of their workforce comprise women? Thank you. [Applause.]

The MINISTER OF MINERAL RESOURCES: Thank you for the beautiful question, hon member. [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon members!
Indeed, this is a very gender-sensitive question, Minister.
Could you answer?

The MINISTER OF MINERAL RESOURCES: Thank you once more, hon member. The introduction of regulatory reforms in mining by the glorious movement of the people, the ANC, guided by its founding values of nonracialism and nonsexism, among other values, has made significant progress.

To achieve this, we have applied such instruments of transformational constitutionalism as the Mining Charter, which is deeply rooted in the principal Act of the Mineral and Petroleum Resources Development Act, the MPRDA. This is evidenced by the advancement of women in mining, having grown from an insignificant proportion of below 1% in 2004 to slightly above 10% to date. Nevertheless, women remain grossly underrepresented especially in the upper echelons of management. This matter has been dealt with in the review of the Mining Charter. "Wathint' abafazi, wathint' imbokodo." [You strike a woman, you strike a rock.]

Mr J R B LORIMER: Madam Chair, the different views on the extent of compliance with the Mining Charter amongst mining companies

underlines exactly the extent to which the Mining Charter is unclear, and that is one of the reasons it is being challenged in court. Now, Minister, you avoided answering my question as to whether you will wait for the courts to decide on the charter before passing the MPRDA, which contains the Mining Charter.

Now, if the charter is overturned and the industry has to cope with more legislative uncertainty, we will lose investment and we will lose jobs. So, Minister, if the charter is overturned, will you apologise to this House for wasting its time, will you apologise to workers who have lost their jobs and will you then resign?

The MINISTER OF MINERAL RESOURCES: Chair, the hon member must live with the fact that he is not in a position to make me resign. [Interjections.] It must get into his head. As a member of the portfolio committee, the hon Lorimer should be able to assist us to take South Africa forward. Every now and then when the member stands up he is fond of threatening us with court action and legal matters. I think I want to humbly request the hon member that we work together ... [Interjections.] ... in the interests of the people of South Africa and ensure that tools such as the Mining Charter, that have been created by the people of South Africa to deal with the imbalances of the past, are

supported by all of us. In our time as the department we will ensure that instruments such as the Mining Charter and other transformational instruments are activated and implemented.

Mr N F SHIVAMBU: Thanks Chair. You know, I think it's a universally accepted principle that legal instruments or laws that do not have consequences when violated are meaningless. They mean nothing because you can say this is what must be done and if it's not done nothing happens. I think that is what defines the Mining Charter and all these so-called transformation charters. Business, labour and government agree on a set of principles of what must be achieved and it doesn't get achieved. An absolute number of commitments that were in the Mining Charter were not achieved. Yet, instead of acting against those companies, government is going to shift the goalposts by saying that they are now going to be achieved in 2030. It was said that by 2014, 26% of mines must be owned by historically disadvantaged individuals, yet it never happened. So many commitments were not met. What ... [Inaudible.] [Interjections.] ...

The HOUSE CHAIRPERSON (Ms A T Didiza) Get to the question.

Mr N F SHIVAMBU: ... intervention are you going to make with ... [Inaudible.] ... Mining Charter, which will ensure that there are certain implementable programmes that will have consequences if they are not obliged with?

The MINISTER OF MINERAL RESOURCES: Thank you hon Shivambu for a very good and constructive question. We are making good progress in terms of beefing up where we think in the past we have been found wanting. One of the issues that we have talked and engaged on with the sector for example is that of aligning our programmes – social programmes to be specific in this case – so that we do not duplicate, and we are able to say what we are going to achieve and when.

You'll also bear testimony to the fact that since we arrived at the department there has been a lot of ... [Inaudible.] ... in terms of how we regulate the industry when we are not happy, specifically with regard to issues of health where we have not failed to ensure that once we are not happy we apply the law to the letter. We are making good progress. We acknowledge the fact that at some points we have been found wanting and we are closing those loopholes. [Interjections.]

An HON MEMBER: What a joke!

Mr N S MATIASE: House Chair, I rise on a point of order. The fly by night Minister has admitted that the quality ...

[Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): No, there is no ...

[Inaudible.] ... to characterising the Minister. Can you please get to the question, hon member? What's your point of order?

Mr N S MATIASE: He has admitted that the question by hon Shivambu is a good question.

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon member, what is your point of order?

Mr N S MATIASE: Can he please give a corresponding answer as good as the question?

The HOUSE CHAIRPERSON (Ms A T Didiza): Thank you, hon member.

The Minister has indeed said that where they have been found wanting in terms of the legislation as ... [Interjections] ...

Order hon member! Order! The hon Minister responded to the question of hon Shivambu. The hon Shivambu gave a background on what the challenges are. He has responded and admitted that, yes they are. So, they are making progress in strengthening the

legislation so that it can have consequences. Thank you, hon Minister. The time allocated for Questions has expired. Outstanding replies received will be printed in Hansard.

The MINISTER OF JUSTICE AND CORRECTIONAL SERVICES RESPONSIBLE FOR CORRECTIONAL SERVICES (Mr S P Makwetla): On a point of order, hon House Chair.

The HOUSE CHAIRPERSON (Ms A T Didiza): Yes hon member, what is the point of order? Question Time has concluded.

The MINISTER OF JUSTICE AND CORRECTIONAL SERVICES RESPONSIBLE FOR CORRECTIONAL SERVICES (Mr S P Makwetla): Thank you for indulging me. Hon House Chair, earlier on in our session this afternoon when the Speaker was in the chair, the Chief Whip of the majority party, the DA ... [Interjections.] [Applause.] ... the majority opposition party, the DA ... [Interjections.] ...

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon member, what is the point of order?

The MINISTER OF JUSTICE AND CORRECTIONAL SERVICES RESPONSIBLE FOR CORRECTIONAL SERVICES (Mr S P Makwetla): I'm coming to the point of order. Don't be too excited. [Interjections.] The Chief

Whip of the majority opposition party, the DA ...

[Interjections.] ... Mr Steenhuisen was guilty of gross disorderly conduct and I want to request that the presiding officer look at Hansard and have the matter ... [Inaudible.]

An HON MEMBER: Sit down!

The HOUSE CHAIRPERSON (Ms A T Didiza): Order hon member. Hon members, can you please take your seats. I have closed Question Time. The matter that you have raised in the point of order will be referred to the Speaker. With regard to the issues you have raised I will ask that you put them in writing so that the appropriate structure would look at it and see whether it's a matter that needs to be dealt with. That matter happened in the earlier session and I would have appreciated if it had been raised at that time. Order hon Shivambu?

The MINISTER OF JUSTICE AND CORRECTIONAL SERVICES RESPONSIBLE FOR CORRECTIONAL SERVICES (Mr S P Makwetla): But it can only be ... Hon Chair, may I ... [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon members, order!
[Interjections.] Hon members, can you please take your seats.
Hon members, we have dealt with the issue and we have agreed

that when there is a grievance by a member on something that has happened you will write to the Speaker and it will be referred to the appropriate structure. Can we please move onto the next person?

The MINISTER OF JUSTICE AND CORRECTIONAL SERVICES RESPONSIBLE FOR CORRECTIONAL SERVICES (Mr S P Makwetla): Hon Chair, it's not a grievance.

The HOUSE CHAIRPERSON (Ms A T Didiza): You are asking that this ...

The MINISTER OF JUSTICE AND CORRECTIONAL SERVICES RESPONSIBLE FOR CORRECTIONAL SERVICES (Mr S P Makwetla): It's a point of order that must be in Hansard ... [Inaudible.] ... must be followed up. [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon member, hon member ...

Mr N F SHIVAMBU: Chairperson ... [Inaudible.] ... I'm noted.

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, I have recognised you, hon Shivambu. Can both you and hon Steenhuisen please take

your seats? Hon Makwetla, you have raised your point of order and I've said the matter occurred earlier on and it should have been raised at that time. However, you can still put it in writing to the Speaker and the Speaker will be able to respond to that matter. I think let's move on that question, hon member. Hon Steenhuisen?

The CHIEF WHIP OF THE OPPOSITION: Are you ruling that's it's not a point of order because the member is in violation of Rule 92(2)?

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon members, can I please manage the House? As indicated, if there is anyone who has a grievance in terms of procedure on a matter that happened at a particular time and at that time it wasn't raised, the member has a right to write formally. Hon Shivambu?

Mr N F SHIVAMBU: Chairperson, I think it's not the first time that Mr Makwetla is doing what he's doing today. He relapses and wants to raise a point of order on things that happened earlier or yesterday, or two or three days ago. He'll even raise a point of order on things that happened in 1970, because that is what he's going to.

The HOUSE CHAIRPERSON (Ms A T Didiza): Thank you very much, hon member. Can you take your seat?

Mr N F SHIVAMBU: The rules are clear that if a point of order is raised it must be on things that are occurring then ...

[Inaudible.] ... to want to raise things from the past.

[Interjections.] So he must be called again ... [Inaudible.] ...

An HON MEMBER: On a point of order, presiding officer. On a point of order ...

Mr N F SHIVAMBU: ... on a ... [Inaudible.] ... point of order that he must never ever again do that.

The HOUSE CHAIRPERSON (Ms A T Didiza): Can you all take your seats. Hon members ... hon members, can you please allow us to proceed with the business of the day? Hon Steenhuisen, I have noted your point. Can I please ensure that we pass on this matter? There is no point of order that is recorded as a point of order. All that I've said is that if a member has a grievance on an issue ... [Interjections.] Hon member, if I feel aggrieved in any of our proceedings I have a right to write to the Speaker and address the Speaker on any matter. That is why I have not

taken it as a point of order for the record. Can we please proceed?

Mr M WATERS: Chairperson, on a point of order: Thank you for recognising me. If I could refer your attention on Rule 92(2) and read it, please? [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon member, I have granted a point of order to the hon member. [Interjections.]

Mr M WATERS: It's the Rules the ANC members voted for.

The HOUSE CHAIRPERSON (Ms A T Didiza): Can you please ...
[Interjections.] [Inaudible.]

Mr M WATERS: A point of order must be confined only to a matter of Parliamentary procedure, practice or matter related to unparliamentary conduct, as defined. It must be raised immediately when the alleged breach of the order occurs.

[Interjections.] The hon member from the ANC rose on a point of order over three hours after the alleged breach of order occurred. [Interjections.]

Secondly, there is no Rule ... [Interjections.] ... because he failed to get up on a point of order when the incident happened ... [Interjections.]

Mr S P MAKWETLA: On a point of order!

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon members!

[Interjections.] Hon Makwetla, can you take your seat?

[Interjections.] Hon Waters, can you ...

Mr M WATERS: Yes, thank you. Secondly, Chair, because the hon member failed to take the point of order when the incident occurred, he has forfeited his opportunity to raise it and have the matter referred to the Rules committee ... [Interjections.] ... or for a ruling to be made by the presiding officer. So he has forfeited that.

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon members, that is why I said there is no point of order. And I have clarified to hon Makwetla that the matter he raised, he should have raised at the time of its occurrence. Can we please proceed?

See also **QUESTIONS AND REPLIES**.

**CONSIDERATION OF RECOMMENDATION OF A PERSON FOR APPOINTMENT AS
PUBLIC PROTECTOR**

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon M Khoza?

Mr N SINGH: Chairperson, may I rise on a point of order?

[Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! What is the point of order, hon Singh?

Mr N SINGH: Chairperson, the normal practice that we agreed to in the Chief Whips forum and the programming committee is that when we are done with oral Questions, we deal with written Questions that have stood over. I don't think that we have come to that point of 30 minutes to be allowed for that process.

[Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order!

The CHIEF WHIP OF THE OPPOSITION: House Chairperson, we had a meeting of the Rules Committee that took place last Tuesday and I think that hon Singh was represented by the hon Van Der Merwe.

The HOUSE CHAIRPERSON (Ms A T Didiza): Van der Merwe, yes.

The CHIEF WHIP OF THE OPPOSITION: There was agreement that, while we are sorting out the various processes, we would hold these types of questions in abeyance, with the understanding that, when we come back in the new term, we will start immediately with the new system.

The HOUSE CHAIRPERSON (Ms A T Didiza): Thank you very much. Hon member, we apologise for hon Singh who might not have received that briefing. But that is how the matter was resolved in the Rules Committee on Tuesday.

Dr M B KHOZA: Hon House Chairperson, hon members it is humbling to table a report of the ad hoc committee on the appointment of the Public Protector 2016. This House gave this committee until 31 August 2016 to submit this report. Madam House Chairperson, we did as mandated. The report was submitted on 30 August 2016. [Applause.]

Consistent with the provisions of section 193(5) of the Constitution of the Republic of South Africa, Act 108 of 1996 – which stipulates the multiparty character of the committee entrusted with the very important responsibility of identifying

a suitably qualified person who is fit and proper with the demonstrable ability to act independently without fear, favour or prejudice – the committee has remained true to this provision.

The recommendations that we are tabling on 7 September 2016 is a consensus candidate by all political parties, excluding the DA, which resolves to reserve its position. Of critical importance is that this process must be strengthening of the social contract we have with the citizens of the Republic of South Africa. The public interest in this process was unparalleled. The candidate we are tabling for consideration by this House stems not only from the ad hoc committee deliberations but also from the members of the public who made it clear whom they wanted.

It gives me great pleasure to announce that South Africa's democracy is becoming stronger each day. Our citizens expect us to carry their mandate. As such, all political parties, except for one, were persuaded by this esteemed call from our people. Each party had to consider and reconsider whatever standpoints they had. Collective leadership, a high sense of democratic responsibility and respect for the will of the people prevailed.

Our initial list of candidates had about 78 names. This was double the number that we had during the 2009 process. This list came down to 59 after some candidates pulled out of the race to become South Africa's Public Protector for 2016-23.

This committee held seven meetings. It is important to acknowledge and thank all the parties because we held this process during a very difficult season – the local government elections season – yet political parties made an effort to make sure that they participated fully in the process.

The committee was guided by the relevant constitutional and statutory provisions as well as the rules of the National Assembly. In terms of section 193(4) of the Constitution, the President must appoint the Public Protector on the recommendation of the National Assembly. Regarding the role of the National Assembly, section 193(5) of the Constitution provides that the National Assembly must nominate a committee constituted as earlier said. This committee had to be approved by the assembly by a resolution adopted with a supporting vote of at least 60%, which is 240 members of this House.

The committee notes, in this regard, that Parliament has yet to develop comprehensive guidelines for committees that are

similarly tasked. The committee considered the method of previous ad hoc committees mandated to nominate persons for appointment as Public Protector and found that, although they had developed their own processes, unfortunately, they were not sufficiently documented and were not as comprehensive as the public demanded this time. The committee therefore had to develop its own process to compliment the applicable constitutional and legal framework and has made use of a range of tools to identify a suitably qualified candidate.

Madam Speaker ... House Chairperson ... sorry, House Chairperson ... anyway I am gender unconscious.

House Chairperson, the most important thing is that public participation in this process was central. This is consistent with section 193 of the Constitution that provides for the involvement of civil society in the recommendation process as envisaged in section 59(1) of the Constitution.

To facilitate public participation, the committee adopted the following mechanisms. The advertisement requesting nominations or applications for the position of Public Protector from members of the public appeared in all official languages in various newspapers throughout the country. The adverts also

appeared on Parliament's website. The closing date for nominations or applications was 24 June 2016.

The committee – as I said – received 78 applications, of which 16 declined.

On 28 June 2016, the committee published the names of all candidates accompanied by their curriculum vitae on Parliament's website. Members of the public were given until 8 July 2016 to make submissions on the candidates. The committee received more than 100 submissions. These exclude submissions received from Corruption Watch which did a sterling job on each candidate.

Hon members, as you know, the Public Protector Act, Act 23 of 1994, sets out the applicable criteria for the appointment of a Public Protector. It clearly stipulates that the Public Protector must meet the fit and proper criteria and must be a South African citizen. And it also goes on to mention that the Public Protector has to be a Judge of a High Court or an admitted attorney or an academic who has been in that field for ten years or more.

Before short-listing could take place, all candidates were requested to complete a questionnaire that was based broadly on

the questionnaire that the Judicial Services Commission makes use of in cases of judicial appointments. This questionnaire contained disclosure provisions which assisted members to ascertain whether candidates were fit and proper.

In addition, the committee agreed that the academic qualifications and related information of those short-listed would have to be verified, and that Parliament should be asked to facilitate the screening process of these candidates. We want to thank you, hon House Chairperson, as you assisted us in this process. Because of such assistance, the screening process was done.

The committee agreed on four broad areas to guide members in their scrutiny of candidates, namely, knowledge, skills, experience and character. The character refers to the moral compass of each candidate and we left it to the members themselves to decide.

I have the pleasure of advising hon members that, of the 14 short-listed candidates, two were judges of the High Court, two were Professors of Law, seven are admitted advocates each with cumulative experience of 10 years, and three are admitted attorneys with relevant experience.

The interviews were conducted at Parliament on 11 August 2016 beginning at 8 a.m. and ended on 12 August 2016 at 3:10 a.m. As the interviews were broadcasted live on Parliament television channel, the committee agreed to interview all the candidates in one sitting. This was to ensure that no candidate was able to gain an unfair advantage by watching others being interviewed on television.

I do need to say that this is a learning curve process and that there is obviously no process that is perfect and that there is therefore always room for improvement.

After this, the committee short-listed five candidates which included two judges – Judge Sharise Weiner and Judge Siraj Desai – Adv Busisiwe Joyce Mkhwebane, Adv Muvhango Antoinette Lukhaimane and Prof Bongani Christopher Majola.

I also want to say that women should be very proud because, of the 14 candidates that were initially short-listed, eight were women. They were not there because of their gender; they were there on merit. [Applause.]

It is therefore my pleasure to state that this committee is recommending Adv Busisiwe Joyce Mkhwebane to this august House

and to the President for appointment as Public Protector. This woman was phenomenal in many respects. She was the only candidate, as a matter of fact, who even remembered each question that was asked to her and even the names of those people who asked the questions. [Applause.] And this is the candidate that is also supported by members of the public.

I do want to say to the hon members that, in considering this report, I would like to express our appreciation, in the first instance, to all political parties for taking time out of their hectic schedule during a very difficult local government elections season to take part in this process. We also want to express our deepest gratitude to the South African public and civil society for reclaiming their space in the processes of Parliament. We also thank the members of staff for their diligence during this process. The report is tabled for your consideration. I thank you. [Applause.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, the question before the House is the approval of nomination of Adv Busisiwe Joyce Mkhwebane for appointment as Public Protector. Are there any objections to the nomination? [Interjections.]

Mr M WATERS: Chairperson!

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, hon member.

Mr M WATERS: The DA would like to make a declaration, please.

Thank you.

The HOUSE CHAIRPERSON (Mr C T Frolick): I have received request for declaration of vote. In terms of Rule 108, I will now allow one member of each political party wishing to make a declaration the opportunity to do so within the time allocation as determined by the Rules Committee, namely, the ANC, seven minutes, the DA, five minutes, the EFF, four minutes and all other parties, three minutes.

Declarations of vote:

Ms G BREYTENBACH: House Chair, the DA will not be ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon members.

Ms G BREYTENBACH: ... supporting the nomination of Ms Busisiwe NMkhwebane as the new Public Protector today. Before I deal with the reasons why not, I would like to thank the Chairperson for running a relatively clean ship and running a relatively efficient committee. I think she did quite a good job, so well done. [Applause.]

I want to remind the hon members of this House what the Constitutional Court has said about the Office of the Public Protector and what its function really is. In the Nkandla judgement, the court unanimously stated that like other Chapter 9 institutions, the Office of the Public Protector was created to strengthen constitutional democracy in the Republic. To achieve this crucial objective, it is required to be independent and subject only to the Constitution and the law. It is demanded to be impartial and to exercise the powers and functions invested in it without fear, favour and prejudice.

The constitutional safeguard in section 181 will be meaningless if institutions purportedly established to strengthen our constitutional democracy lacked even the remotest possibility to do so. The Public Protector is therefore one of the most invaluable constitutional gift to our nation in the fight against corruption, unlawful enrichment, prejudice and impropriety in state affairs and for the betterment of good governance. For these reasons, our Constitution conceived a way to give a voice, especially to the poor marginalised, and teeth that would bite corruption and abuse effectively. That's the Public Protector.

Yesterday in the McBride matter, the Constitutional Court found that independence primarily means that the anti-corruption body should be shielded from under political influence. To this end, genuine political goal to fight corruption is the key prerequisite.

Bearing in mind the direction provided by the highest court in our country, the DA cannot support the nomination of Ms Mkhwebane for the following reasons: Her appointment would be unreasonable if she was by no means the best candidate for the position and was illogically preferred over other qualifying candidates.

She has little or no practical experience to justify such an appointment when compared with the experience of other candidates. She was employed by Home Affairs as a director immediately prior to this process being initiated. She changed employment in June 2016 and went to the State Security Agency as an analyst. When asked in the interview why she has changed jobs for what is ostensibly a demotion, her reply was that she was passionate about the Constitution. While this is a noble value to hold, that alone does not make eligible for the position or separate her from other more qualified candidates.

More worryingly, we have been advised that the time spent as an Immigration Officer in China is highly suspicious, having been informed that that is simply coded language for being on the payroll of the State Security Agency.

In the absence of a logical explanation for what is seen as a demotion, the ineluctable conclusion is unfortunately, that Ms Mkhwebane is on the payroll of the State Security Agency. The situation is problematic, and in the current climate in the country where a justified view is held that the President is abusing state departments, the SA Airways, SAA, in particular, to hang on power at all cost, we hold the view that Public Protector cannot be seen to have even be in remotely connected to the State Security Agency.

While this doesn't make Ms Mkhwebane the worse candidate, it does not make her the best candidate either. Additionally, Madam Chairperson of the committee ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon members!

Ms G BREYTENBACH: ... she could not confirm that she had acquired any combination of experience for accumulated period of at least 10 years as demanded by the Constitution.

Other issues that gave rise to concerns and move us to be unwilling to support her nomination are the following: Both Judge Weiner and Prof Majola were stronger candidates in terms of experience and in terms of the quality of the interviews. Prof Majola as a candidate brings the bonus of his involvement in the Special Tribunal in Rwanda. He has had a certain distance from the government in South Africa while Ms Mkhwebane has stated on record that she wants to have a friendlier relationship with government.

The ever present danger of state capture was the President, and the fact that all independent institutions within the investigative capacity have already been captured, leaving only the Office of the Public Protector and the judiciary relatively untouched. It is of enormous importance to secure that the appointment of the new Public Protector is beyond suspicion.

We therefore view the single mandate support of Ms Mkhwebane as unreasonable. The DA believes in the rule of law in stopping corruption. To this end, we have worked tirelessly during this process to appoint a new Public Protector to ensure that the best person is appointed to serve the interest of the people.

We should also remember that Ms Madonsela was vilified by the ANC inside and outside of this House. To those supporting Ms Mkhwebane now, saying she must find her own moral compass, accused Ms Madonsela of being arrogant, a law unto herself and a spy, do not for one moment lose sight of the fact that hon Kebby Maphatsoe, Deputy Minister of Defence and Military Veterans called Thuli Madonsela a CIA plant and accused her of undermining the ANC. We cannot ... [Time expired.] risk this principles and we cannot support the nomination of Ms Mkhwebane.

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon members!
Order! [Applause.]

Mr N F SHIVAMBU: Chairperson, the EFF supports the appointment of Adv Busisiwe Mkhwebane as the Public Protector of South Africa. [Applause.] We believe that she did decidedly better than all the candidates that came for the interviews in the process of selecting a Public Protector for the next seven years in South Africa. We were particularly impressed by her understanding of the independence of the Public Protector's Office that it is only accountable to the Constitution and of course administratively accountable to Parliament.

We are also impressed by her experience and familiarity with the Office of the Public Protector, having worked there before, for more than five years, established offices during her tenure as an employee in the Office of the Public Protector. We think that quality is going to make her capable to hit the ground running when she takes over office.

But also, we were impressed by her commitment and determination to make the Office of the Public Protector accessible. Meaning that the people of uMhlabuyalingana, the people of Malamulele, the people of Jozini, the people of Emadlangeni, the people of Gekeng are going to have access to the Office of the Public Protector because she has the most believable and practical plan on how the people can gain access to the Office of the Public Protector.

But also, she said that she is not politically affiliated and does not have any relations with any politicians. If that information is discovered to be not true, the EFF will go for judiciary review because we would have appointed her on wrong information.

So, we believe what she says that she is not politically affiliated and that she does not have any relations with any

politician. So, we believe the presentation that she gave us. We are going to ask few things from her.

Firstly, is that Public Protector Mkhwebane, you must serve with integrity and consistency. Secondly, is that she must not be captured by politicians. Never sell your soul to politicians, particularly the incumbent government because soon they are not going to be in government. In 2019, majority of these people whom you think are senior in government are not going to be government of South Africa, they are going to be opposition. So, it will not help you with anything.

But also, you must be humble. You must have the temperament that you demonstrated during the interview process. You must not be easy to be angered by anyone because there will be lots of criticisms that are going to come your way as the Public Protector. Those are the things that we are asking from you.

But also, we want to use this opportunity to pay tribute to Adv Thuli Madonsela for a job well done. [Applause.] She has done very well as a Public Protector [Applause.] She indeed became the biblical David, who fought the most powerful and a well resourced Goliath, and she emerged victorious. We have since written to the Speaker of the National Assembly that in terms of

Rule 62, we should invite Adv Thuli Madonsela to come and address this House because we can take a resolution to do so. So, she must be allowed to bid farewell and give certain advices to public administrators and to politicians on how do we avoid circumstances where we are going to misuse public resources, we are going to avoid the undue benefits, we are going to avoid undue delays in the provision of services. I think we must give that opportunity to the outgoing Public Protector, but we support Adv Busisiwe Mkhwebane as the incoming Public Protector. We have faith in her. We are going to work with her, when we disagree, we disagree. [Time expired.] [Applause.]

Prof C T MSIMANG: Hon House Chair, the rigorous process of selecting a successor to the current Public Protector was characterised by two important features, transparency and public participation. To ensure transparency, everything about the applicants and nominees, including the applications and profiles, was published online and in the traditional media. To ensure public participation, members of the public were invited to participate early on in the process. We went further and invited all citizens to attend our interview sessions and also to watch this on television and other media.

We ended up with 59 applicants and nominees, which were rigorously screened and reduced to 14 that were eventually interviewed. The interviews whittled the candidates from 14 to five from which came the selected candidate Busisiwe Mkhwebane.

The Chairperson of Ad Hoc Committee, Dr Makhosi Khoza, guided us to adopt three principles of procedure. These were to ensure openness and objectivity. Firstly, all candidates would be interviewed on the same day to guarantee that no candidate had any advantage over any other. In practice, this led to a marathon interview process, which although I had initially supported, with hindsight, I now realise that it was not necessary as each candidate had her or his distinction trace, which resulted in different style of questioning.

Secondly, members of the committee were given latitude to question candidates on all negative comments on their character, particularly those that had led to disciplinary action or litigation. This gave the candidates the opportunity to respond to desperation comments in line with *Audi alteram partem maxim*, which forms the cornerstone of our jurisprudence. As a person who actually shortlisted Adv Mkhwebane, I accordingly reject in the strongest terms, disparaging comments on her character which have been posted by the DA on social media.

We are not prepared to entertain such without substantive proof being submitted before the proper forums, and at this stage we accordingly give Adv Mkhwebane, the benefit of the doubt.

Thirdly, we resolve to reach our conclusion through consensus, only resorting to voting only if consensus failed. All these were efforts to ensure that we present this august House with a candidate who is in the same league as Adv Madonsela, and that candidate is Adv Busisiwe Mkhwebane. I thank you. [Time expired.] [Applause.]

Mr S C MNCWABE: Hon Chairperson, members of the House, guests in the gallery, the NFP supports the recommendation of the ad hoc committee to nominate a person for the position of Public Protector, tabled here today. [Applause.] We say ...

Malibongwe, igama lamakhosikazi! [Let the name of the women be praised!]

HON MEMBERS: Malibongwe! [Let it be praised!]

We participated in the lengthy process and we concur with the chairperson of the ad hoc committee that Adv Busisiwe Joyce Mkhwebane is the fit and proper candidate to be appointed to the

position of Public Protector. The NFP believes that Adv Mbhekwané is an experienced, well educated, brave, intelligent, young female who must be supported and be given a chance. Overall, we were highly impressed with the extraordinary depth of experience and capacity of all the candidates who were shortlisted. Coming to a final decision was not easy.

The Office of the Public Protector has come of age in South Africa. It would be remiss of us not to acknowledge the contribution the outgoing Public Protector, Adv Thuli Madonsela, made during her term of office to establish the independence of this valuable Chapter 9 institution. Under her guidance, Adv Madonsela accelerated the workload of the Office of the Public Protector and cast the net of accountability wider than what it had ever been before. Through her resolve and determined dedication, she fiercely upheld the trust that had been placed in her. In doing so, she has earned the respect and admiration of the general public and enhanced our emerging democracy, setting a high standard for all who have to follow.

The new Public Protector has an enormous challenge ahead of her and it is one that will have to be met head-on. We have no doubt that there will be enormous pressure brought upon the incumbent to compromise on the independence of the Office of the Public

Protector, as we have seen happening to Adv Madonsela. We implore the new Public Protector to stand firm against such an onslaught and to continue serving the interests of democracy, above all considerations, without fear or favour.

We support Adv Busisiwe Joyce Mbhekwané as the new Public Protector of the Republic and we are positive that the president will, indeed, sign her in as the new Public Protector of the Republic. I thank you. [Applause.]

Mr N L S KWANKWA: House Chair, hon members, this debate on the appointment of the new Public Protector takes place at a time when government institutions that are supposed to serve our people have been captured by powerful private interests whose primary preoccupation is private gain. This is, sadly, beginning to shape the institutional trajectory of our nation. We are therefore compelled to take steps to strengthen our Chapter 9 institutions in order to ensure that they are independent; that they exercise and perform their functions without fear or favour; and are subject only to the Constitution of the Republic of South Africa.

The Office of the Public Protector is one such office and is, in fact, critical in ensuring democratic accountability. These were

our guiding principles in deciding who should succeed the current Public Protector, Adv Thuli Madonsela, who, in our view, has served our nation with distinction in this role.

Fellow South Africans, after careful consideration, the UDM has decided to support the appointment of Adv Busisiwe Mkhwebane as Public Protector of the Republic of South Africa. [Applause.] Not only did she emerge as one of the top candidates during the interview, Adv Mkhwebane, with her experience, also worked as a senior investigator in the Office of the Public Protector for six years. This means she has a good understanding of the operations of the office. Some have asserted that she is an unknown - which is true - but so was Adv Thuli Madonsela when she took over that position.

Fellow South Africans, we should not make it a crime for our people to work in government departments. Unless there is evidence of wrongdoing on her part or that she has used her position in state security to advance the interests of some or other faction in the ruling party, the UDM does not see how we can hold her working for state security against her.

Bendithetha noMongameli wam, uzekelisa ngabantu abangaziqondiyo izinto zokhuseleko. Uthi abantu bayalibala ukuba sithetha

ngabantu abapasiswayo kwezokhuseleko (security clearance.) loo nto ithetha ukuba bathembekile kwaye bayawazi umcimbi wabo ...

(Translation of isiXhosa paragraph follows.)

[I was speaking with my President, he is making an example about people who do not understand security issues. He says people forget that we are speaking about people who are clean in security clearance. That means they are trustworthy and know what they are doing ...]

... and work for the interests of all South Africans.

In addition to that, "state" is a concept - a very inclusive concept. We would have a problem, for instance, if people were to say she worked for government security rather than state security, because in state security, you have to work for everyone.

I would like to remind colleagues that we were wrong on Judge Mogoeng Mogoeng and on the IEC Chairperson, Mr Glen Mashinini. We believed that their perceived close proximity to President Zuma would jeopardise their independence. On the contrary, these compatriots have proven to be great leaders, committed to the cause of nation-building. [Applause.] However, in their cases,

we could find solace in the fact that we erred on the side of caution.

Fast-forward to Adv Mkhwebane. Without evidence of wrongdoing on her part or a clear link between her and President Zuma, on what basis would we block her appointment as the Public Protector of the Republic?

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, your time has now expired.

Malibongwe, igama lamakhosikazi! Wathint'abafazi, wathint'imbokodo. [Kwaphela isikhathi.] [Let the name of the women be praised! You strike a woman, you strike a rock. [Time expired.]]

The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you, hon member.

Mr N L S KWANKWA: Ubambe la masela. [Kwaqhwytywa.] [Arrest these thieves. [Applause.]]

Dr C P MULDER: Hon House Chair ... [Interjections.] ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon members!

Dr C P MULDER ... this is a serious matter. The appointment of the Public Protector is always a serious matter, but I would perhaps like to start off in a lighter vein, given the late hour of the day.

Opposing the appointment of the Public Protector reminds me of the story of the person who was very ill and, allegedly, on his deathbed. The priest wanted him to denounce the devil but the person refused. The question was asked, Why don't you want to denounce the devil? And the answer came, It's not a good time to make new enemies. [Laughter.]

Now, with all due respect to my colleagues, we all understand that the Chapter 9 institutions are very important. They are the cornerstones in terms of strengthening and consolidating our democracy - very important, in that respect. We understand that there is perhaps a flaw in the Constitution, because the Constitution clearly states you only need 60% for the appointment of the Public Protector. We all know that that means you need 240 votes. The ruling party, by themselves, have 249 votes.

So, technically speaking, the ruling party could have appointed any person they liked, in terms of the provisions of the

Constitution, currently. It would be preferable for the Public Protector to be appointed unanimously by all. That is the best preference, in order to send a strong message out there.

[Applause.] Obviously, we respect the position of the DA, and let's be honest, there are certain concerns. However, it's difficult to say, at this stage, that those concerns should override the other reality.

Somtyds in die politiek, moet mens 'n keuse maak tussen sleg en slegter. [Sometimes in politics, one must choose between bad and worse.]

I think, today, we are in such a position. Obviously, we might have preferred to have a different candidate, but that is not the reality. In terms of what's in front of us, we have to take a certain decision. So, obviously, we will support the appointment of the person proposed by the ad hoc committee.

However, if there is one Office that has been scrutinised more than all the other Chapter 9 institutions, it would be the Office of the Public Protector in the last couple of years because of the things that have happened in South Africa. There is no such clarity - in terms of what is expected of that Office in terms of what the Constitutional Court said or in terms of

the interpretation of the provisions in the Constitution - that that person will have to act in that manner. We will be focusing on that and scrutinising the Public Protector to make sure she does what is expected of her, in that sense.

One person, at the right time and in the right place, can make a difference. Thuli Madonsela made that difference. We all know that. Only time will tell if Adv Busisiwe Mkhwebane will also make a difference. Let's wait and see what happens. Thank you very much. [Applause.]

Ms D CARTER: Chairperson, at the outset, Cope expresses its sincere appreciation to Adv Thuli Madonsela for the competent, impartial, ethical and courageous manner in which she exercised her powers and performed her functions as the Public Protector, without fear, favour or prejudice and in the face of unwarranted intimidation and abuse from the ANC, the executive and the ANC cabal within this House.

The fact of the matter is that Adv Madonsela was never the enemy of the Republic of South Africa or a foreign agent, as some have painted her. She was mandated by the Constitution to investigate any conduct in state affairs or in public administration in any sphere of government that was alleged or suspected to be

improper or to have resulted in any impropriety or prejudice. It is the conduct of those that she investigated and found against who are the enemy of our country and its people. As Cicero said:

A nation can survive its fools, and even the ambitious. But it cannot survive treason from within.

The Congress of the People commends the role played by civil society groups, particularly Corruption Watch, who sensitised the public regarding the role and importance of the Office of the Public Protector and in the fitness or otherwise of the candidates considered for this position. The committee has also proved that members can burn the midnight oil, and we thank them for a job well done.

The Office of the Public Protector stands between good and bad governance and between ethical conduct and the abuse of power with impunity. In our opinion, there are South Africans with integrity, gravitas and standing who could be considered for the office and who could be trusted with exercising the powers and performing the functions of the Public Protector without fear, favour or prejudice.

Adv Madonsela leaves very big shoes to fill. There are questions hanging over Adv Mkhwebane's head that have not been adequately explained, if they can be explained, at all. As a nation, we cannot continue to appoint people to positions of trust where there are unresolved concerns about their integrity and bona fides. As a consequence, Cope will abstain from the recommendation that Adv Mkhwebane be appointed as the new Public Protector. [Interjections.] Thank you.

Mr L M NTSHAYISA: Hon House Chair, we as AIC also support the appointment of this great woman of Africa. Being a Public Protector is not a child's play. This woman seems to be a woman who can work with the ordinary people with ease. She has leadership qualities. She is a woman of great integrity. She is learned and has a lot of experience. She seems not to be a 'yes baas' [always expresses agreement with his or her supervisor, superior, etc].

She will do exactly as her predecessor or even more. She does not seem to be corrupt, of course many were called but one has been chosen. We wish this great woman good luck and appreciate the fact that she is going to be appointed to such a high position as a woman. We now also wish that many women should be appointed to these positions. Thank you very much.

Mr S N SWART: Hon House Chair, the ACDP would like to firstly commend the chairperson of the committee, Dr Khoza, for the open and transparent manner in which this process was conducted. The level of public participation was unparalleled and unprecedented. And our thanks also go all those who contributed corruption watch for the extensive research on each and every candidate. This process enjoys incredible public interest and scrutiny mainly, given the incredible work that Adv Madonsela has done up to now and the large shoes that had to be followed. She was indeed, as the Constitutional Court said, one of the true crusaders and champions of anticorruption and clean governance. And we believe that she should be thanked properly and in due time.

Though the chairperson indicated that the majority party was seeking a consensus candidate and we from the opposition were also trying to do that, it appeared from the beginning that they favoured Judge Desai. Once all the interviews had been conducted and a shortlist of five names was drawn up and while objections were raised against other candidates at that stage, no one objected to Adv Mkhwebane.

That doesn't mean that you can't object later but it is also important to remember that she was nominated by the IFP and she

seems to us to be that possible consensus candidate to bring all the parties together and at that stage we were fully aware of the fact that she had been employed by State Security for just one month but there is another candidate on that shortlist of five members who has spent six years at State Security and no one seems to have a problem with that. So, we now sit today with allegations which, if proved to be true, are very serious. Because if it is true that years ago Adv Mkhwebane worked for State Security then she must led Parliament know and there can be recourse to the courts. But at this stage we would like to give her the benefit of the doubt.

She had an excellent interview and is an exceptional and outstanding candidate. And there are also sufficient safeguard to ensure that the Office of the Public Protector is not compromised. The court has clarified the duties; we have their own staff that will be watching. We've got the media; we've got the civil society and of course we as parliamentarians will be watching very closely what she does and how she conducts her office to ensure that there are no shenanigans in that office as hon Malema said.

Let us be reminded that there were similar objections to Chief Justice Mogoeng Mogoeng. When he was appointed, the ACDP

supported that nomination and he proved himself to be loyal to the high position he holds in the judiciary. While we appreciate the concerns of the DA, I believe that Adv Mkhwebane and the ACDP believes that she should be given the opportunity to prove herself, given that she is capable and the closest we could come to a consensus candidate. I thank you.

Mr M A PLOUAMMA: Hon House Chair ...

Ga se ka tla go senya sebaka. Mme Khoza, o šomile mo. [Legoswi.]
Re le ba Agang re a leboga, mme. Sa bobedi re thekga motšekarolo yo. Re a bona gore rena ga re baporofeta; ga re tsebe gore go tla diragala eng ka moso. Re swanetše gore re mo fe sebaka a šome. Re kgopela gore MaAfrika-Borwa ka moka ba fe mme sebaka.

O re kgahlile ka mokgwa woo a ilego a araba dipotšišo ka gona le maitemogelo a gagwe go tšwa mešomong yeo a fetilego go yona. Re nagana gore re tšwa kgweding ya bomme - gomme ka tsela ye, re bona gore ke motšekarolo wa maleba yo a kgethilwego. Re kgopela gore ka moka re mo thekge go swana le ka mokgwa wo re bego re thekga Mošireletši wa Setšhaba, Madonsela, ka gona. Gomme ke tshepa gore go tloga bjale re tla tšwela pele re mo thekga; e sego fela go mo thekga mamohla, gomme gosasa ra thoma go mo sola

ebile re se na mabaka. Ke a leboga. (*Translation of Sepedi paragraphs follows.*)

[I will not waste much time. Madam Khoza, well done! [Applause.] As members of Agang we would like to thank you, madam. We support this candidate. We are not prophets, and therefore we do not know what will happen in future. We need to give her time to work. We request all South Africans to give her more time.

We were impressed by the way she responded to the questions during the interviews and the experience she has from the previous employers. We have just celebrated Women's month - and therefore we find her befitting to hold office. All we ask is that she is given the necessary support like as was done with the former Public Protector, Madonsela. I trust that as from now we will continue to give her our unwavering support; we need not criticise her unnecessarily. I thank you.]

Prof L R MBINDA: Hon Chair, let me on behalf of the PAC start by recognising the outstanding job that our outgoing Public Protector has done in her term of office. As a nation, we were blessed with her courageous African woman who against any form of intimidation could stand tall and speak the truth to authority. As a country, we need a Public Protector who will

continue to crack the whip against any wrongdoing, especially by the authorities like our outgoing Thuli Madonsela has done.

As the PAC we remain unshaken in our deliberate programme to liberate and develop women. We remain resolute with the role of our capacitated and capable of female members of our society, like uMama Madonsela and our preferred successor Busisiwe Mkhwebane. As the PAC we are glad to see another capable African woman filling in the shoes of another capable African woman so as to continue to dispel the notion that Africans are inferior or they are just human beings with her potential. [Applause.]

We want to condemn any petty political grandstanding based on unfounded allegations waged against Busisiwe Mkhwebane. We are saying to all those criticising that your stands belong to dirty box of history where African women were only fit to be kitchen girls. As the PAC we remain resolute behind the appointment of Busisiwe Mkhwebane. [Applause.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you, hon member.

The next speaker is Mr Godi. Order, hon members!

Mr N T GODI: Hon House Chair, comrades and hon members, the APC stands to support the recommendations for the appointment of

Advocate Busisiwe Mkhwebane ... [Applause.] ... for appointment as Public Protector. We hail the recommendation of a woman to succeed another woman purely on her capabilities. [Applause.] The APC congratulates Parliament for a transparent, impartial and public process. This exercise confirms the truism that as Parliament if we focus on the work at hand and exert ourselves properly we can find each other take decisions and make choices in the best interest of the country that puts Parliament in the best light.

We are convinced that the recommended Advocate Mkhwebane will consolidate on the work of her predecessor Advocate Thuli Madonsela and propel the work of that office to new heights. We hope that the new Public Protector will further enhance access and give priority to issues raised by ordinary citizens and communities, especially those in the rural areas, the farms communities with mines, etc. This House would be celebrating the unanimous appointment of Advocate Mkhwebane where it is not for the fly in the ointment, the DA. Thank you. [Applause.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you, hon member.

The next speaker is hon Bongo. Order, hon members, order!

Mr B T BONGO: Hon Chair, the ANC supports the appointment of Advocate Mkhwebane. As the ANC we would like to thank all the civil society organisations that had assisted the committee until today. Advocate Mkhwebane as a candidate has proved to be fit and proper and she has complied with the fit and properness in terms of the prescribed legislation.

One of the considerations of the committee was that we needed a person who will hit the ground running. Therefore, Advocate Mkhwebane has proved that she has once served in the office of the Public Protector. She served there and acted in Gauteng as the head. Therefore, with that appointment I think it will make sure that she is able to take from where Advocate Thuli Madonsela is going to leave.

In the interview she has proven in terms of the legislation, particularly the Public Protector's Act that says that the person who must be appointed must act without fear or favour. She has demonstrated that character in that particular interview. At Home Affairs, she has acquired various skills: General management skills and financial management skills. On 4 July she was appointed by the State Security Agency and that appointment was for until today.

There are allegations that were raised by the DA that Advocate Mkhwebane is a spy. I want to respond and say that those allegations are contemptful, unsubstantiated and just allegations and evidence of grandstanding and petty politicking by the DA. However, this does not come as a surprise from the DA. What we want to say as the ANC is that the Act is very clear. It does not say that the person who must be appointed must not be employed by any other agency. However, as this government we need to take certain initiative to teach our people in our communities about the important role played by the State Security Agency because its role in the main is a protection of the integrity and the sovereignty of the Republic. [Applause.]

We want to say to the DA that they must give us evidence of what they are raising in the social media and in the papers because all they say is that there is a source that he has told them. If they cannot bring the source we want to say to them that it is actually themselves who are spies.

We are not surprised by this action by the DA because when President Jacob Zuma appointed the Chief Justice, they said that it was a wrong appointment. Later on they are saying it is good appointment. When Advocate Thuli Madonsela was appointed, they

said that it was a wrong appointment. Later on they attempted to court.

More often in this House, when we pass very serious and important legislation like the Division of Revenue Bills, they always decline to vote with us and they claim that they want to represent the majority of our people because the Division of the Revenue Bills deals with issues of health, social grants and so on and so forth. They do not vote which means that they do not care about the plight of our people. President Mandela as he then was, warned us and warned the people of South Africa about the DA. He said, and I quote:

You must not be misled by a party that only cares for black people on the eve of elections. No white party can run this country no matter how they cover up by getting fewer blacks to be their stooges; they remain the bosses ... [Interjections.]

The HOUSE CHAIRPESON (Mr C T Frolick): Order, hon members!

Mr B T BONGO: ... they remain a white party. It is against this ... [Interjections.]

The HOUSE CHAIRPESON (Mr C T Frolick): Order, hon members!

Mr B T BONGO: It is against this background that the DA wanted Judge Weiner at all costs even if she could not demonstrate any experience and whatsoever in the field of human rights. I would like to thank all other opposition parties that have supported the ANC on this one. We want to say to you that we have seen that you have acted with objectivity. We want to thank you very much. We also want to thank Advocate Thuli Madonsela for the work that she has done.

Dr C P MULDER: Hon Chairperson, we are not supporting the ANC chairperson, we are supporting the committee and the Public Protector ... [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): That is not a point of order, hon member. Continue, hon member. Order, hon members! Order! Will you conclude, hon member.

Mr B T BONGO: I agree with him, hon Chair. What I was saying was that we would like to thank all other opposition parties for objectivity that they have displayed in this process. What I want to say finally is that the ANC is committed in building a really united nonracial, nonsexist and a prosperous country. I-ANC iyabusa, i-ANC isazobusa. [Ihlonbe.] [The ANC is leading, the ANC will still lead. [Applause.]]

Thank you very much. [Applause.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you, hon member. Order, hon members! Order! Order! Order, hon member! I now put the question. Those in favour of the question before the House will say "aye" and those against will say "no". I think ayes have it.

Mr M WATERS: Chairperson, the DA calls for division.

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon members! Order! Order, hon members! A division having been called for the bells will be rung for five minutes.

Division demanded.

House divided.

AYES - 266: Abrahams, B L; Adams, P E; Adams, F; Bam-Mugwanya, V; Bapela, K O; Basson, J V; Bekwa, S D; Beukman, F; Bhengu, P; Bhengu, N R; Bhengu, F; Bilankulu, N K; Bogopane-Zulu, H I; Bongo, B T; Booie, M S; Boroto, M G; Brown, L; Buthelezi, N S; Capa, R N; Capa, N; Cebekhulu, R N; Cele, B H; Cele, M A; Chauke, H P; Chiloane, T D; Chohan, F I; Chueu, M P; Coleman, E

M; Cronin, J P; Cwele, S C; Didiza, A T; Dirks, M A; Dlakude, D
E; Dlamini, M M; Dlamini, B O; Dlamini-Dubazana, Z S; Dlodlo, A;
Dlomo, B J; Dlulane, B N; Dunjwa, M L; Ebrahim, E I;
Esterhuizen, J A; Faku, Z C; Filtane, M L W; Fubbs, J L; Galo, M
P; Gamede, D D; Gcwabaza, N E; Gigaba, K M N; Gina, N; Godi, N
T; Gordhan, P J; Groenewald, P J; Gumede, D M; Gungubele, M;
Hanekom, D A; Hlengwa, M; Hlophe, H O; Holomisa, B H; Holomisa,
S P; Joemat-Pettersson, T M; Johnson, M; Jonas, M H; Kalako, M
U; Kekana, H B; Kekana, P S; Kekana, C D; Kekana, E; Kekana, M
D; Kenye, T E; Ketabahle, V; Khawula, M S; Khoarai, L P; Khosa,
D H; Khoza, N P; Khoza, T Z M; Khoza, M B; Khubisa, N M; Khunou,
N P; Koornhof, G W; Kota-Fredricks, Z A; Kubayi, M T; Kwankwa, N
L S; Landers, L T; Lesoma, R M M; Letsatsi-Duba, D B; Loliwe, F
S; Louw, E N; Luyenge, Z; Luzipo, S; Maake, J J; Mabasa, X;
Mabe, P P; Mabiya, L; Mabika, M S; Mabilo, S P; Madella, A F;
Madlopha, C Q; Maesela, P; Mafolo, M V; Mafu, N N; Magadla, N W;
Magadzi, D P; Magwanishe, G; Mahambehllala, T; Mahlalela, A F;
Mahlangu, D G; Mahlangu, J L; Mahlobo, M D; Maila, M S A;
Majeke, C N; Makhubela-Mashele, L S; Makhubele, Z S; Makondo, T;
Makwetla, S P; Malgas, H H; Maloyi, P D N; Maluleke, B J;
Manamela, K B; Manana, M C; Manana, M N S; Manana, D P; Mandela,
Z M D; Mantashe, P T; Maphanga, W B; Maphatsoe, E R K; Mapisa-
Nqakula, N N; Mapulane, M P; Martins, B A D; Masango, M S A;
Masehela, E K M; Maseko, L M; Mashabela, N R; Mashego-Dlamini, K

C; Mashile, B L; Masondo, N A; Masuku, M B; Maswanganyi, M J;
Mathale, C C; Mathebe, D H; Mathys, L A; Matiase, N S; Matlala,
M H; Matshoba, M O; Matsimbi, C; Mavunda, R T; Maxegwana, C H M;
Mbatha, M S; Mbetse, B; Mbinda, L R; Mchunu, S; Mdakane, M R;
Memela, T C; Mente, N V; Mfeketo, N C; Mjobo, L N; Mkhize, H B;
Mkongi, B M; Mmola, M P; Mncwabe, S C; Mncwango, M A; Mnganga -
Gcabashe, L A; Mnguni, P J; Mnguni, D; Mnisi, N A; Mogotsi, V P;
Mokoena, L G; Mokoto, N R; Molebatsi, M A; Morutoa, M R; Moteka,
P G; Mothapo, M R M; Motimele, M S; Motshekga, M S; Motsoaledi,
P A; Mpumlwana, L K B; Msimang, C T; Mthembu, J M; Mthembu, N;
Mthethwa, E N; Mthethwa, E M; Mudau, A M; Mulaudzi, T E; Mulder,
C P; Muthambi, A F; Nchabeleng, M E; Ndaba, C N; Ndabeni-
Abrahams, S T; Ndongeni, N; Nel, A C; Nesi, B A; Newhoudt-
Druchen, W S; Ngcobo, B T; Ngwenya-Mabila, P C; Nkadimeng, M F;
Nkwinti, G E; Nobanda, G N; November, N T; Nqakula, C; Ntombela,
M L D; Ntshayisa, L M; Nxesi, T W; Nyambi, H V; Oliphant, M N;
Oosthuizen, G C; Pandor, G N M; Patel, E; Paulsen, M N; Phaahla,
M J; Phosa, Y N; Pikinini, I A; Pilane-Majake, M C C; Plouamma,
M A; Radebe, G S; Radebe, B A; Radebe, J T; Ralegoma, S M;
Ramaphosa, M C; Ramatlakane, L; Ramatlhodi, N A; Rantho, D Z;
Raphuti, D D; Rawula, T; Semenya, M R; Senokoanyane, D Z;
September, C C; Shelembe, M L; Shivambu, N F; Shope-Sithole, S C
N; Sibande, M P; Singh, N; Sisulu, L N; Sithole, K P; Siwela, E
K; Skosana, J J; Skwatsha, M; Smith, V G; Sonti, N P; Sotyu, M

M; Surty, M E; Swart, S N; Thabethe, E; Thomson, B; Tleane, S A;
Tobias, T V; Tolashe, G N ; Tom, X S; Tongwane, T M A; Tseke, G
K; Tseli, R M; Tsenoli, S L; Tshwete, P; Tsoleli, S P; Tsotetsi,
D R; Tuck, A; v R Koornhof, N J J; Van Der Merwe, L L; Van
Rooyen, D D D; Williams, A J; Xalisa, Z R; Xasa, T; Xego, S T;
Yengeni, L E; Zokwana, S; Zulu, L D; Zwane, M J.

NOES - 79: America, D; Atkinson, P G; Bagrain, M; Baker, T E;
Balindlela, Z B N; Basson, L J; Bergman, D; Boshoff, H S;
Bozzoli, B; Brauteseth, T J; Breytenbach, G; Cardo, M J; Cassim,
Y; Chance, R W T; Davis, G R; De Freitas, M S F; Dreyer, A M;
Edwards, J; Esau, S; Figg, M J; Figlan, A M; Gana, S M; Gqada,
T; Groenewald, H B; Grootboom, G A; Hadebe, T Z; Hoosen, M H;
Horn, W; Hunsinger, C H H; James, L V; James, W G; Jongbloed, Z;
Kalyan, S V; Kohler, D; Kopane, S P; Kruger, H C C; Krumbock, G
R; Lees, R A; Lorimer, J R B; Lotriet, A; Mackay, G; Mackenzie,
C; Macpherson, D W; Maimane, M A; Majola, T R; Malatsi, M S;
Marais, E J; Masango, B S ; Matsepe, C D; Maynier, D J; Mazzone,
N W A; Mbhele, Z N; Mhlongo, T W; Mileham, K J; Mokgalapa, S;
Motau, S C; Rabotapi, M W; Redelinghuys, M H; Robertson, K P;
Robinson, D; Ross, D C; Schmidt, H C; Selfe, J; Shinn, M R;
Stander, T; Steenhuisen, J H; Steyn, A; Stubbe, D J; Topham, B
R; Van Dalen, P; Van Damme, P T; Van Der Walt, D; Van Der

Westhuizen, A P; Van Dyk, V; Volmink, H C; Vos, J; Walters, T C
R; Waters, M; Wilson, E R.

ABSTAIN - 1: Carter, D.

Question agreed to.

Nomination of Adv B J Mkhwebane for appointment as Public
Protector accordingly agreed to, in accordance with section 193
(5) (b) (i) of the Constitution.

Mr N F SHIVAMBU: Chairperson, I rise on a point of order just to
remind you and the ANC that this is what would have happened in
metros if the leadership had listened. [Interjections.]

**DECISION OF QUESTION - CONSIDERATION OF RECOMMENDATION OF
PERSONS FOR APPOINTMENT TO INFORMATION REGULATOR**

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, I wish to
remind you that on Tuesday, 24 May 2016, the decision of
question on the recommendation of persons for appointment to
Information Regulator was postponed.

There was no debate.

Question put: That Adv P Tlakula (Chairperson), Adv L C Stroom (full-time), Mr J C Weapond (full-time), Prof T Pistorius (part-time) and Mr S L S ka Mtuze (part-time) be recommended for appointment as members of the Information Regulator.

Declaration(s) of vote:

Mr W HORN: Chairperson, the purpose of this newly established Office of the Information Regulator is to regulate the protection of personal information in terms of the so-called Protection of Personal Information Act, Popi Act, and access to information in terms of what we know as Promotion of Access to Information Act, Paia. The rationale behind the establishment of the regulator was that these laws require an enforcement agency which could take real action in instances of noncompliance by both the public and private sector. As you have mentioned, Chairperson, this is, of course, the second attempt to approve the names put forward by the committee after the interviews already held in April. Today we will as we did earlier this year not be able to support the proposed names and more specifically not the proposal to select Ms Tlakula as the Head of the Information Regulator.

We do not doubt her qualifications and her very relevant experience in relation to this position, but we firmly hold the

view that she is not a fit and proper person to head up and hold the position of accounting officer of this office. Earlier this year, during the first attempt to have the proposed names approved, it was strongly argued that Ms Tlakula deserved a second chance and that she had dearly suffered the consequences of her indiscretion in respect of the lease of officers by the Independent Electoral Commission, IEC. Therefore, let us evaluate the relevant facts.

We must bare in mind that the Public Protector found that Ms Tlakula was to be blamed for improper conduct, maladministration and in particular for noncompliance with the relevant procurement prescripts and nondisclosure and failure to manage to manage a conflict of interest.

In accepting this report, the Electoral Court held that Ms Tlakula, as they so elegantly put it, objectively speaking made an untruthful statement. In light of this, let us remind ourselves of the requirement that apart from being suitably qualified and experienced, the members of the Information Regulator must be fit and proper. In the case of the *KwaZulu-Natal Law Society v Singh* (1526/2010) [2011] ZAKZPHC 12 (25 March 2011), the court explained that the words fit and proper allude to personal qualities such as honesty and reliability - a

character of uncorrupted virtue. More importantly, the court in this case, on the question of whether someone guilty of misconduct should be deemed to be fit and proper to remain on the roll of attorneys, formulated the following relevant test, namely whether the applicant was able and in fact did correctly and properly identify the particular defect in her own conduct which constituted the misconduct and whether the relevant conduct was due to a momentary lapse in judgment or a defect in character.

This is indeed a test that should be applied for us to determine whether Ms Tlakula deserves a second chance, as advocated by members who are in favour of her appointment. Now, we are not contending that there is a flaw in the character of Ms Tlakula, but, in answering the question as to whether she has indeed in a positive way formed an appreciation of her own misconduct and the consequences thereof; the following facts are relevant. Firstly, she never accepted personal responsibility for what happened, despite the Public Protector and the court making factual findings to that effect. She maintained this position up to the Constitutional Court which dismissed her application for leave to appeal.

Secondly, during the interviews - and this is very important for this position - she steadfastly refused to admit to any wrongdoing, rather continuing the argument that she fell prey to deficiencies in the law and overreaching on the part of the Electoral Court.

Does this sound like someone who has reformed sufficiently to be trusted with this position, specifically in light of the fact that the position she is recommended for would be that of accounting officer of the Information Regulator? Can we therefore as the legislature tasked with this selection, in a reasonable manner, appoint her as the head of this position? We believe it would be unreasonable for us to do so. I thank you.

[Applause.]

Ms N V MENTE: Chairperson, the EFF rejects the appointment of Pansy Tlakula as an information regulator. It cannot be correct that when, just in 2014, she was found guilty of maladministration, amongst other things, by the Public Protector, we here in Parliament trust her with such a huge responsibility. It will be wrong of us.

It should actually be recommended that, if an official or leader is found guilty of such misconduct, he or she is forced to

undergo at least five years of rehabilitation before such a person can serve in any office of government. It is too early to appoint her for any bigger responsibility after having embarrassed the country during her term of office at the Independent Electoral Commission, IEC. There, her departure was not dignified at all. She simply cannot be trusted with the information of our country. Down with cadre deployment! Down! At this point, Pansy Tlakula cannot serve. Thank you. [Applause.]

Mr M HLENGWA: House Chair, we have just voted for the appointment of a Public Protector, and many people here went on and on - correctly so - about how the allegations against the Public Protector were unfounded.

Here we are dealing with a situation where allegations were confirmed, and the proposed name of Adv Tlakula is inconsistent with rationality and sanity because we are, in effect, condoning misbehaviour. This country will run down a slippery slope if we continue to condone misbehaviour, and there is an absence of consequences. It is this House that should champion discipline amongst all people in the country, regardless of who they are, regardless of who they know.

So, the contrast that is before us should challenge us to do the right thing for no reason other than it being the right thing. If the argument holds that Adv Mkhwebane should be appointed as the Public Protector, and for us to negate the allegations that have been levelled against her because they have not been tested, how do we then in the same breath do something that grinds against that very train of thought?

So, the IFP cannot in good faith support the names proposed for the Information Regulator. We need to arrive at a point in this House where we stand firm and say no to these misdemeanours. We cannot be seen condoning them. If we do that, we are then going to open the floodgates. If you look at the Auditor-General's annual reports, it is always the absence of consequences that gives rise to the misbehaviour that we are seeing in the Public Service. So, we must appeal to our conscience here in this House for us to send the message out there that we are not going to stand for misbehaviour. We should not speak from both sides of our mouths in this House.

The IFP, in good faith, knows that it is the right decision not to support the names that have been proposed, and we question the intentions of those who proposed the names. Should this person now go and bungle in the Information Regulator? It is

your track record that judges you, and, unfortunately, on a white sheet, everybody sees the black spot. It sticks. We in this House cannot put bleach or paper over it and pretend as though it did not happen by condoning it. So, Chairperson, the IFP will not support the proposed names. I thank you.

[Applause.]

Mr S C MNCWABE: Chairperson, hon members, the Deputy President and Speaker, from the onset, let me say that we fully support the nomination of Adv Lebogang ...

HON MEMBER: Umshado ... [Akuzwakali.] [Ubuwelewele.] [The wedding ... [Inaudible.] [Interjections.]]

... Kahleni, ngilindeni bakithi ngikhulume. [Ubuwelele.] [... Hold on, wait for me to talk. [Interjections.]]

From the onset, let me say that we are fully in support of the nominations of Adv Lebogang Cordelia Stroom and Mr Johannes Collen Weapond as full-time members, as well as Prof Tana Pistorius and Mr Sizwe Lindelo Snail ka Mtuze as part-time members of the Information Regulator.

However ...

Ningilalele bese nishaya izandla. [Listen to me and then clap your hands.]

We do not support the nomination of Adv Pansy Tlakula as the chairperson. [Interjections.] Our objection is based solely on the circumstances surrounding her departure as the chairperson of the IEC. We acknowledge the good work she had done during her term at the IEC, and we accept that she does have skills and expertise that could be of benefit in establishing the Information Regulator.

However, the NFP believes that we have a duty to ensure that any candidate we recommend for senior office should be of unquestionable integrity. Unfortunately, Adv Tlakula does not meet the stringent requirements that we believe are necessary for holding the chair of the Information Regulator. Accordingly, we cannot support the recommendations of the portfolio committee. I thank you.

Benithini-ke ngami, Shandu? [What were you saying about me, Shandu?]

Mr N L S KWANKWA: House Chair, I think after this session we will have to develop a theory on the perfectibility of man. I

use "man" here in the biblical sense. [Interjections.] If people are imperfect, they will make mistakes.

By the way, the UDM actually took Adv Tlakula to the Public Protector. We lodged the complaint, and we fought against her until we made sure that she paid the price for the mistake she made - whether you like it or not. So, when people refer to this matter, they actually talk about the UDM. [Interjections.]

The bottom line is, and we have said it before and we are going to say it again, we have forgiven people who have done worse things in this country than Adv Pansy Tlakula. [Applause.] The issue here is that in instances where people make mistakes, they must be given an opportunity to redeem themselves. It is as simple as this. In this instance - I have said it before on behalf of my party - when she was the chairperson of the IEC, we never doubted her competence as the chairperson up until she made that mistake that was picked up by the UDM. If we hadn't picked up that mistake, people would probably not have known about it, and she would still be the chairperson.

So, the issue is that she made a mistake. We made sure that she paid the price for it. Now we are saying that she should be given a second chance to redeem herself. [Interjections.] What

kind of a nation will we be if we fail to forgive people who make mistakes but have forgiven people who have done worse?

[Interjections.]

Niyamosha. [You are out of order.]

Declarations of vote cont:

Dr M S MOTSHEKGA: Hon House Chairperson, hon Deputy President and hon members, the Portfolio Committee on Justice and Correctional Services received 39 nominations and 10 candidates who were interviewed to fill vacancies on the newly established Information Regulator office. The Information Regulator is a new office that has been created by the Protection of Personal Information Act. The Information Regulator has extensive powers in terms of the legislation and will, among others, regulate both the protection of personal information and the promotion of access to information.

Mr Johannes Weapond and Adv Lebogang Stroom have been recommended to serve fulltime whilst Sizwe Snail ka Mtuze and Prof Tana Pistorius are to serve on a part-time basis. The committee recommended Adv Pansy Tlakula as Chairperson of the body. Adv Tlakula is a deserving candidate by all means and standards. On her watch, as Chief Electoral Officer and later

Chairperson of the IEC, South Africa had four well managed elections; two national and two for local government. All four elections were declared as free and fair and the IEC managed the elections in an exemplary fashion.

Prior to joining the IEC, Adv Tlakula had served for seven years as a Founding Commissioner in the South African Human Rights Commission. Her previous positions included chairing the board of the National Credit Regulator and National Director of the Black Lawyers Association. She has 10 years experience both as the Commissioner of the African Commission on Human and People's Right and as its Special Rapporteur on Freedom of Expression and Access to Information. I can add that only distinguished jurists on the continent can serve in that position.

The issues surrounding the IEC's lease of a building and the subsequent repercussion thereof do not, in the view of the ANC and all the right thinking parties like the UDM, disqualify Adv Tlakula from holding office as the Chairperson of the Information Regulator.

The House may be familiar with the issue; the Public Protector and National Treasury found that Adv Tlakula as the then Chief Executive of the IEC together with the executive committee had

violated certain procurement procedures in obtaining the building. It included aspects such as not advertising the tender for long enough and not obtaining official permission from the commission at the time to re-advertise the bid. But these issues are not material issues that can detract this House from the integrity of the person of Adv Tlakula, and therefore these issues are irrelevant and not ground for disqualifying her.

[Interjections.]

Various political parties across the board have said at the time that there was no evidence that Adv Tlakula had ever benefited personally from the process. According to media reports, the irregularities had been discovered by 2011, disclosed in the IEC's financial statements and reported to Treasury. So there was no attempt to hide anything and therefore there is no basis for the suggestions that are being made by the DA and others.

Adv Tlakula has an impressive set of qualifications including B Proc, LLB degree from Wits as well an LLM degree from Harvard University. She is the right person for the job. The civil society activists have also come out in support of Adv Tlakula, as Mukelani Dimba, the Executive Director of the Open Democracy Advice Centre, correctly argues in a recent article, and I quote,

The Information Regulator is going to be a critical institution in advancing transparency and information rights in the country. We need to get it right from the start. What is needed is someone with extensive experience in building prodemocracy and human rights institutions, someone with expertise in issues of promotion of access to information and a champion of the right of access to information.

Adv Tlakula represents all these attributes.

Hon members, let me tell you that as Chairperson of this committee, I gave all opposition parties more time than usual to say all the things they were worried about. They could not say anything of substance and therefore, to try and use this forum to define the meaning of a fit and proper person is out of order. And hon Breytenbach's definition of fit and proper was actually not a correct definition in law. Thank you very much.

Division demanded.

House divided.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, will you take up your allocated seats, please? Thank you.

Hon members, I would like to remind you that you may only vote from your allocated seat and, when requested to do so, you must simply indicate your vote by pressing the appropriate button below the "yes", "no" or "abstain" signs. If a member inadvertently presses the wrong button, the member may thereafter press the correct button. The last button pressed will be recorded as the member's vote when the session is closed.

The question before the House is the approval of the recommendation for the appointment of Advocate Pansy Tlakula, Adv Lebohang Cordelia Stroom, Mr Johannes Collen Weapond, Prof Tana Pistorius and Mr Sizwe Lindelo Snail ka Mtuze to serve on the Information Regulator.

Are all members in their allocated seats?

HON MEMBERS: Yes!

The HOUSE CHAIRPERSON (Mr C T Frolick): Voting will now commence. Those in favour of the recommendations should press the "yes" button. Those against should press the "no" button and those wishing to abstain press the "abstain" button.

Can the Whips please check on the members at the back as well?

Mr N F SHIVAMBU: Chairperson ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, hon member, why are you rising?

Mr N F SHIVAMBU: We have a problem with one person.

[Interjections.] We do not have a problem with the others; we do not know them. So I do not now if it is the correct procedure to subject people to collateral damage. There is a person that we have concerns about because we believe that she has not been rehabilitated for maladministration and now we must vote the others out as well. [Interjections.] We do not want to subject people to collateral damage. [Interjections.] Is that how the Rules of Parliament subject ... [Interjections.] [Inaudible.] ... process?

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon members! Hon Member we are dealing with a report. We are dealing with a report and we are taking the report as a whole. The voting session is now closed, hon members.

There was no debate.

Question put: That Adv P Tlakula (Chairperson), Adv L C Stroom (full-time), Mr J C Weapond (full-time), Prof T Pistorius (part-time) and Mr S L S ka Mtuze (part-time) be recommended for appointment as members of the Information Regulator.

Division demanded.

The House divided.

AYES - 228: Abrahams, B L; Adams, F; Adams, P E; Bam-Mugwanya, V; Bapela, K O; Basson, J V; Bekwa, S D; Beukman, F; Bhengu, P; Bhengu, N R; Bhengu, F; Bilankulu, N K; Bogopane-Zulu, H I; Bongo, B T; Booi, M S; Boroto, M G; Brown, L; Buthelezi, N S; Capa, R N; Capa, N; Cele, B H; Cele, M A; Chauke, H P; Chiloane, T D; Chohan, F I; Chueu, M P; Coleman, E M; Cronin, J P; Cwele, S C; Didiza, A T; Dirks, M A; Dlakude, D E; Dlamini, B O; Dlamini-Dubazana, Z S; Dlodlo, A; Dlomo, B J; Dlulane, B N; Dunjwa, M L; Ebrahim, E I; Faku, Z C; Filtane, M L W; Fubbs, J L; Galo, M P; Gamede, D D; Gcwabaza, N E; Gigaba, K M N; Gina, N; Gordhan, P J; Gumede, D M; Gungubele, M; Hanekom, D A; Holomisa, S P; Holomisa, B H; Joemat-Pettersson, T M; Johnson, M; Jonas, M H; Kalako, M U; Kekana, H B; Kekana, P S; Kekana, C D; Kekana, E; Kekana, M D; Kenye, T E; Khoarai, L P; Khosa, D H; Khoza, T Z M; Khoza, M B; Khunou, N P; Koornhof, G W; Kota-

Fredricks, Z A; Kubayi, M T; Kwankwa, N L S; Landers, L T;
Lesoma, R M M; Letsatsi-Duba, D B; Loliwe, F S; Luyenge, Z;
Luzipo, S; Maake, J J; Mabasa, X; Mabe, P P; Mabija, L; Mabilo,
S P; Madella, A F; Madlopha, C Q; Maesela, P; Mafolo, M V; Mafu,
N N; Magadla, N W; Magadzi, D P; Magwanishe, G; Mahambehlala, T;
Mahlalela, A F; Mahlangu, D G; Mahlangu, J L; Mahlobo, M D;
Maila, M S A; Makhubela-Mashele, L S; Makhubele, Z S; Makondo,
T; Makwetla, S P; Malgas, H H; Maloyi, P D N; Maluleke, B J;
Manamela, K B; Manana, M C; Manana, M N S; Manana, D P; Mandela,
Z M D; Mantashe, P T; Maphatsoe, E R K; Mapisa-Nqakula, N N;
Maphanga, W B; Mapulane, M P; Martins, B A D; Masango, M S A;
Masehela, E K M; Maseko, L M; Mashego-Dlamini, K C; Mashile, B
L; Masondo, N A; Masuku, M B; Maswanganyi, M J; Mathale, C C;
Mathebe, D H; Matlala, M H; Matshoba, M O; Matsimbi, C; Mavunda,
R T; Maxegwana, C H M; Mbetse, B; Mbinda, L R; Mchunu, S;
Mdakane, M R; Memela, T C; Mfeketo, N C; Mjobo, L N; Mkhize, H
B; Mkongi, B M; Mmola, M P; Mnganga - Gcabashe, L A; Mnguni, P
J; Mnguni, D; Mnisi, N A; Mogotsi, V P; Mokoto, N R; Molebatsi,
M A; Morutoa, M R; Mothapo, M R M; Motimele, M S; Motshekga, M
S; Motsoaledi, P A; Mpumlwana, L K B; Mthembu, J M; Mthembu, N;
Mthethwa, E N; Mthethwa, E M; Mudau, A M; Muthambi, A F;
Nchabeleng, M E; Ndaba, C N; Ndabeni-Abrahams, S T; Ndongeni, N;
Nel, A C; Nesi, B A; Newhoudt-Druchen, W S; Ngcobo, B T;
Ngwenya-Mabila, P C; Nkadimeng, M F; Nkwinti, G E; Nobanda, G N;

November, N T; Nqakula, C; Ntombela, M L D; Nxesi, T W; Nyambi, H V; Oliphant, M N; Oosthuizen, G C; Pandor, G N M; Phaahla, M J; Phosa, Y N; Pikinini, I A; Pilane-Majake, M C C; Plouamma, M A; Radebe, G S; Radebe, B A; Radebe, J T; Ralegoma, S M; Ramaphosa, M C; Ramatlakane, L; Ramatlhodi, N A; Rantho, D Z; Raphuti, D D; Semanya, M R; Senokoanyane, D Z; September, C C; Shope-Sithole, S C N; Sibande, M P; Sisulu, L N; Siwela, E K; Skosana, J J; Skwatsha, M; Smith, V G; Sotyu, M M; Surty, M E; Thabethe, E; Thomson, B; Tleane, S A; Tobias, T V; Tolashe, G N; Tom, X S; Tongwane, T M A; Tseke, G K; Tseli, R M; Tsenoli, S L; Tshwete, P; Tsoleli, S P; Tsotetsi, D R; Tuck, A; v R Koornhof, N J J; Van Rooyen, D D D; Williams, A J; Xasa, T; Xego, S T; Yengeni, L E; Zokwana, S; Zulu, L D; Zwane, M J.

NOES - 111: America, D; Atkinson, P G; Bagraim, M; Baker, T E; Balindlela, Z B N; Basson, L J; Bergman, D; Boshoff, H S; Bozzoli, B; Brauteseth, T J; Breytenbach, G; Cardo, M J; Cassim, Y; Cebekhulu, R N; Chance, R W T; Davis, G R; De Freitas, M S F; Dlamini, M M; Dreyer, A M; Edwards, J; Esau, S; Esterhuizen, J A; Figg, M J; Figlan, A M; Gana, S M; Gqada, T; Groenewald, H B; Grootboom, G A; Hadebe, T Z; Hlengwa, M; Hlophe, H O; Hoosen, M H; Horn, W; Hunsinger, C H H; James, L V; James, W G; Jongbloed, Z; Kalyan, S V; Ketabahle, V; Khawula, M S; Khoza, N P; Khubisa, N M; Kohler, D; Kopane, S P; Kruger, H C C; Krumbock, G R; Lees,

R A; Lorimer, J R B; Lotriet, A; Louw, E N; Mabika, M S; Mackay, G; Mackenzie, C; Macpherson, D W; Maimane, M A; Majola, T R; Malatsi, M S; Marais, E J; Masango, B S ; Mashabela, N R; Mathys, L A; Matiase, N S; Matsepe, C D; Maynier, D J; Mazzone, N W A; Mbatha, M S; Mbhele, Z N; Mente, N V; Mhlongo, T W; Mileham, K J; Mncwabe, S C; Mncwango, M A; Mokgalapa, S; Mokoena, L G; Motau, S C; Moteka, P G; Msimang, C T; Mulaudzi, T E; Paulsen, M N; Rabotapi, M W; Rawula, T; Redelinghuys, M H; Robertson, K P; Robinson, D; Ross, D C; Schmidt, H C; Selfe, J; Shelembe, M L; Shinn, M R; Shivambu, N F; Singh, N; Sithole, K P; Sonti, N P; Stander, T; Steenhuisen, J H; Steyn, A; Stubbe, D J; Swart, S N; Topham, B R; Van Dalen, P; Van Damme, P T; Van Der Merwe, L L; Van Der Walt, D; Van Der Westhuizen, A P; Van Dyk, V; Volmink, H C; Vos, J; Walters, T C R; Waters, M; Wilson, E R; Xalisa, Z R.

Question agreed to.

Nominations accordingly agreed to in accordance with section 41(2) (a) and (b) (ii) of the Protection of Personal Information Act, 2013.

The House adjourned at 20:18.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

ANNOUNCEMENTS

National Assembly

The Speaker

1. Appointment of members to National Council for Correctional Services

- (a) A letter dated 1 September 2016 has been received from the Minister of Justice and Correctional Services, informing members of the Assembly of the appointment of the following members to the National Council for Correctional Services for the period 1 June 2016 to 31 May 2019 in terms of section 83(2)(d) of the Correctional Services Act, 1998 (Act No 111 of 1998):

Dr V Chetty, Rev J P Clayton, Mr I L de Klerk, Adv K A Mahumane, Ms T S Monyamane, Mr M Nkopo, Ms L U Z Rataemane and Ms A Vilakazi.

Referred to the **Portfolio Committee on Justice and Correctional Services**.

TABLINGS

National Assembly and National Council of Provinces

1. The Minister of Communications

- (a) Report and Financial Statements of Vote 46 – Government Communication and Information System (GCIS) for 2015-16, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2015-16 [RP 267-2016].
- (b) Report and Financial Statements of the Brand South Africa for 2015-16, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2015-16 [RP 137-2016].

2. The Minister of Justice and Correctional Services

- (a) Report and Financial Statements of the National Director of Public Prosecutions for 2015-16 [RP 134-2016].
- (b) Proclamation No R. 46, published in Government Gazette No 40176, dated 29 July 2016: Commencement of certain sections of the Judicial Matters Amendment Act, 2015, made in terms of section 23 of the Judicial Matters Amendment Act, 2015 (Act No 24 of 2015).
- (c) Proclamation No R. 7, published in Government Gazette No 37346, dated 14 February 2014: Amendment of Proclamation No R. 7 of 2014 as amended by

Proclamation No R. 599 of July 2015, in terms of the Special Investigating Units and Special Tribunals Act, 1996 (Act No 74 of 1996).

- (d) Draft amendments to regulations pertaining to the Child Justice Act, 2008 (Act No 75 of 2008), made in terms of section 97 and submitted for approval by Parliament in terms of section 97(2) read with section 98(3) of the Act.

3. The Minister of Labour

- (a) Report and Financial Statements of Productivity South Africa for 2015-16, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2015-16 [RP 259-2016].

4. The Minister of Public Service and Administration

- (a) Notice No R.877, Government Gazette No 40167, 29 July 2016: Public Service Regulations with effect from 1 August 2016, made in accordance with section 41 of the Public Service Act, 1994 (Proclamation No 103 of 1994).
- (b) Notice No R.878, Government Gazette No 40167, 29 July 2016: Public Service Regulations with effect from 1 August 2016, made in accordance with section 41 of the Public Service Act, 1994 (Proclamation No 103 of 1994).

COMMITTEE REPORTS**National Assembly**

1. Report of the Standing Committee on Finance on the Agreement between the Government of the Republic of South Africa and the Government of the Republic of Singapore for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income, dated 07 September 2016.

The Standing Committee on Finance, having considered the request for approval by Parliament on the Agreement between the Government of the Republic of South Africa and the Government of the Republic of Singapore for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income, recommends that the House, in terms of section 231 (2) of the Constitution, approve the said Agreement.

Report to be considered.

2. Report of the Standing Committee on Finance on the Agreement between the Government of the Republic of South Africa and the Government of Saint Christopher (Saint Kitts) and Nevis for the Exchange of Information Relating to Tax Matters, dated 07 September 2016.

The Standing Committee on Finance, having considered the request for approval by Parliament on the Agreement between the Government of the Republic of South Africa and the Government of Saint Christopher (Saint Kitts) and Nevis for the Exchange of Information Relating to Tax Matters, recommends that the House, in terms of section 231 (2) of the Constitution, approve the said Agreement.

Report to be considered.

3. Report of the Standing Committee on Finance on the Agreement between the Government of the Republic of South Africa and the Government of the United Arab Emirates for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income, dated 07 September 2016.

The Standing Committee on Finance, having considered the request for approval by Parliament on the Agreement between the Government of the Republic of South Africa and the Government of the United Arab Emirates for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income, recommends that the House, in terms of section 231 (2) of the Constitution, approve the said Agreement.

Report to be considered.

4. Report of the Standing Committee on Finance on the Agreement between the Government of the Republic of South Africa and the Government of the Turks and Caicos

Islands for the Exchange of Information Relating to Tax Matters, dated 07 September 2016.

The Standing Committee on Finance, having considered the request for approval by Parliament on the Agreement between the Government of the Republic of South Africa and the Government of the Turks and Caicos Islands for the Exchange of Information Relating to Tax Matters, recommends that the House, in terms of section 231 (2) of the Constitution, approve the said Agreement.

Report to be considered.

5. Report of the Standing Committee on Finance on the Agreement between the Government of the Republic of South Africa and the Government of the Oriental Republic of Uruguay for the Exchange of Information Relating to Tax Matters, dated 07 September 2016.

The Standing Committee on Finance, having considered the request for approval by Parliament on the Agreement between the Government of the Republic of South Africa and the Government of the Oriental Republic of Uruguay for the Exchange of Information Relating to Tax Matters, recommends that the House, in terms of section 231 (2) of the Constitution, approve the said Agreement.

Report to be considered.

6. Report of the Standing Committee on Finance on the Agreement between the Government of the Republic of South Africa and the Government of the Republic of Zimbabwe for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, dated 07 September 2016.

The Standing Committee on Finance, having considered the request for approval by Parliament on the Agreement between the Government of the Republic of South Africa and the Government of the Republic of Zimbabwe for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, recommends that the House, in terms of section 231 (2) of the Constitution, approve the said Agreement.

Report to be considered.

7. Report of the Standing Committee on Finance on the Protocol Amending the Agreement between the Government of the Republic of South Africa and the Government of the Federative Republic of Brazil for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income, dated 07 September 2016.

The Standing Committee on Finance, having considered the request for approval by Parliament on the Protocol Amending the Agreement between the Government of the Republic of South Africa and the Government of the Federative Republic of Brazil for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income, recommends that the House, in terms of section 231 (2) of the Constitution, approve the said Protocol.

Report to be considered.

UNREVISED HANSARD