WEDNESDAY, 20 SEPTEMBER 2023

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PROCEEDINGS OF HYBRID NATIONAL ASSEMBLY

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The House met at 15:00

House Chairperson Mr M L D Ntombela took the Chair and requested members to observe a moment of silence for prayer or meditation.

ORAL QUESTIONS: CLUSTER 4: ECONOMICS

Question 497:

The MINISTER OF MINERAL RESOURCES AND ENERGY: Thanks very much, hon Chairperson and hon members. In terms of the Mineral and Petroleum Resources Development Act, MPRDA, we issue a number of rights – mining rights, prospecting rights and a mining permit. They are not the same. For the mining sector a right is a contract between the state and the mining company. You must remember that mineral deposits below the surface of the soil belong to the state on behalf of the people as a whole. Therefore, when you apply for a right you are

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concluding a contract between the state and that mining company. All holders of the mining rights have the following as part of the terms and conditions. First, is to comply with the social and labour plan. Social and labour plan is a social license for a mining company with the communities where they are. That's why when we talk about the social labour plan it is not the municipality and it is not the government, but it is communities. Therefore, compliance with the social labour plan is quite important.

You will have noticed that we are shifting from small social labour plan projects like multipurpose and all these small things. We are insisting on impactful projects. If need be, companies must pool together their resources and plead impactful projects. That is why you see schools, clinics, water purification plants and all those things. We do those things so that it is a real social licence for a mining company in a community where they operate.

We have black economic empowerment, BEE, participation specified in the mining rights. In the MPRDA we have agreed that in new licenses there will be 10% - which is 5% for the community and 5% for workers - and up to 30% must be BEE for those companies. Many people say that that thing is inhibiting

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investment. It is not. It is about realising that it has been a long period where South Africans had no right to participate. [Singing.]

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Mahambehlala! [Singing.]

The MINISTER OF MINERAL RESOURCES AND ENERGY: There is also a mining work programme which is an element of economic extraction of minerals are contained in works programme. Environmental authorisation is a must. You can't get a mining license without environmental authorisation. You must get a water license. There has to be a payment of royalties. Payment of royalties is determined by the legislation per mineral category. It's not the same. Gold and coal are not the same as platinum and lime. Therefore, royalties are paid in terms of the prescriptions of the Act. Thanks very much.

Mr A M SHAIK EMAM: Thank you very much, Chairperson. Minister, you correctly alluded to the fact that the wealth of the country belongs to the people of the country. My understanding is that the royalties that we get from these mining companies are very little. They are very little benefits to the South Africans at large. Will you consider, perhaps in line with

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President Masisi of Botswana, that it is a win-win situation for the country that mining and the public sector should work on perhaps a 50-50 so that more money would be available to uplift the living conditions of the people in this country who rightfully own the minerals of this country? If not, can you tell us why not?

The MINISTER OF MINERAL RESOURCES AND ENERGY: House Chairperson, there is a difference between practical work and an aspiration. They are separate! In an aspiration you aspire to achieve that. Botswana has been free since 1965. They have developed their administration of minerals to the point to where they are today. Where we are we are prescribing 30% to be BEE including the free carry of 10%. That's where we are today. It is an aspiration we aspire to get the 50-50.

In addition to that, sometimes when we talk about royalties many people do not appreciate what it is. Last year 2022, royalties amounted to R28 billion. That's why we said, why don't we use these royalties to establish a sovereign wealth fund, for example. Instead of trying to get another tax for sovereign wealth fund we are already paying royalties. So, why can't we use them for sovereign wealth fund because it is there and it is paid anyway, but it disappears into the

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Treasury as another tax? That's how it happens. It goes there and it loses identity. That's it!

I agree with the hon Shaik that it is an aspiration to go for 50-50, but at this point in time it is not. Thank you.

Mr M G E HENDRICKS: Thanks very much, hon House Chair. Hon House Chair, the Minister is creating a sense of excitement in as far as striking the issuing of mining licenses. But how can the Minister assist further when municipalities block his noble efforts by refusing a zoning certificate especially when the applicants are people of colour?

The MINISTER OF MINERAL RESOURCES AND ENERGY: House Chairperson, people of colour? I do not understand what that means. We do not categorise people in that way. We look into the applications, we assess them and grant licenses. If municipalities are blocking, we have not received any such cases as the department. If there is such a case, it will be interesting for us to look at it and study it and see what intervention we can ... But at this point in time, we have not received such a case where we have issued a mining license and be blocked by zone and rezoning of such. We have not received

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such case. We appeal that please bring those cases so that we can see them. Thank you.

Ms M E SUKERS: Thank you, House Chair. Minister, our communities in Namaqualand specifically the Nama Khoi Municipality are aggrieved. These rural communities have been struggling to obtain mining rights. The De Beers Mining Company sold their mining rights to the Kleinzee Holdings, and Kleinzee Holdings took out an interdict to rent the area of illegal foreigners and South Africans from all over. But Bontecou, that is 35km from Kleinzee Holdings has been given to the Nama people as a nature reserve. They have no mining rights. They are forced to illegally mine and these communities want an answer on, why is it that they are not benefiting from the minerals in the ground? What is the Minister and this government doing to empower those communities and assist them to obtain mining rights? And they want to know who is Kleinzee Holdings? Thank you.

The MINISTER OF MINERAL RESOURCES AND ENERGY: House Chairperson, as I go around the provinces, and I have been to every province, one of the questions I am confronted with is whether I am going around with mining licenses in my pocket. And I always explain that I don’t go around with mining

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licenses in my pockets. Anybody who wants a mining license go to the Department of Mineral Resources office, apply a license, go through the same process and we will give you a license.

Whether you are from Namaqua or you are from Witbank or you are from Khathu, you go through the same process. You apply for a license, and we give you a license.

Illegal mining ... and I have said this repeatedly in this House that don't classify illegal mining with mining. It's not mining, but a crime. Illegal mining is a crime. That's why when people do illegal mining we get a lot of fatalities in that exercise because they have no consideration of safety standards. Therefore, it is an issue that the Minister of Police and the Defence Force have accepted it as their responsibility to deal with illegal mining as a criminal activity. Thanks very much.

Mr S LUZIPO: Thank you, House Chair. Hon Minister, since it is a must that the policy and royalty regimes in the mining industry aligned with the national policy imperatives, how will a customised cadastral system ensure that South Africa effectively obtains more benefits through the development of

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these mineral resources for present and future generations as stipulated in the Mineral and Petroleum Resources Development Act, as well as how often does the Department of Mineral Resources and Energy interact with the National Treasury so as that mining royalties are charged and paid in accordance with the Mineral and Petroleum Resources Development Act and the Mineral and Petroleum Resources Royalty Act's provisions for state custodianship over its mineral resources? Thank you very much, House Chairperson.

The MINISTER OF MINERAL RESOURCES AND ENERGY: Thaks very much, House Chairperson. I missed the first part of the question but let me try to go through it. Let me start from the end - royalties and the National Treasury. When I came to government, not very long as this is my first term in government, one of the things I learnt very early is that money matters, finance matters, funding matters and budget matters all belong to the National Treasury.

When you talk about royalties, royalties are charged as percentage based on a mineral. You pay royalties for diamond, royalties for gold, royalties for coal and so forth. All these are determined in terms of the Act, but they are administered by the National Treasury. When that question comes to me, it

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is coming to a wrong place. It comes to a wrong Minister because I would know that this year royalties gave us R28 billion. I would have a desired to have that money put into a sovereign wealth fund, but it is a desire. But I can only put it to the National Treasury, appreciate and do it. That's it!

The question of future generation! I want to put this into perspective. One of the things that we should encourage is that the current generation must take active interest in owning mining rights and mines. When you go to the collieries - it is a pity it is on the back foot as everybody attacks it - it is actually the most progressive where many black South Africans are running mines of their own and is followed by manganese. It is because it is an open cast mine and therefore it is not a complicated mine. Our people must take interest in owning mines. If you do not take any interest and own it now and dream of the future generation, it is not going to happen. It can only happen if we are actively involved.

One of the issues is that if you want to be in business with mining, put your skin on the fire. Don't go around begging. Work hard, involve yourself and burn your skin. You are actually building your business brick by brick and then you

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are going to succeed. You are not going to dream about the future, but you will do it now and grow today. Thank you.

Question 500:

The MINISTER OF EMPLOYMENT AND LABOUR: Chairperson, given that the Employment Equity Amendment Bill has generated much public debate and the aims and objectives of the amendments have been publicly distorted to suggest the specified Bill discriminates against formerly oppressed minority communities. What are the full factual reasons for this? I must say this very well. It is important to highlight that the Employment Equity Amendment Bill was presented into law or assented into law on 6 April this year by the President. Subsequently, the Employment Equity Amendment Act was published in Government Gazette on 14 of April, and since then these Employment Equity Amendments have generated the public interest due to some misinformation circulated in the media by some opposition parties, they know themselves and other social platforms on the actual intent and purpose of these amendments. Some citizens have been misled and threatened that these amendments will lead to their dismissal or retrenchments. This is not true at all.

The Constitution of the Republic of South Africa reflects in the preamble the recognition by the people of the injustices

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of our past and resolve and improve the quality of life of all citizens and to free the potential of each person. As we consolidate almost 30 years of democracy, we should not forget our painful past and how the majority of our people were excluded from accessing equal opportunities in employment and education, including participating in the economy on an equal footing, merely based on race, colour, of their skin, gender, language, culture, including on their disability.

So, it is fundamental to clarify that over 25 years, Chairperson since the inception of the Employment Equity Amendment, the trajectory of transformation in the labour market has been at a snail's pace. As a result, the majority of the previously disadvantaged groups, black people in terms of the law and this means the black people in our language, the Africans coloureds and Indians, and we are referring to women and persons with disabilities. They remain under-represented at senior and executive management level of the workforce.

It is evident that self-regulation by employers has failed and not yielded positive results, and hence the main objective of the Employment Equity Amendment is to empower the Minister of Employment and Labour to regulate sector specific targets and

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to reduce regulatory administrative burden on small businesses. Those who are employing between 1 and 49 employees would be exempted from implementing some of the measures. In addition, these amendments are intended to promulgate section 53 of the Employment Equity Amendment in relation to issuing the Employment Equity certificates of compliance as a prerequisite for access to state contracts or doing business with any organ of state.

You cannot want to do business with the state, but you do not want to implement the law. It is as simple as that. Thank you.

Ms M L DUNJWA: Chair, thank you hon Minister for the response. Based on the road shows that the department embarked on, I believe they have been finalised. How is the general mood on the ground and how are the people receiving these amendments despite the opportunists who are anti-transformation and raising divisive racial elements? I thank you.

The MINISTER OF EMPLOYMENT AND LABOUR: Hon Chair, thank you very much, hon Dunjwa, for the follow up. Road shows have happened throughout the provinces, but they are continuing, we are not yet at the end. The mood at these stakeholder engagements has been that the employers, the workers and

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citizens in general are welcoming access to unmediated information and facts. Citizens and communities engaged on clarifications regarding the Employment Equity Amendment and the draft regulations. They have confirmed the problem statement leading to the legislative intervention. Most of them were delighted when we were replacing fiction with facts because there is a lot of fiction here. Others shared ideas on how to allay fears regarding those who were made to misunderstand the Employment Equity Amendment interventions and they were fed with misinformation. It has been fulfilling to hear South Africans at these imbizos and their commitments to the cause of our Constitution and strengthening our democracy. This has been a huge demand for these engagements to be extended to all communities, including in the additional areas in the provinces already covered. So, we are moving not just province to provide region to region to explain to our people where we are coming from. Thank you.

Ms H DENNER: Hon House Chair, hon Minister, it seems that government is speaking with forked tongue. Yesterday, we regaled with assurance upon assurance that government, through the Department Public Service and Administration is working on a plethora of policies that will ensure merit, based appointments in the public service yet the Employment Equity

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Amendment Act aims to impose target-based quotas, which are the opposite of merit, upon private sector businesses. Now, Minister irrespective of whatever racially charged answer you may have ready for me, where any quota system is in place, merit takes a back seat. It has nothing to do with race it is a proven fact. So, my question, Minister since you have just vehemently defended this legislation, are we to accept then that government lied to us yesterday or are you lying to the people of South Africa today? Thank you.

The MINISTER OF EMPLOYMENT AND LABOUR: Chairperson...

IsiXhosa:

... unyanisile, ohloniphekileyo uDenner.

English:

Your problem is the misunderstanding of the facts. The Act does not talk about quotas. The Act talks about targets over a period. Targets and quotas are different. A quota, a quota you put it... [Interjections.]

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Order, order, hon members.

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The MINISTER OF EMPLOYMENT AND LABOUR: ... and if you do not meet the quota, if you do not meet the quota, you must be punished but a target is something you work over the time and you have the liberty to do whatever you can be able to do. But also, what we are saying, there are a number of exemptions where people can be able to say this is the reason why we could not be able to meet that. They have been listed even in that legislation. So, that must be understood. Thank you.

Mr M G E HENDRICKS: House Chair, the so-called Coloureds and Indians cannot be categorised. I was there in 1974 when Steve Biko, by the consent of President Mandela, declared Indians and so-called Coloureds are black. That was the position of Jessie Duarte, which President Ramaphosa often refers to. On the Cape Flats, President Thabo Mbeki reiterated that it is the case. Minister, are you prepared to engage? So, affirmative action is limited to whites and blacks and not disadvantaged so-called Coloureds and Indians with separate targets. Thank you.

The MINISTER OF EMPLOYMENT AND LABOUR: Chairperson, thank you very much to hon Hendricks. You are right. Now, in our definition of the National Question, we talk about blacks, but because of our racial history by certain people who want to

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deny it and think today that merit must only apply to whites when they talk about merit. We have been able to say it means these categories and we are saying all of them are black. In these interactions we have said we are ready to listen, and we have even opened the period for the people to make inputs on the regulations. We are listening to the people. If there is anything fundamental which they are putting, we are going to relook at some of the areas. so, we are ready to listen, hon member, but be comfortable that when we are talking about the disadvantaged, we are talking about the black people, all of them in their various groups. Unfortunately, we use these racial terms which are uncomfortable, but it is part of our history created by some people. Thank you.

Question 534:

The MINISTER OF FINANCE: Hon House Chair, all measures and advice provided to departments are in line with processes that have been underway since the start of the budget process. In June 2023, the National Treasury published guidelines for the Medium Term Expenditure Framework, MTEF, indicating clearly that savings reprioritisation and an extension of fiscal consolidation measures will be required. Therefore, there have been advice and requests to the accounting officer for greater spending control for some time.

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Wage agreements in South Africa are determined by the Public Service Co-ordinating Bargaining Council, and not by the National Treasury. Nevertheless, in the 2023 budget speech, it was made very clear that measures will be taken to claw back the cost in a manner that maintains the stability of the fiscal balance. The National Treasury further reiterated this point in a press release on 31 March 2023. In this regard, the national budget process has also consistently taken this into account.

Let me pause for a moment and say something about this wage agreement. It has achieved two things for us. The first one is stability, in the sense that moving forward, we now know in the next financial year how much we must pencil in. Because we have had a two-year agreement. Moving forward, we will make sure that by the time we table it in the MTBPS next year, they would have achieved another agreement for the following years, so that we have stability in the budgeting process.

The second component of it is developing trust between the government and its employees, and that is too fundamental which is something which has been a problem in the previous negotiation period. Moving forward, I think this disagreement provides a stable base for that.

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The economic growth outlook has worsened significantly relative to expectations outlined in the 2023-24 budget, given the impact of more intense load shedding, and freight and port logistic constraints, among other things. The fiscal challenges in 2023-24, mainly originate from lower-than-expected tax revenue collection for the first months of the year, and tightening fiscal conditions that constrained the government borrowing programme and led to higher borrowing scopes. These developments happened after the budget, and after the 2023 public service wage agreement was signed in March 2023.

It should be further noted that both the MTBPS and the annual budget outlined the government's economic and fiscal focus, together with scenarios for both potential upside, and the potential downside outcome. In addition, the National Treasury publishes a fiscal risk statement in which it outlines the risks that should they materialise will affect baseline economic focus and fiscal projections, and thus potentially produce a different outcome.

In addition, the National Treasury assesses its focus and projections against other forecasters both domestic and global. In this regard, as presented to Parliament in the

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past, the National Treasury's forecaster generally compared well with other forecasters, including the private sector and the South African Reserve Bank. As reflected in the recently published gross domestic product, GDP, figures by Statistics South Africa, the National Treasury's growth estimates remain broadly credible. Specific proposals, in respect of the budget, will be presented at the time of the 2023-24 MTBPS. Thank you.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon members, I have been informed that hon Sarupen will take charge of the supplementary question in terms of Rules 137(10)(A) the hon Sarupen, thank you.

Mr A N SARUPEN: Thank you, House Chair, and please protect me from the ANC Chief Whip. Minister, thank you for the response. In 2019, the ANC election manifesto document on page 17 promised an investment plan to increase investment by R1,2 trillion, over the next four years. It is on page 17 of your manifesto. Page four of your cost containment notes instructs the departments to freeze capital expenditure. Surely abandoning capital at spending is abandoning your manifesto. Government advertising consultants and government events budgets remain untouched.

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Can you elaborate on what you are going to do to stimulate economic growth while justifying increasing wages, particularly well-paid civil service managers, and maintaining spending on very important persons, VIPs, protection, but not cutting spending on consultants' government advertising and government events, is it because these things will prop up the ANC's 2023-24 election campaign. Thanks.

The MINISTER OF FINANCE: You will bear with me, hon House Chair that I will not necessarily respond to electioneering. I will only deal with the substantive issues you have raised and it is only one issue. And that substantive issue is our commitment to our path to increase government investment, and that commitment remains. If you look at the proposals again, several people misread the document. What it says is that "Where you are capable of spending the money during the financial year, surely you should continue with that. You can't cut that investment." The problem is that you cannot proceed and finish the money before the first year, you may have to curtail that. It's just a management process which happens in anything.

In any event, if you look at the previous indications or look at the section 31 and 32 reports, you will see that a majority

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of underspending happens on capital expenditure. That's what we are referring to in this document, not moving away from the commitment to increasing government. You are going to hear that when we present the MTBPS our commitment is increasing in that area of activity. Thank you.

Mr G P MASUALLE: Thank you, hon House. Minister, a follow-up question would be, as you have stated in your earlier response in the budget statement of 2023 February that was presented you did allude to the fiscal consolidation strategy that was adopted a few years ago, whose purpose was designed to restrain growth mainly in consumption expenditure, and at the same time use part of the higher-than-expected revenues to reduce the deficit. The budget speech also indicated that the government was bringing the fiscal deficit down without resorting to further cuts in social wage and infrastructure and that a primary fiscal surplus would be achieved in the current financial year and maintained over the medium term.

The recent pronouncements including the memos, would the Minister care to allay whatever concerns may arise, that the commitments made particularly on investment in infrastructure as well as investments in creating capacity for the

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government, those commitments would not be compromised in the course. Would the Minister allay the fears?

The MINISTER OF FINANCE: Hon Masualle's question comes back to the same thing. Are we likely to have an impact on key commitments we have made? I have made the point quite clear that there is no rationale for the fear that the commitments to investment in infrastructure will be curtailed.

Let me just, for instance, take the issue of Eskom. Eskom's ability to be able to invest and maintain to the satisfaction of the Minister of Electricity arises precisely because we have made a commitment to undertake some of their responsibility, including their debt, and today Eskom can do a massive maintenance programme, which is to the advantage of the South African economy in general. So, our course towards commitment to achieving the objectives as we have set out, I want to assure hon Masualle that those commitments remain. But what we want to make sure of is that there is a prudent use of these resources in such a manner that we can be able on one hand contain some of these programmes that are not likely to make an impact and reprioritise spending to programmes that are likely to have an impact. That's generally the strategic

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approach we have taken in this regard. Thank you, hon House Chair.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Thank you, hon Minister. The third supplementary question is by the hon Kwankwa.

IsiZulu:

Awukabuyi?

English:

Okay. We will pass. Do we have a replacement for hon Shivhambu from the EFF? Okay, I have noted you. But can we allow hon Kwankwa to speak?

Mr N L S KWANKWA: Chair, my apologies say I'm not feeling well, so I'm coming from an appointment that took a lot longer than I thought. Minister, given the austerity measures which you have already indicated, I want to understand whether they do not have a negative impact to affect the social services or the social security budget. Whether given what we are experiencing now you have considered improving the forecasting models so that all the factors that influence revenue collection are taken into account to avoid a repetition of

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what we are experiencing. And instead of running budget cuts whether there are any strategies that you have taken to balance goals of revenue mobilisation with advanced tax collection methods to achieve the fiscal consolidation that you spoke about. Apologies for not being present earlier, I am sorry Sir.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Understood, hon Kwankwa.

The MINISTER OF FINANCE: There are two aspects of this question. If I understand it correctly. The first aspect is the impact on social services. The answer is that we have no intention of rendering a negative impact on social services. We are also mindful of the fact that the bigger part of the R37 billion for wage bill falls on three departments, health, education, and the police. Combined R37 billion is taken by those three. There is no way that they can absorb that. And therefore our effort is to make sure that those departments do not suffer the consequences as a result of that. So that is the first part I want to deal with.

The second part is the prediction. I will go into this in detail when I answer hon Mabeletsa's question. But let me

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summarise it now that revenue forecasting is a product of three institutions. The first is the South African Revenue Service, Sars, the second is the South African Reserve Bank, and the third is the National Treasury. They have a co-ordinating committee that has an economic focus with a revenue focus, which then sets a target for Sars and a committee called the Revenue Analysis Workplace Committee. We call it RAWC. There is no doubt that it is a solid forecasting. Thank you, Chair.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon member, why are you rising?

Mr D W MACPHERSON: Chair, I rise on a point of order. I would like to refer you to Rule 142(4), which says that concerning each question four supplementary questions may be asked. It's clear that maybe some parties are attending either online or in the House, and I think that when we used to meet in person, it would be up to the discretion of the Chair to allocate the fourth question and I think that it will be a tragedy if we are here for the question session and some parties are not taking that, and that opportunity is not being used that opportunity seems to be given away. So I would ask for your discretion Chair that if parties are not utilising their spots

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here those questions be allocated to parties in the House or online to be able to ask further questions.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): I think it's a question that requires an interrogation of the processes. I will, therefore, come back to you with that. Thank you very much. The last question is from the hon Shivambo if he is available or his replacement.

Ms O M C MAOTWE: I will take the question on behalf of the deputy president. On the question by hon George. While his question is important Chair, there are two aspects that we must correct to ensure it's addressed adequately in this House. Firstly, it's well-known and public knowledge that the National Treasury has been implementing an austerity budget for an extended period. Secondly, we need to recognise that the failure of the National Treasury to manage the country's finances isn't the result of workers' salaries. In reality, Chair, workers in South Africa have been burdened by these austerity measures for many years.

Now the essential question to the Minister is, have you in your role as the Minister explored different policy

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alternatives to austerity? Given its evident failures over the past two decades. I thank you, Chair.

The MINISTER OF FINANCE: Let me correct the hon member. At no stage both in our documents and anywhere have we made the suggestion that the challenges we face are as a result of workers. We say the challenges we face are a result of lower-than-anticipated revenue collection.

Ms O M C MAOTWE: House Chair!

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Maotwe, you have posed a question and the Minister is responding. Would you please give him a chance ... [Interjections.] ... Hon Maotwe! You have to recognise your own rules, please. Give the Minister a chance to ... [Interjections.] ...

Ms O M C MAOTWE: I'm calling on a point of order, Chair ... [Interjections.] ...

The HOUSE CHAIRPERSON (Mr M L D Ntombela): No, but he is replying to you.

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Ms O M C MAOTWE: But he is wrong. I never said he said that. I said hon George! I wanted to correct that Chair, so I could help the process.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Maotwe, I would have no alternative but to remove you from the platform if you are not ...

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Minister, sorry about that. Please continue.

The MINISTER OF FINANCE: The second part is the idea of exploring different alternatives. The question of financing is not about the amount of debt or anything else but about the ability of the economy to service it. It’s clear that the economy is not doing well over a long period. So that’s a good place to start. What we need to focus on is the issue of growth. Because if the economy does not grow, we are going to continue fiscal consolidation, which alone is not going to be successful in the long run. So when they say we need to look at alternative measures, the only alternative measure is how do we grow the economy so that it’s able to finance the resources that our society in general needs.

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The HOUSE CHAIRPERSON (Mr M L D Ntombela): Thank you very much, hon Minister. Hon members, if members are not happy with the replies that come from the ministers, there are processes to be followed. You cannot object to the House. It's not acceptable.

Question 519:

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Hon House Chair, the Cabinet approved the revised SA Connect phase two model, an implementation plan which connects both government and communities. The approval is based on partnership between State Information Technology Agency, Sita, Broadband Infraco and Sentech. It includes implementation via social obligation as committed by telecommunications companies, telcos, connected to spectrum. In the step-by-step target as the member is asking, Sita will connect government sites, national and province, including South African police, excluding schools, unless they are part of the existing broadband initiatives over three years. Sita will connect at a minimum of 10 megabytes per second. A total of 14 742 government sites as well as 949 libraries and Thusong Centres. Existing budget from ... [Inaudible.] ... departments must be utilised, maintenance and the extension of service provided by Sita thereafter.

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Telecommunication companies through Independent Communications Authority of South Africa, Icasa, awarded high demand, I've already spoken about that. We'll do the 36 months to provide 10 megabits per second in the uplink and the downlink approach and kept an upgradable for the same duration that entities are licensed to utilise spectrum broadband services to connect a total of the following numbers: 18 520 schools, 1 764 hospitals, 3 967 clinics, 567 libraries in Thusong Centres, 8 241 traditional and tribal authority centres. The Broadband Infraco and Sentech in their aspects will provide broadband infrastructure to enable more broadband connection possibilities at a minimum of five megabits per second, MBPs, positively affecting five million households over the next three years in the following manner: 840 open access ... [Inaudible.] ... stations, 33 539 community ... [Inaudible.] ... spots to connect 5,8 million households. Lastly, 1 600 households using a very small aperture which is commonly referred to as ... [Inaudible.] ... connections in the Eastern Cape, KwaZulu-Natal and Northern Cape mountainous areas. Thank you, House Chair.

Mr S TAMBO: House Chair, through you to the Minister, there's a prevailing notion that when discussing issues of internet access, we are primarily focused on urban areas. However, if

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you travel from Johannesburg towards Freiburg on the N14 most of the time there's no cellphone reception, let alone internet access. The same holds true if you go from Vryheid to Durban or from East London to Qoboqobo. If you go to Dihlabeng in the Free State, our citizens in rural areas often lack access to even basic telephone or cellphone reception.

Minister, could you provide us with an example a current project in the small to medium term that we can inspect after this sitting, a project where improvement in cellphone reception or internet access for our rural residents are currently underway, not to be expected to be underway in three years. We don't need a lengthy explanation, Mr Mondli Gungubele, just one project you are currently aware of that is currently improving the conditions of our people in terms of cellphone and internet access. Thank you very much.

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Thank you very much, hon member. There's quite a number of those. As I speak to you, just as from July once funds were released, we were able just from July up until now to connect no less than 14 000 sites, mainly in the rural. Mountain even Modimolle are just few examples where very soon we'll be activating connections which will translate in a visible impact. I can go

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and you can go to Kimberly, you can go to O R Tambo, there's quite a number of those, hon members. However, we can give you the details which is there even after this session. Thank you.

Mr B M MANELI: Hon House Chair, through you to the Minister, thanks for your comprehensive response to the question already asked. Hon Minister, please elaborate on some of the key recommendations from the study on the cost to communicate as conducted by the department and action initiated to implement them. I thank you, hon House Chair.

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: I didn't pick the question, hon House Chair.

Mr B M MANELI: Hon Minister, please elaborate on some of the key recommendations from the study on the cost to communicate as conducted by the department and action initiated to implement them ... [Inaudible.] ... hon House Chair. Thank you.

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: I do not have the exact figures at the moment, hon member. That's all I can respond to you. What I think we'll be able to extract those.

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Ms N W A MAZZONE: House Chairperson, I think we need to understand that the simple fact is that for years South Africa hasn't had a plan or a feasible workable plan to fix internet connectivity in South Africa because the kickbacks have just never been high enough, and the department was so captured by political cronies and informed people. Therefore, let us know that it's harder to lie to uninformed people than it is to lie to informed people, so it's better to keep people in a dark. Now, quite a bright South African by the name of Elon Musk has got this company called Starlink, Minister. Now, Starlink is rolling out all over the world and the African continent is biting, they're literally going mad for Starlink.

Therefore, this South African offers a Starlink to South Africans, let me come to South Africa and give you Starlink and South Africa turns around, slaps him in the face and says I'll tell you what, you can come to South Africa if you ensure us 30% black economic empowerment, BEE, ownership. Therefore, that means more and more South Africans remain without internet connectivity. Minister, let's just cut the nonsense. Let's just be honest with South Africans today. Will you as Minister do the right thing and stop the request of the 30% BEE in Starlink and just let South Africa have internet access, and if not, why?

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The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Hon House Chair, through you, I think the problem with you, hon member, is that it's a question you will never stop. It doesn't matter how we respond to it. However, it comes in a two-dimensional manner today. First, is the response to Elon Musk. We've said it several times. In terms of our record, we don't have application of Elon Musk, but we hear about it in the news. We have spoken to Icasa. He could not actually show up in the board. Lastly, between us and DA, I guess that's a reason we exist separately because we've got different experiences. Our experience is that we have lived the experience of being disadvantaged, no access to water, no access to electricity, no access affected by job reservations and everything.

Therefore, that's why in our case 30% is understood. It is understood because we have no access to all these things, whether it's business, it has always been meant for whites. Urban areas, as always, we experienced it. Therefore, our response to it and yours won't be the same, because you read about it, and we experienced it. Because we experienced it, we cannot pretend that we don't remember it. Therefore, 30% to us is not an issue of excitement. It's an issue of ensuring that we understand that, and inclusive South Africa cannot be

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separated from correcting the inequities of the past. Those two are two sides of the same coin called nation-building. Any attempt to separate the other from the other, you belong to another country, and not here. Thank you.

Mr M HLENGWA: Hon House, through you to hon Minister, all the noble endeavours which you have referred to insofar as connectivity to police stations, clinics and hospitals, I will note it. However, communication is a two-way street. Therefore, South Africans continue to bear the brutal brunt of load shedding, which has got a material impact on cellular phone connectivity and internet connectivity, particularly in rural communities which are previously disadvantaged and presently disadvantaged. Therefore, what mitigating interventions are you putting in place working with the cellphone by this to push back on the impact that load shedding has on connectivity so people can be able to make calls, particularly on the essential services such as responding to medical emergencies and so on, and so forth, because we've had this dilemma now, the longest of time and it's with us for the foreseeable future. Therefore, an intervention is required. Thank you, House Chair.

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The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Thank you, hon Hlengwa. I guess the problem you're raising is genuine. We've spoken to telcos how they are affected by that, how even where there's connectivity, the powering of the connectivity is a challenge. However, there's no simple solution to that matter. That's why we in our department staying in touch with the Department of Electricity and relevant departments. We are impressed with the progress that seeks to deal with that situation.

Therefore, the little we'll do is to keep on engaging with them on that experience and his experience we are aware of. Very soon, the Minister of Electricity and I have agreed to ... [Inaudible.] ... to discuss the role of technology in actually ensuring that electricity work in a more modern way than it did in the past. There's a number of other efforts in that regard. The point I'm trying to make is that that challenge we are aware of, a number of efforts are being engaged to deal with it.

Question 501:

The MINISTER IN THE PRESIDENCY FOR ELECTRICITY: Hon Chairperson, I guess the question surfaces several issues. The first one is just to indicate to the House that there are two

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broad categories of power stations. The first group of power stations which are the primary anchor that undergates our generation capacity in the country are those that provide for base load or dispatchable power, and these are essentially powered by fuel sources such as coal, nuclear and hydro.

What typically happens is that when the demand exceeds generation, the system operator then has got an obligation to ensure that the emergency power essentially derives from your pump storage as well as your open cycle gas turbine, gets to be deployed to ensure that you are able to reduce the delta, the difference between a demand and generation, and to the extent that that emergency power is not sufficient to close the gap, the system operator then deploys what you and I refer to in nomenclature as load shedding, an instrument available at the disposal of the system operator to ensure that we are able to protect the grid.

The first question asks the following: Is it the case that stage 6 load shedding that we experienced last week as a result of the depletion of the financial resources at Eskom and therefore the inability of the system operator to deploy your emergency reserves?

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The first answer to that is, as Minister Godongwana has indicated, Eskom has received a fiscal support of R254 billion to ensure that we address the liquidity challenges at Eskom and to ensure that we are able to exert a lot of efforts on the maintenance side.

As part of that R254 billion fiscal relief, R22 billion has been ringfenced for purposes of procuring diesel. And then Nersa approved the tariff increase for Eskom. Thus, provide for an R8 billion ringfence for purposes of buying diesel. So, when you add R22 billion together with R8 billion, it means for the current financial year Eskom has R30 billion to procure diesel.

I must say that during the height of our deployment or placing on load our emergency reserve during the winter period of April to end of July, we underspend in relative to our projection, so you're not ... [Inaudible.] I wanted to explain that. Essentially, you're dealing with the major problem of the challenges in relation to the supply side of the value chain in relation to diesel, and that question has been attended to.

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The reason why you had stage 6 load shedding was as a result of our efforts to ensure that we triple the maintenance of the power station. When we went through the winter period, part of our strategy was to keep planned maintenance at 2 000 megawatts and when we entered the warmer periods when generation comes down, we tripled it and took it to 6 000 megawatts. Why are you doing that? It’s because you must do the right thing, you must fix these units.

And that's why the President makes the point about short term gain and long-term gain. What you are seeing today and what you'll be seeing going forward is not an accident, it's a function of the work that we have been doing and much later, I'm going to show you that we're bringing on string an additional 3 200 megawatts. In the next three months we will be able to resolve the challenge of load shedding.

Essentially what I'm sharing with you is that, of course it wasn't a money problem, but issues around the challenges in relation to the supply chain side of the value chain associated with the with diesel. Thank you very much.

Mr M G MAHLAULE: Minister, you will agree that the price and the cost of diesel is too high, and we really need to mitigate

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around that. What are some of the measures that are put in place by the Eskom's board Finance Investment Committee to lessen the past challenges faced by Eskom as far as procurement of diesel is concerned because R22 billion is a lot of money to burn diesel in one financial year? Thank you very much.

The MINISTER IN THE PRESIDENCY FOR ELECTRICITY: Hon Mahlaule, just to make the point that R22 billion plus R8 billion, R30 billion just directed at burning diesel, you are correct. It's an inexplicable amount of money to be used on diesel, but that number must be understood relatively to what risks are associated with not burning diesel.

What do we know about not burning diesel? We know if you were to use the robust model of the South African Reserve Bank and Statistics South Africa, I'm quoting those because those are authoritative institutions. Of course, there are a number of analysts, commentators and the commercial banks that have done the robust model.

So, what we know is the following, stage 6 of load shedding can cause the country up to R1 billion a day. Stage 6 load shedding for 2022 resulted in over 620 000 people losing jobs

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as a direct result of load shedding and the projections are that those numbers will go up to 830 000.

We know that farmers are finding it very difficult to produce at competitive levels, their productivity is undermined. They were sharing with me that 24% of all their production relies on the provision of quality and reliable energy supply. We know that that has got inflationary effects.

If you were to compute the share of the disposable income used by the poor to purchase a basic basket of food, that as a result of inflation, you are now confronted with a situation where South Africa genuinely will be heading - if we don't arrest these structural constraints to the South African economy, you know, you're likely going to have challenges of food security and this food security in this instance, food is on the shelves, but food cannot reach the table because people can afford it.

So, when you compute R30 billion, you must ask this question. Can I burn R30 billion to save R364 billion per annum to the South African economy, undermine the further contraction of the South African economy, save jobs and save lives? If you have to do that modelling, I guess that the maths and the

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answers are simple. I think for now we need to make that investment. But your question is genuine.

What are we doing to resolve this question? The first part is that we need to improve the performance of the grid and that's why I shared with you the fact that we have invested a lot of money on the maintenance, and we have lifted the energy availability factor. As a result of the intervention provided by Minister Godongwana from Treasury, we are able to retain about 4000 megawatts and then we're getting out of this situation. Then you resolve load shedding.

Therefore, you're not going to over burden your emergency power or reserves, but you are going to rely on base load. The exploitation and the switching of these assets, the coal-fired power station, your nuclear power station and hydro and that's the most enduring and resilient way of getting out of load shedding. But yes, the juxtaposition of R30 billion is the cost of not burning diesel. I guess the maths is simple. But we are coming out of this situation, hon Mahlaule. Thanks, Chair.

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Mr K J MILEHAM: Minister last Sunday you indicated that warmer temperatures were one of the reasons why we had increased low shedding because and I quote:

"They make it difficult for some generating units to operate optimally."

I'm not sure what warmer temperatures you were referring to and what the impact will be when we get into the real warm temperatures of summer. But, that's not the question that I want to ask you, nor do I want to ask you about this purported rise in the energy availability factor that only you seem to be aware of because it's not reflected in Eskom's numbers.

Instead, Minister, I want to ask you about diesel. In the 2019 ANC manifesto, the ANC promised to address rising energy ... [Interjections.] ...

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Order, order hon members. Let the member continue. Order hon members! Continue hon member.

Mr K J MILEHAM: In the 2019 ANC manifesto, the ANC promised to address rising energy prices and make electricity more

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affordable. Now, one of the biggest issues surrounding the use of diesel for generation purposes is the Road Accident Fund, RAF levy and general fuel levy that forms part of the cost.

The DA has repeatedly pointed out that it is ridiculous for fuel used for generation purposes both by Eskom and private generators to be burdened with the accident fund level. What steps are you taking to take this out of the cost of generating electricity?

The MINISTER IN THE PRESIDENCY FOR ELECTRICITY: Maybe just to say the following, listening is a skill. What I said - and not all of us are indult with that skill. So, what I said on Sunday was that when you get into warmer periods, you are going to have an increased level of partial load losses with a particular station. And let me explain to you what partial load losses is.

Partial load losses simply means that the generating unit is generating, but it doesn't approximate its ... [Inaudible.] ... of a car is designed to reach speeds of 120 kilometres an hour. You put your foot to the pedal, but you can't reach 120, you reach 160 kilometres an hour, so you need to resolve that challenge. The problem with Matimba is the design problem.

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I sympathise with you because it might be that you don't have a proper comprehension of the engineering complexities that are associated with running a machine of that nature. It has to do with the cooling powers, it has to do with the fans and the direction at which they are facing. They undermine the ability of the unit to approximate their design life. And I'm saying when you get to that stage, you are likely going to have a situation of increased partial losses.

But the issue is not to lament that. That's why we have attracted the expertise from China because they have such similar conditions. They'll be working with us to reconfigure how best we can be able to exploit that asset to reduce the partial load losses.

The second part is that I'm encouraged about you and your colleague having read the ANC manifesto, because I think it's an affirmation of the leadership of the ANC of this country and the point that you are raising is how best we address.

Let me go to your question. I've answered the hon Mahlaule and I accept the fact that, burning diesel is the most expensive form of fuel and I just made the point. Just opposed to the

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cost of not burning diesel and the cost to the South African economy.

And when you are not talking from a position of privilege, you will know that it's got huge inflationary effects. You'll know that township businesses are closed. You will know that there are households tonight that are going to sleep hungry because they have lost their jobs. So, the answer to your question is that we'll continue to improve the energy availability factor, ensure that we remove diesel as a reliable fuel source, and we only use it as emergency power.

And then the last question is to say the following, the energy availability is going up. What is the computation? When we went into winter season this year, we didn't have the benefit of the three generating units in Kusile. We didn't have the benefit of the one generating unit. When you compute the energy availability factor, if you compare year on year, strip that computation of the three units plus the one in Koeberg and then you get to compare what has been the performance and we're on the ascendence.

As I conclude, I know that your grievance is primarily anchored on the fact that we have gotten into a position where

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we are going to defeat and eliminate load shedding and load shedding will not become a factor when we go to the elections. Your primary reason for undermining a ruling government has to be eroded and therefore we're going to compete foot on foot. Thank you.

Mr S N SWART: Hon Minister, we really trust that you will succeed in reducing and eradicating load shedding to the betterment of our society, as you have just alluded to. Minister, you indicated that the problems of diesel were not financial but rather supply chain related in obtaining the diesel. And we also know that the Department of Mineral Resources and Energy rejected Eskom’s application for a diesel wholesale license.

This would have enabled Eskom to buy diesel at the basic fuel price instead of the wholesale price and would have reduced the price from R23 per litre to around R16. Not only would this save money for Eskom, but possibly assist with the supply chain issues you have alluded to, Minister. Minister, will your Eskom be considering reapplying to the Department of Mineral Resources for this wholesale license? Thank you, Chair.

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The MINISTER IN THE PRESIDENCY FOR ELECTRICITY: I think it's a valid question and it's something that is receiving attention. of course, working with Minister Mantashe. The bigger question is that one of the biggest buyers from PetroSA is Eskom and as a result of Eskom being a reliable buyer and procurer of this diesel, it has been able to bolster PetrosSA's ambitions of continuing to be a going concern.

Part of that conversation is to ensure that we are able to achieve both. PetroSA's financials remain resilient and it becomes a going concern without essentially adding additional burden on Eskom and by extension the end consumer, because that cost must be factored into the tariff structure.

I did mention that this has got devastating impact causing significant amount of injury on the poor. So, hon Swart, I accept your point and it's part of that conversation that is ongoing, and I'm sure at the right time we should be able to come back to you. Thanks Chair.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon members, before we go to Question 502, following the question from the hon MacPherson or the concern from the hon MacPherson about what happens when a member is unable to take their supplementary

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questions, may the opportunity to be offered to another person, to another party? It is solely the discretion of the Chairperson to deal with it. It is discretion or it has to be subjected to the conventions and agreed processes so that there's consistency to it.

This matter will be taken up with the relevant committee or structure so that we are consistent with whatever we do regarding the matter. Thank you. We will now go to Question 502, which has been asked by the hon Mthembu to the Minister of Communications and Digital Technologies.

Question 502:

IsiZulu:

USIHLALO WENDLU: (Mnu M L D Ntombela): Lungu elihloniphekile Mam'uMthembu awuyibambe kancane sinikeze uNgqongqoshe ayishaye bese uyabuya. Ngizokubuyisa bese ubuza lo mbuzo ofuna ukuwubuza. Okwamanje asinikeze uNgqongqoshe.

English:

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Hon House Chairperson, the SA Broadcasting Corporation, SABC, was indeed allocated an amount of R3,2 billion in 2019, to fund initiatives outlined in its approved turnaround plan aimed at

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transforming its financial sustainable status. More specifically, these funds were intended for settlement of trades of other payment payables investments in fresh and compelling contents as well as funding long-term capital expenditure projects and partnership crucial for monetising and commercialising the institution including all its other platforms.

The investment in content was therefore vital for increasing audiences across all SABC platforms. As of 21 March 2023, the institution spent a total of about R1,1 billion out of the allocated of R1,2 billion from the bailout specifically designated for content investment aimed at driving commercialisation of the platform and ultimately enhancing the profitability for the public broadcaster. Unfortunately, investment in content efforts by the SABC did not yield desired results towards the commercialisation of SABC for profit maximisation.

The R1,2 billion that was allocated to content was used to fund 196 projects across a number of genres namely amongst others drama and entertainment children region edutainment documentaries.

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The SABC indicated that it was difficult to commercialise media acquired content successful in extracting profit from it. Although some of the popular dramas and entertainment properties yielded significant profits. The SABC has advised that new dramas that were premiered did not meet expectation towards profit maximisation.

Regarding the investment in ... [Inaudible.] ... projects and their potential to contribute towards profit maximisation the SABC indicated that this will only be in the years to come.

At the end, the newly appointed board has developed a revenue improvement plan that is expected to protect and attract current and new audiences proactively and respectively, to safeguard the current revenue base and improve financial performance over the short-term to medium and long-term. The plan cannot be attached due to its commercial sensitivity complying that the details of the plan cannot be shared as part of this response. Although other forum can be provided for that purpose. Thanks.

IsiZulu:

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USIHLALO WENDLU: (Mnu M L D Ntombela): Mhlonishwa uMthembu ithuba ngelakho manje ukuthi uhlome uNgqongqoshe umbuzo wokuqala.

English:

Ms A H MTHEMBU: Once again hon House Chairperson and hon Minister, how much money is being used to maintain the SABC plan to date and how has it helped this entity to generate more income and more traction of audiences? Thank you, hon House Chairperson.

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Hon member, the SABC is not able to divulge the information due to the commercial sensitivity it entails. This information is related to the value currently expanded to maintain the other and income generated from the platform as well as a number of registration and ... [Inaudible.

Ms N W A MAZZONE: Hon Minister, in your manifesto which I did read because if you send documents, I do read it. One of the issues was that there would be a rectification of problems you found at SABC especially following the SABC Enquiry which we all followed in the last term. However, is now so obvious that the mismanagements at the SABC is so deep that is going to

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take a long time for a real turnaround to happen and I am not blaming you for that because you have just come in as Minister and I blame your predecessor. I openly blame them because we know what they did. However, hon Minister, I do not want to see your plan, because I do not believe that your plan is going to work. I have to be honest, because I have seen about 16 plans before. However, what I do want to know from you, the Minister of Finance is sitting here and you should have consulted the Minister of Energy and Mineral Resources while we are in the House who should have consulted the Minister of Finance: How much more money can we expect the SABC to ask us in bailouts before the Minister of Finance turns around and say that is it there is no money left and the SABC actually shuts its doors?

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Hon member Mazzone, I think I want to make this point that it is no secret that the institution is confronted with challenges. We do want to say in this House that even the use of this bailout is a matter that we are following up to check the relationship between the expenditure and the impact, because we believe that it is a matter that needs to be dealt with.

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Having said that the question is: How much more money will be spent. I guess that is the reason we re processing a SA Broadcasting Corporation Amendment Bill.

You will realise that almost 80% or more of the revenue sources of the SABC should be commercially and competitively sought. However, for SABC to be able to do that there are certain regulatory measures they must be ... [Inaudible.]

It is against that background if you look at the Bill that is coming to this House, we are actually strengthening the existence of the commercial aspect of SABC, so that there are platforms which are dedicated for maximising and optimising the audience that SABC has. So that in terms of revenue we do better than we are doing now and also the state revising its contribution based on a model that we are going to table before this House. Thanks very much, hon House Chairperson.

Mr S TAMBO: Hon House Chairperson and hon Minister, the ongoing struggles of the SABC can largely be attributed to the governing party’s failure to adequately fund its public mandate. This mandate ensures that our citizens receive timely, credible and independent information which is fundamental to our democracy.

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Yet this ... [Inaudible.] ... side lined of the SABC now being treated as ... [Inaudible.] ... being established purely for profit. Does the government intend to transition the SABC into a profit making business neglecting its public mandate? If not, why has not been appropriate public funding allocated to uphold this mandate? Thank you very much.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon member, I am not sure whether the Minister captured your question very well. The line is a bit not clear.

Let us hear what the Minister says.

It seems he heard something.

Maybe you repeat it, hon Tambo.

IsiZulu:

Awuphinde, mhlawumbe usuke lapho ukhona.

English:

Mr S TAMBO: No problem, if I am audible, House Chairperson.

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Hon Minister, the ongoing struggles of the SABC can largely be attributed to the governing party's failure to adequately fund its public mandate. This mandate ensures that our citizens receive timely, credible and independent information which is fundamental to our democracy.

Yet, this ... [Inaudible.] ... seems to have been side lined with the SABC now being treated as if is being established purely for profit. Does the government intend to transition the SABC into a profit making business neglecting its public mandate? If not, why has not been appropriate public funding allocated to uphold this mandate? Thank you House Chairperson.

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Hon Tambo, I guess the concerns you are expressing on observations are shared even by the government.

The reason we are bringing the Bill is to exactly deal with those matters.

Firstly, to make sure that for public mandate the SABC is fully funded.

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Secondly, that the SABC is also through the commercial subsidiary able to compete in the commercial environment.

We do believe that – by the way the conversion of state-owned enterprises amongst others is an anticipation that a state-owned enterprise will be able to look after itself. For it is normally it is given a particular environment for that purpose. Our dream is that SABC should decrease its dependence on the state, but on the public mandate government is looking at reviewing that so that that part is fulfilled.

So, that is the context in response to what the hon member is worried about. Thanks.

Mr M HLENGWA: Hon House Chairperson and hon Minister, of course the dilemma in bailouts is that they turn to be throwing financial solutions to nonfinancial problems. Already the SABC in 2022-23 has made a loss of R1,1 billion bringing it to R6,19 billion over the past 10 years. The admission by the chairperson of the board which says that the current financial year situation is the most critical for the future and sustainability of this ... [Inaudible.] ... for the institution is turning on its own.

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Now, in order to comply with the National Treasury bailout conditions the SABC launched what was called the target operating model aimed at meeting long-term sustainability. The model was advertised as a plan that would enable the SABC to reinvent itself, review its business model and revenue portfolio and holistically reassess its input costs as well as its resource capacity.

However, considering now that the SABC has confirmed that the entity will need another bailout, before we give them this money hon Minister, we would like to know: What is your assessment to the factors that have derailed the success of the target operating model? For we need to know what went wrong. [Time expired.]

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Hon Hlengwa, what I want to say is that I have already said that in responding to the original question saying R200 plus million is left showing three coma something billion, prior to this how R1,1 billion is being used. You will check that I have made observations about a number of areas where that money went. Us also following the relationship within the impact and other expenditure. It is against that background SABC and this newly appointed board has developed a revenue

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improvement plan that is expected to protect and attract current and new audiences respectively, to safeguard the current revenue base and improve ... [Inaudible.] ... We want to support them and in doing that I do make this undertaking that we are following the proper expenditure of the money that is being used to actually track whether what percentages is attributable to poor management, because there are issues of management challenges in the institution and what percentage could be attributable to maleficence, so that we are able to take with you question going forward. Thanks.

Question 503:

The DEPUTY MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT: Thank you very much, House Chair. House Chair, the Department of Forestry, Fisheries and Environment contribute to job creation by applying the labour-intensive Expanded Public Works Programme, EPWP approach to execute its mandate as much as possible. In this instance, the department implements various initiatives under the auspices of Expanded Public Works Programme through three branches. Namely, environmental programmes, fisheries programmes and the forestry programmes, in line with the targets set out by the Department of Public Works and Infrastructure for the

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inclusion of unemployed participants from designated groups as the overall co-ordinator of EPWP.

The programmes of the department incorporate equity targets into the various project contracts entered into with partners and stakeholders for the purpose of implementing those projects. Relevant details of EPWP in relation to the sectors of the department in which employment occurs. Over the current Medium-term Strategic Framework, that is the MTSF period, the department has created more than 272 000 work opportunities as part of its contribution to address the issue of inclusion of women, youth and people with disabilities in its programme. This includes the training of 5 472 people with disabilities who benefited from the training and skills development initiatives. In other words, environmental programmes like Working for Water, Working for Fire, Working on Waste in the main, together with Fisheries and Forestry programmes, have created work opportunities of which the majority are women and the youth. The department is working with partners and interested parties to ensure that more work opportunities are set aside for women in the roll-out of the new project. I thank you, Chair.

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Mr M E DLAMINI: Thank you, Chair. Thank you, Deputy Minister. Given to the current fiscal constraints, how will your department sustain the programme in the context of reducing unemployment and empowering people via skills? Thank you.

The DEPUTY MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT: Thank you very much, House Chair. Hon member, the fiscus constraints are a great concern to the department. To sustain its EPWP portfolio, the department explored alternative cost-effective means, for example, implementation based on shared cost models. To illustrate this, the department is currently implementing the municipal cleaning and greening project through its in-house project management capacity. It means that the training that we used to do, using the external service providers, we are doing that in House. In so doing, the department partners with municipalities and allocate certain responsibilities with cost implications to the municipalities. To illustrate the department's funds, the stipend, UIF and also compensate for occupational injuries for the cleaning and greening EPWP participants whilst the municipalities fund the PPE and tools of trade. The savings realised from using in-house projects managed capacity enable the department to create more opportunities for women, youth and people with disabilities. I thank you, Chair.

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Mr D W BRYANT: Thank you. Deputy Minister, in the ANC's 2019 election manifesto ... It's your manifesto, it states that your party will implement:

> Interventions that promote developmental growth path to create more jobs and decent jobs.

Now, obviously the roll-out of EPWP jobs is important to provide short-term employment. By the way, the Western Cape is actually by far the most effective in rolling out EPWP jobs. But what many desperate South Africans are really yearning for is the security of a real job. A decent job as you put it in your manifesto.

Why then Deputy Minister, are there still so many vacancies within Department of Forestry, Fisheries and the Environment and its entities? At the Kruger National Park, 82 essential game ranger posts remain unfilled, while hundreds of rhinos are poached every year. The Department of Forestry, Fisheries and the Environment itself there are 332 vacant posts and 472 vacant frozen posts. What is being done to fill these vacant posts and are you and the Minister advocating strongly for additional budget in order to fill these posts?

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The DEPUTY MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT: Thank you very much, House Chair. Although I won't be specific with regard to branches that the member has just mentioned, there are a lot of vacant posts that the department has advertised lately, and those that have not been advertised as you know that there is a circular from my friends on my left that we need to look into those. As I am talking to you now, our acting Director-General is looking into that because there are those crucial posts that we can't manage to live with without. Therefore, we are, with regard to those, in consultation of course, with the National Treasury and my Minister next to me here. Thank you very much, Chair.

Mr M N PAULSEN: Good afternoon, House Chairperson and thank you, Deputy Minister. Deputy Minister, the Minister told the Portfolio Committee on Forestry, Fisheries and Environment that those 82 SANParks ranger posts will be filled by the end of 2023. According to Enact Transnational Organised Crime Report, internal corruption is the greatest threat to the Kruger National Park. The report also states that there is a symptom of a breakdown in trust, staff cohesion and professionalism within the park. What is being done to address these pressing issues at Kruger National Park that employs

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around 2 500 staff and support an additional 4 500 jobs, mostly in the surrounding communities? Thank you very much.

The DEPUTY MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT: Thank you very much, House Chairperson. Can I request that member Paulsen who is a member of this portfolio committee that specific one, because I don't want to thumb-suck and give you the number that has already been decided upon to be advertised. Therefore, it is better that I request your permission, sir, that maybe we can respond in that in writing. I don't want you to give a false response to that one, especially about the number. Thank you very much.

The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you, hon Deputy Minister. That's a fair request.

Mr M N PAULSEN: Point of order, House Chairperson. House Chairperson, there were two parts to the to the question. The one part is the filling of vacant posts. The other part is addressing the internal issues of mistrust of staff cohesion within the Kruger National Park. I don't think it's fair that the Minister also wants to pass that particular part of the question one.

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The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Paulsen, may I refer you to the Rules? The is a follow-up question is one follow-up question. It can't have two parts. As soon as you ask one question, it gives the discretion to the hon Deputy Minister then to decide which one she wants to reply to.

Mr M N PAULSEN: I appreciate that. Chairperson, but that was a statement in the beginning it wasn't asking a question, will it be done? It was asking ... [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Okay, so you said you made a statement?

Mr M N PAULSEN: Yes, in the beginning.

The HOUSE CHAIRPERSON (Mr C T Frolick): So, the Deputy Minister is not compelled to reply to the statement. Let's move on, hon member. The last follow-up question will be asked by the hon Singh.

Mr M N PAULSEN: Chairperson, point of order.

The HOUSE CHAIRPERSON (Mr C T Frolick): What is the point of order, hon member? I have moved on.

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Mr M N PAULSEN: House Chairperson, I am trying to explain to you that, that was a statement. The real question was what is being done to address the breakdown in trust, staff cohesion and professionalism within the park?

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, I am not going to have an exchange with you. You said you made a statement by asking a follow-up question. [Interjections.]

Mr M N PAULSEN: Chairperson, it's not necessary. I have made it very clear.

The HOUSE CHAIRPERSON (Mr C T Frolick): It's fine. The Deputy Minister will respond in writing to you. The hon member who is taking the follow-up question on behalf of the hon Singh.

Ms M D HLENGWA: Thank you, Chair. I will take the question for hon Singh. Hon Deputy Minister, given the youth unemployment crisis in South Africa, there must surely be departmental scope for entrepreneurships that could translate into human resource skills required for many environmental costs. Does your department have longer-term development programmes that could provide such training to our youth in positions such as outreach co-ordinators, research assistance, communications

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trainees and conversation technicians? EPWP creates short to medium-term employment opportunity. What long-term employment opportunity or programmes is your department currently offering? Thank you.

The DEPUTY MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT: Thank you very much, House Chairperson, and thanks for the question. House Chair, those jobs that falls or training that falls outside our mandate, we only then engage in that when there is a special request from the municipalities on training. For instance, when it comes to sewing, dressmaking and all that, because we know that at the parks specifically, there are some hawkers who sit outside there so that when the tourists arrive at National Park or the other parks and then they can then by their material. What we do then, only when requested to do so by the municipality, because we have a support branch in our department that support the municipalities, we do that, we train them and on the last day of training we also then give them a starter packs to start their different businesses. But we do that in our department with those that does not fall under our mandate but with, of course, requests from municipalities. Thank you very much.

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Question 530:

The MINISTER OF FINANCE: House Chair, there are two parts to the question, and I answer no to both. The first one says National Treasury has not quantified the financial losses incurred by municipalities due to loadshedding as yet. Due to the delicate nature of this issue, it is still work in progress.

The second no, National Treasury has not quantified the total additional costs incurred by municipalities to both damage and theft of electricity infrastructure because of extended stages of load shedding. This issue is technical in nature and requires further work to be done in order to quantify the financial impact of it.

National Treasury's reporting structure by municipalities unfortunately does not accommodate data of this nature for now. We understand that South African Local Government Association, Salga, may have undertaken some work in this area, the details of this work have not yet been shared with National Treasury. I must add a complicating factor that even municipalities in certain circumstances do not, from the revenue generated from electricity, invest in electricity infrastructure. That is the first complication. The second

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complication is illegal connections. With all of these it is difficult to say if it is because of load shedding or because of these. That is going to create a complication in compiling the data. Can you come back with another ANC manifesto proposal? [Laughter.]

Mr A N SARUPEN: House Chair, I am not going to quote the ANC manifesto, but eight years and 18 days ago on 2 September 2015 then Deputy President, Ramaphosa, stated, and I quote: "In 18 months or two years you will forget that challenges we had in relation to power, or energy or Eskom ever existed."

Load shedding has gotten worse since this promise was made and it has decimated the financial base of municipalities who are dependent on reselling electricity to cross subsidise services. Load shedding has also caused municipalities huge expenses on repairs of electrical infrastructure as a result. The cost of this has caused the current financial distress of municipalities. So, hon Minister, my question is what steps are you going to take as the head of the Treasury to reform the financial model of municipalities to ensure that they can become financially viable again considering that this broken promise by the President has broken the revenue base of municipalities? Thank you.

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The MINISTER OF FINANCE: What is interesting is that the statement referred to eight years ago has no relevance to the final question ... [Laughter.] ... I don’t have to reply because it is a statement I was told. It is a statement that has no relevance whatsoever to the final question.

First you have to say what are the key problems we are facing in municipalities. I want to cite two critical ones which need to be addressed. The first one is the consolidation of municipalities and in certain circumstances that consolidation has not been effective. Let me quote my area. You have Queenstown, Molteno, Sterkstroom and Tarkastad put together. You are consolidating poor municipalities with a stronger financial base which is Queenstown and that has had its own impact.

What complicates the matter is the second problem with municipalities across the board - and has nothing to do with the statement by the former Deputy President but has to do to with the management. If you look at the largest component of expenditure in these municipalities, it is rather the personnel. In other words, you have personnel which the municipality cannot afford. The implications then are that municipalities cannot provide the basic services. For

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instance, according to norms and standards, 8% of your budget must be for maintenance. As a result, a number of municipalities cannot therefore achieve the 8% target of maintenance for infrastructure because of this cost pressure of personnel expenditure.

So, to answer your question, together with Co-operative Governance and Traditional Affairs, Cogta, we are working on restructuring these municipalities in such a manner that the budget becomes skewed towards maintenance instead of personnel, and that is going to take time and effort.

IsiNdebele:

Num G J SKOSANA: Sihlalo ohloniphekile, kumhlonotjhwa uNgqongqotjhe ...

English:

... we know that collaborative work between Cogta and the National Treasury has been ongoing in addressing the matter of local government's financial sustainability and certainly cannot just be attributed to cost of load shedding. So, hon Minister, in your discussion, what has Treasury proposed with regards to the equitable share allocation ringfencing funds owed to municipalities by government departments and state

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entities, adopting an expansionary fiscal policy trajectory to prioritise impactful areas for basic services like infrastructure maintenance and the development of infrastructure and that conditional grants be allowed to be converted into an indirect conditional grant within the same municipality to meet urgent basic service objectives? Ngiyathokoza [I thank you].

The MINISTER OF FINANCE: Constitutionally, the national raised revenue is shared equitably in a vertical way between the three spheres of government. That is a constitutional requirement. In so far as the equitable share with regards to the sphere of local government, there is limited intervention by the national sphere, unless it is specifically circumstances of misconduct. There is autonomy there.

How national government can influence behaviour is via the conditional grant because with the conditional grants then you can impose terms and conditions which different spheres of government can comply with. Much work is being done to revise the conditional grant framework in such a manner that we could influence behavioural conduct by a number of these municipalities. That is how we can influence it. Thank you.

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Ms L H ARRIES: Hon House Chairperson, I will take that one. Minister, we all concur that the current funding model for local government, especially for rural municipalities that mainly rely on grants, an equitable share is flawed. Since our entrance into Parliament in 2014 we, the EFF, have constantly raised this issue. It is not sustainable for only 10% of national collected revenue to be allocated to government. While we acknowledge the great concern of corruption and wastage of resources, these cannot be reasons for persistently underfund local government. At one point there was consensus including from National Treasury on revisiting this process, and we are not referring to those superficial annual reviews but the profound re-evaluation of the entire equitable share. Where does the process currently stand?

The MINISTER OF FINANCE: I made reference to the constitutional obligation of sharing the national raised revenue vertically. That vertical distribution of the shared revenue is not something ad hoc; it is based on the different functions these spheres of government perform. For instance, provinces carry the bulk of health and education activities and therefore it would make sense that that proportion of expenditure is allocated to provinces. I am just giving you that. The functional distribution influence the flow of funds.

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I know it is easy for somebody who is not involved in the crafting of these details to understand how difficult it is to deal with this formula, and it is quite easy for somebody to say that it is incorrect. I am making these issues ... Let me just give you an example, some years ago, the Financial and Fiscal Commission proposed what is called standards where you were going to use the cost of costed norms, precisely because there is already an agreed framework. To move to costed norms would disadvantage other provinces and advantage those that are rural. It has not been able to achieve the consensus on these points, mind you, some of these things require a consensus framework.

I am saying this precisely because it is quite easy to say that the local government sphere is underfunded without saying who has the functions and what kind of functions. If you look at the police and the army and look at those functions that are at the national sphere and their labour intensity. So, the whole range of dealing with this distribution of national raised revenue you must take into account how the functions are also distributed and their impact on the formula. It is not something that is just done.

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We have improved and the local government sphere has moved now. It previously sat at 9% and we are seating at 10,1% now. That is actually beginning to say it is a serious matter to be attended. Thank you.

Mr M HLENGWA: House Chairperson, I will take the question on their behalf. Minister, the other major issue in the municipal space, particularly in so far as electricity is concerned, is around municipal debt to Eskom which last year was at R56 billion and it is now up to R63,2 billion. Earlier on you made reference to interacting and working with Cogta, you spoke about the funding model and of course, in large part, municipalities reliant on grants. So, what is really happening now is the phenomenon of borrowing from Peter to pay Paul.

All in all then, Minister, the question is, with all those frustrations which take place in the municipal space, because the municipal debt to Eskom is increasing instead of decreasing, what interventions are there with National Treasury and Cogta and I suppose with the District Development Model, DDM, model to address this fundamental question, because it has a material impact on Eskom in so far as its own sustainability is concerned? The default position becomes then you have to issue a bailout and there is a lot of money lost

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in municipalities that Eskom should be getting. Thank you, House Chair.

The MINISTER OF FINANCE: Let me start with bad news, and I will come with the good parts. An interesting thing is that one of the municipalities that have the most debt is Maluti-a-Phofung, and it owes Eskom R7 billion ... [Interjections.] ... never ... [Laughter.] ... there is no way that Maluti-a-Phofung will ever pay Eskom R7 billion. It is then followed by Matjhabeng, I sympathise mhlobam, with R6 billion. That is the bad part.

Now, what is the good news? The good news is that we published some guidelines at the end of March about debt relief for municipalities as we have done for Eskom. Debt relief for municipalities is good news. That debt relief must come with structural reforms because it is pointless to give them debt relief without structural reforms otherwise you will have a continuation of the same problem. In other words, if you were to wipe out Maluti-a-Phofung's debt tomorrow, they will start the next day accumulating debt. So, there must be a criteria for your debt relief to be provided you must meet certain conditions.

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Among other things, we have established a culture of payment where people move into prepaid meters and so on. You restructure your cost structure as a municipality in such a manner that you have an affordable cost structure. So, the good forward, that debt relief is in place provided municipalities meet certain criteria as part of the structural reforms so that we can be guaranteed that if we take the debt today moving forward you will be able to pay for electricity. The Minister of Electricity is moving ahead of me in implementing this. He is on the ground doing it. [Time expired.]

Question 520:

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Hon Chair, good afternoon.

The HOUSE CHAIRPERSON (Mr C T Frolick): Afternoon.

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Hon Tambo, thank you for the question. You seem to want to make sure that I earn my salary today. In response to your question, we want to say that the SA Broadcasting Corporation, SABC, as a broadcaster is expected to broadcast the national

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sport events as provided for in the Independent Communications Authority of SA, ICASA, Sports Broadcasting Regulations.

However, when need occurs that the right holder of those rights gives them the subscription end or pay television broadcaster to fulfil that mandate, it forces the SABC, once those rights are given to a pay television. The only way to fulfil that mandate is to sublicence. The question that the hon member is raising is very important because we need to improve planning for those events at the SABC, because they are known in years to come that they are going to happen. We need to engage in that space differently.

For instance, rugby is a sport that cuts across the entire society. It’s a sport that the majority of the poor people love to watch and it’s a sport, like any other sport, that has such a positive impact in our lives. If we deny poor people an access to such an emotional, spiritual healing event, it can actually border on us as committing crime. So, going forward, we expect the SABC to work differently because one of the challenges is that, if you have the sublicence, the advertisers are not able to plan their advertising only on the basis of what you are going to do.

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Most of the time, by the time you secure it, you might have lost a lot of opportunities. However, the report I'm getting is that we may be able to break even under these circumstances but breaking even not in control. We hope that the SABC, and we are speaking to them, that we will deal with this matter differently going forward. Thank you very much. Otherwise, your question is highly appreciated.

Mr S TAMBO: Hon Chair, there's a disruptive ... [Inaudible.] [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Tambo, may I just ask hon Mvana to disconnect the audio, please. Please proceed, hon Tambo.

Mr S TAMBO: Hon Chair, I am partially captured in my follow-up question by the Minister. I think what would be left to ask would be, does the department and the Minister see no value in the purchasing rights of major sporting events for broadcast purposes at the level of generating revenue? I think that's something that we need to be able to understand.

Is there no venue generation value in purchasing major sporting rights directly instead of sublicensing, if we are to

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plan for actual direct access in the future? Thank you very much, Chair.

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Hon Tambo, that's exactly the direction we need to move on because an impression gets created that we are helplessly in this situation. I also want to say that to the member, we are working towards exactly in that direction. We hope, with all the ducks in a row, we must be able to achieve that in the interest of the broader South Africa. Thanks.

Mr M R MDAKANE: Hon Minister, what are the financial and nonfinancial benefits that the SABC has been able to get from these important partnerships? That will be my supplementary question because the role that is played by SABC in our country is a very important role, particularly in rural areas where people rely entirely on the SABC to be entertained, to be educated and also to be informed. That is the point that I wanted to raise, hon Chair.

The HOUSE CHAIRPERSON (Mr C T Frolick): Let's ignore the sound effects. You may continue, hon Minister.

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Okay.

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I think Parliament sometimes needs such spices. To hon member Mdakane, naturally, the logical benefit is that, no less than 16 games. We could have gone for more to be televised to ordinary people in the free television space. So, at least it goes a long way to keep our people captured by this major event, by such a committed team led by such committed leaders, Rassie and Nienaber.

Sometimes I usually say I think we have not honoured Rassie enough in the manner he intervened after we lost 57-nil against New Zealand. He intervened in a deracialising manner and in nation-building way. So, he had no racial stereotypes. I think we have not honoured him enough, and in my view, this is one of the reasons that this sport is so highly followed. It is becoming an example of a nation-building type of sport.

So, our people have got an opportunity to watch no less than 16 games. We could have done more, of course, if all things are going well, we expect to break even more, as I have already said. Whatever that could have been paid, there is a chance that we could get actually more in a form of revenue. Those are some of the benefits and of course, one other benefit, is lessons. Thank you very much.

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Ms N W A MAZZONE: Minister, sorry to interrupt my two favourites over there. Minister, in your manifesto, which I am referring to because it is so important to discuss it in this forum. Under the section of a Nation United in Diversity, under point number seven, we promote media freedom and diversity. Now, what I have seen and what worries me is that when the SABC comes to report to you and the committee, and I must say you are often in the committee with us, so you see it too, I see the same faces just in different positions.

Now, we came exceptionally close to not being able to broadcast the World Cup Rugby on national TV. We know that that's a fact. We managed to get around by the skin of our teeth and by pure luck. Why is there this revolving door policy in the SABC, and can you tell us what positions you are now focusing on with your advisers to change, to put people who are experts in the field, to ensure diversity and that we don't have the revolving door policy that caused the state capture before? [Time expired.]

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Well, thanks, hon Mazzone, maybe it's important to say that the current board, which is new, is an outcome of the parliamentary process, and maybe it's important to give them a

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chance to see what they are able to deliver. I've already made some observations with regard to what they are trying to do. Also, I would be wrong not to say to you that the issue of skill which I guess, that is why Cabinet adopted the professionalisation framework, is a sign of commitment because a lot of our challenges find expression with the underlying factor being the issue of skills.

Skills, irrespective of who you are. So, it's a matter in my radar screen. Wherever we work, I must say that, with little success one might have done, skills and capability has always been at the centre. Sometimes I even prefer to work with people who are a little bit more intelligent than it excites me about. So, all I'm saying is that, indeed, it is an important matter to us whether indeed there is a revolving is a matter that we can actually look at very closely, but I hope we are not referring to the current board. Thanks.

Mr M HLENGWA: Hon Minister, obviously, the financial situation of the SABC leaves very little to be desired and moving forward understanding where the moneys involved in so far as these licenses are concerned, it does mean that if it is not the private sector, then government will have to come in as we

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saw with the R58 million intervention in so far as the Rugby World Cup is concerned.

So, the question, Minister, then becomes the following, is the government actually budgeting with this eventuality, and the core of this is a slap on the ... [Inaudible.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Minister Nzimande, Will you disconnect your microphone, please? Hon Hlengwa, you may continue.

Mr M HLENGWA: In conclusion, what I am asking Minister is that SABC has got all these commitments and obligations to the nation and so on. They all come at a cost and the situation is that what you've said planning for the next World Cup, whatever, it all needs money. So that point here is, is the government now working towards another SABC bailout, and if so, how much is it so that we know what we're dealing with? Thanks.

The MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES: Maybe what I need to say is that there is no question about the fact that the SABC is working around dealing with the resource challenges, and that we are attending to. However, I am not

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going to say whether there will be a bailout or not, but if any, I will tell you. The key issue to us maybe, I must say it upfront, whatever happened, the SABC will need to be functional, especially when it comes to the elections, that will have to happen.

How then that happens? It's a matter with regard to how it plays around the resources at our disposal and what gap is there. If there is any other area where resources can come, the basic principle is that we are working to ensure that the SABC stays afloat to carry its broader responsibilities.

Question 504:

The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT: Hon House Chairperson, the Commission on Restitution of Land Rights has indeed developed a business case and a Draft Bill, as part of preparation towards becoming an autonomous Schedule 3A entity. Feedback was received from the Department of Public Service and Administration endorsing the business case, proposed structural amendments and amendments to the Bill.

Having said this, it's important to elaborate a bit as follows: To appreciate the historical view and understand the

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intention of the legislation, the commission was established in terms of Section 4(1) of the Restitution of Land Rights Act, Act 22 of 1994. The Act provides in Section 4(2) for the commission to have a head office and other offices with such areas of jurisdiction as the Minister may determine. The current operations and structure of the commission are borne out of practice over the years.

The Auditor-General of South Africa and its findings in 2018, opined that the commission must be an autonomous entity. The Public Service Commission had recently raised a similar observation. However, this finding and observation must be interpreted with the responsibilities and duties of the Auditor-General of South Africa and the responsibility of the Minister as highlighted in Section 4(2) of the Act.

The enabling legislation provides for the commission to solicit, investigate resolve claims for restitution as submitted to them and make recommendations to the Minister. In making a business case for autonomy, a motivation for efficiency gains for the commission. However, matters relating to autonomy in the state are to be subjected to availability of funding and evaluation of business case by National Treasury.

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The commission has developed in the acceleration that it foresees, a backlog reduction strategic highlighting relevant capacity and financial resources required to accelerate the settlement of outstanding old order claims. That strategy highlights areas of replication as defined by the Restitution Act on the role of the commission and that of the director-general as the accounting officer of both the department and of the commission.

On Question B, no response has been received yet from Treasury following formal written submissions made. Hon members can appreciate the posture of National Treasury in a context where some state-owned entities have not performed in a favourable manner recently. We are though, awaiting that response. Basically, a conversation has started with various stakeholders such as the Public Service Commission and the National Treasury and we submit that at the end, consensus is bound to emerge informed by research and sound input. I thank you.

Ms B TSHWETE: Deputy Minister, the Commission on Restitution of Land Rights has a recurring challenge of untraceable claimants, and they have proposed a review of the strategy

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used to trace claimants. What are the key interventions proposed in the new strategy? Thank you.

The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT: Hon Chair, that is a very important question because it adds to the problem of us not having finalised. The commission has not really proposed the new strategy, but instead has intensified this aspect of its work, by engaging the South African public in general and the beneficiaries through the Know the Status of your Claim Campaign. In that regard, it is the use of local radio stations, consultations at district and local municipal level, stakeholder engagement, interfacing with the Department of Home Affairs and the Independent Electoral Commission, IEC, using tracing agents. We have had major success hon members in tracing some of the claimants and we are now processing their claims. Each province is continuing to implement this strategy.

I may just indicate that in terms of the Know the Status of your Claim Campaign, I am inviting you and the South African public to tune in at half past five tomorrow morning, where I will be on radio on Umhlobo Wenene accounting to the people of South Africa on this aspect and the claims. Thank you very much.

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Ms T M MBABAMA: Deputy Minister, I think it will be little bit too late for you to start now going on Umhlobo Wenene. Anyway, in your manifesto once again. The ANC promised to speed up the resolution of all outstanding land restitution claims.

IsiXhosa:

Uza kuvumelana nam ke ukuba ayikhange yenzeke loo nto kuba sihleli nje ...

English:

... there is a backlog of 6 600 claims. Deputy Minister, regarding the business case that was approved by the Minister to seek eligibility for the Commission on Restitution of Land Rights to be a Schedule 3A entity, what has been the delay in seeing this process through as the Land Act was promulgated way back in 1994?

IsiXhosa:

Benihlelele ntoni lonke eli xesha ningayenzi le nto?

English:

What is the impact of this delay on your claimants. Thank you.

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The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, I want to remind you about the one supplementary question. Hon Deputy Minister.

The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT: Hon Chairperson and thank you hon member. I really had expected the reference to the manifesto from the DA.

IsiXhosa:

Qengeba, Jola, Mphankomo, masimamelane kakuhle. Musa ukuthi ndiza kuvumelana nawe, andizi kuvumelana nawe kwinto ethi akwenzekanga nto.

English:

At the launch of the claims in 1998, there were about 80 000 claims lodged. At this stage as we speak to you now, it is not 6 000. As of 30 June 2023, it is 5 403. There are provinces where we have finished the claims. The task is huge, but to pretend and say ...

IsiXhosa:

... besisenza ntoni ...

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English:

... from 80 000 to 5 000, that’s no mini victory. Now, just as a reminder, on this side are those that fought for our land to come back. On this side are those that initially did not fight for our land but resisted that. Those that defended white supremacy. Now, when you are in this boat, please appreciate the teething problems as we undertake this task of rebuilding this society that was ravaged by apartheid and colonialism, which many of you supported. [Time expired]

Ms L H ARRIES: Deputy Minister, the autonomy of the commission is that the most pressing priority right now ... [Inaudible] ...as you have mentioned 5 400 outstanding land restitution claims from the claims that were lodged in December 1998 still unresolved. Many of those who lodged the claims and who have experienced dispossession first-hand are dying. The commission indicated that it would need an excess of R68 billion over the next five years, and R172 billion over the next 30 years to settle these claims. Concerning this, do you consider that land restitution has failed as a programme and the state has doped our people with false hope? nice. Will there ever be a time when the commission has completely settled all the 1998 land claims? Thank you.

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The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT: You know I don't want to underplay this point. I think that hon Mbabama also spoke to this point, which now the EFF's hon member revisits. It is quite heartening that we are not able to finish these outstanding land claims tomorrow. We would have loved to do that. We really would have loved because it is true that some people are dying waiting. But this is not as a result of people sitting somewhere in some point at a beach and not doing anything. It just as a result of what happened - you know, I would really be like a broken record on this issue. The issue is this country, and its rebuilding is going to outlive all of us here because the problem is deep and dire.

But whilst we appreciate that we are trying to rush these claims, there are claims which have been settled. Hon Hendricks here would tell you about the good story of the people of District Six who now live lavishly in houses that are as a result of restitution. Even there, there still are teething problems that we are working on. The people of West Bank, East Bank in East London would tell you about the fact that very soon we'll be turning the soil in relation to resolving these issues. These issues need time. But this organization led by this Chief Whip in this Parliament is

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seized with this opportunity of trying to make sure that we have a country in South Africa that we can be proud of. Thank you very much.

Ms M D HLENGWA: Hon Deputy Minister the restitution of land claims process has been lengthy and ... [Inaudible] ... to say the least, and a times riddled with fraudulent characters who conduct claims and out of money in the promise of fast-tracking their claims. Hon Deputy Minister according to you, what other issues has the commission ran into the processing of these land claims? What measures are in place to intervene in eradicating unscrupulous activities during the process? Thank you.

The DEPUTY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT: The problems do vary. In some instances, as you referred to them mama, there are unscrupulous so-called land claimants and some of those people who are fraudsters are also probably in the department. This is why in the past led by the Minister, there have been people in our department that have also been arrested because of those activities. But also, there are problems created by various – but also, one thing that I really want not to forget, and we really like to request South Africans, especially those with available

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resources. In fact, it can even be a gesture of saying, we wronged you in the past year is a billion, sort out the problems of restitution.

We would appreciate South Africans that are like that because it is not your fault. That your great grandparents did A, B and C. But a gesture of goodwill to say, I have been able to benefit from apartheid I want to take this part and give it to you. That is the kind of people we want to rebuild this country. Thank you very much.

Question 515:

The MINISTER IN THE PRESIDENCY FOR ELECTRICITY: Thank you very much House Chair and thank you very much to hon Hlengwa for the question. Maybe just to say the following, that in the resolution of the loadshedding crisis, we are pursuing a multipronged strategy that is time-bound. Of course, in the short term is to make sure that we have the lights on for 24 hours of the day over extended periods of time, which really means the extinguishing of the loadshedding problems. And in the medium to long term is to ensure that we have energy security in the country, we guarantee energy sovereignty in the country.

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I did say earlier on when I responded to the last question, the earlier question that we are working on improving the energy availability factor and also the exploitation of the open cycle gas turbines, including but not limited to the burning of diesel.

The second component of that work is to see if there are additional megawatts that we can import from neighbouring countries that are part of the South African power pool, essentially, there is a network of countries that are connected by the grid, so making it possible for us to import and export megawatts from individual countries. Of course, in our instance we need to import megawatts because of the energy deficit.

Two countries presented themselves as viable option because, firstly, they have got new sources of fuel sources and of course they are part of the power pool and one of those is Mozambique. So, we reached out to our counterparts, and they did confirm that there are additional megawatts, 100 megawatts they can make available immediately. One hundred megawatts and 600 megawatts over a period of six months, towards the end of December.

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So, at our level then we agreed that we have secured that, but even in the midst of the crisis, we still have to respect and honour governing structures. So, what had to happen was the contracting process. So, that contracting mean, amongst others, Electricity Supply Commission, Eskom, has to resolve two primary issues, given the nature of the fuel source, you are exposed to commodity volatility because you are essentially the primary source from Mozambique is gas which is turned into electricity. And the second one, you must resolve the issues of exchange currency volatility if you are buying dollar denominated. So, that's part of the contractual processes at Eskom.

And then there was a legacy issue, Eskom's counterpart in Mozambique was owing them a significant amount of money, so I am happy to report to the House that those matters have been resolved, that a substantial amount of what was legacy issues have been paid and the remainder is on payment terms, and we should be able to get first 100 megawatts immediately. The six processes that Eskom had to respect internally the four have been concluded and then it will culminate in a board approval, and we should be able to get the benefit of the 100 megawatts.

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Each and every megawatt counts and that is our philosophy. Whether it's two, is three, is six, we will do everything possible to chase after those megawatts because the aggregation of that will help us to resolve loadshedding. Thanks, House Chair.

Mr M HLENGWA: Hon House Chairperson, so this arrangement or deal or offer emerged in South Africa in June 2023, it's now September. There is a list of other things that one can go to, but the loadshedding intensity between 2022 and 2023 has increased by 27,7%. We are experiencing more loadshedding now than we did probably in the past year. So, the issue then, Minister becomes a question of urgency, in that it does not seem that government is moving with the required agility to respond to the crisis, because the more things change, the more they stay the same.

So, I hear your scientific, your engineering and your academic explanations, but they do not translate into an improvement in the daily lived material conditions of our people. So, on this transaction specifically, the question then becomes as you are speaking about contracting purposes, why would have Eskom or ... [Inaudible.] ... not sure where you are ... [Inaudible.] ... as a department but making use of National Treasury Note

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3, which allows for expansions and deviations so that you could go to the sole provider which is this point in time is Mozambique.

So, I'm imploring on to say yes, you are saying nice things but there is no urgency, and the situation is becoming dire from June to September and Mozambique is asking. You have not heard from South Africa how much longer and then, of course, when will this be done? When will we actually see the electricity coming from Mozambique to South Africa? Thank you, House Chair.

The MINISTER IN THE PRESIDENCY FOR ELECTRICITY: House Chairperson, let me go back to this thing of that we are worse off must be explained properly. So, when you compare the winter of 2023 and the winter of 2022, take the following into account, the winter of 2022, we had the benefit of the three units that had failed at Kusile, which gives us 2400 megawatts because each unit takes 800 megawatts.

The second part is that you have lost a unit at Koeberg, 980 megawatts, so year on year, so removed from 2022, the 3000 megawatts and compare it with this year and you will see that there is a significant improvement. And those units I did say

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to you that they are coming on stream now we have brought back the return to service of those units we have truncated that period by a period of about of about two months, so that is an additional 3000 megawatt. So, I thought I must put that one to bed.

And then the second one on the agency, absolutely correct, but the point I will not do is to go overreach, get into the governing structures of Eskom and say that you shall do the following. All that I will do is to ensure that with my counterpart we close this agreement and then urge on Eskom, respecting their own governance structures, whether they go to National Treasury and the like. It's important that we are able to add these megawatts on stream and the economy is able to benefit. The last thing we want is to come into this House and report, get to be reported to The Standing Committee on Public Accounts, SCOPA, and we are told that we are interfering. What we have impressed upon Eskom is the urgency and agility of responding to this crisis, and that's the best that we can do.

And I am sure that when I speak to the Chairperson of Eskom has got that appreciation and I am confident that we will get the benefit of all those megawatts. But I absolutely agree

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with you that our interpretation of the gravity of the problem must be met with the speed with which we respond to that problem. And in this instance a point that I have registered with Eskom it doesn't appear that there is that appreciation and that's why we need to accelerate going forward because as we engage with other parties, we can see that there are significant opportunities that can help us to immensely resolve this problem sooner than later, and I've completed whether the cost to the South African economy. The last thing I will do is to overreach and get to be accused with interference. But we have a duty to impress upon the monopoly that we have to ... [Interjection.] [Time expired.]

Mr M G MAHLAULE: Hon House Chair, I am very glad that the Minister has gone to town with his question, even though there is a fellow that side who shouts the most and not listen to responses when they are given. Maybe the relevant question now that you have answered this question, Minister is that say, for instance, we get these 100 megawatts tomorrow, is our grid capacity ready to take such 100 megawatts and we move forward. Thank you very much.

The MINISTER IN THE PRESIDENCY FOR ELECTRICITY: Thank you very much, hon Mahlaule. Yes, as I've indicated, we are connected

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to what we call a South African power pool. There is sufficient capacity for us to be able to accommodate the 100 megawatts, even more going into the future. So, the long and short of it is that the infrastructure does exist. We need to complete the contracting period and then the economy and the people of the country can get the benefit of the additional megawatts and 100 megawatts and the ones that are promised in the in the medium-term. Thank you, House Chairperson.

Ms S J GRAHAM: Thank you House Chairperson and thank you. Minister, you have given one of the reasons for the delay in the use of the 100 megawatts as being legacy issues in terms of payments. Now, one of the aspects that could have been looked at would have been an offset where we offset the cost of electricity against the outstanding amount owed by Mozambique. But you couldn't have done that because you have no powers in your capacity as the Minister of Electricity. In terms of the new Electricity Regulatory Authority, ERA, you would be granted greater powers, but that Bill is going to be delayed in coming into effect.

What sort of mechanisms would you have put in place had you been given the powers to implement those 100 megawatts immediately? Thank you, House Chairperson.

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The MINISTER IN THE PRESIDENCY FOR ELECTRICITY: House Chairperson, well there is no single Minister in the House that has got the power to procure, doesn't exist. It's a function of administration. Thank you, House Chairperson.

Mr M MANYI: House Chairperson, good afternoon ...
[Interjection.]

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

Mr M MANYI: ... good afternoon, Minister. Mine is a very simple one of materiality and cost.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Manyi, hon Manyi ...

Mr M MANYI: ...yes.

The HOUSE CHAIRPERSON (Mr C T Frolick): ... may I request the members in the House just quiet down so that the Minister can hear what the follow up question is. Order, the hon Manyi.

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Mr M MANYI: House Chairperson, I was just saying ours is a very simple one, is one of materiality and cost. Assuming that everything goes according to plan with this agreement between Mozambique and South Africa. What percentage improvement will that be in terms of the energy availability factor and at what cost? Thank you.

The MINISTER IN THE PRESIDENCY FOR ELECTRICITY: Thank you very much, hon Manyi. Just to make the following points. A 1% improvement in the energy availability factor amounts to 477 megawatts. So, what that means is that the 100 megawatts really were going to give you, if you like, about 0,2% improvement. But that should be put into context the point I made earlier on, hon Manyi, and you are absolutely correct. Each and every megawatt counts, whether it's point two, zero point five, once we put it together, the aggregation of that is a significant improvement.

For an example, if we have 10 of the 100 megawatts, then you will be able to shave one stage of loadshedding, so that's the first part. So, hon Manyi will do everything possible to get whatever megawatt I mean we were met with some players, one of the neighbouring countries they indicated to us that they can offer six megawatts. So, in the context of the scale of the

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problem is insignificant, but once we aggregate, all of this is important that we pursue those opportunities.

On the cost side, hon Manyi, you are absolutely correct. The point I was making earlier on, is that that's a function of contracting and what is that contracting is to make sure that there is sufficient risk allocation and that whatever the amount that you contract to doesn't overburden the end consumer. And that's why I was talking about the ... if you like, the commodity volatility, the currency volatility, those are part of the contracting conversations that have happened between Eskom and the peers, and I am confident that those have been resolved, like I shared earlier on. And we should be able to get the benefit of the megawatts onto the grid. Thanks, House Chair.

Question 505:
The MINISTER OF MINERAL RESOURCES AND ENERGY: Hon Chairperson members of the House, for the system, the bid evaluation process was concluded at the State Information Technology Agency, Sita, on 21 July 2022 and a preferred bidder was identified and handed over to Sita. Sita was part of the whole process of evaluation and selection. But they have come back to us and said that they are embarking on an audit process for

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the entire end-to-end procurement process. It is anticipated, therefore, that formal correspondence will be forwarded to the department in the second week of October, late, from where we are sitting.

We acknowledge the fact that cadastral is quite urgent for the department, quite urgent. And we are hoping Sita will realize that. And one of the worst things about it is that it impacts heavily and negatively on our international rating, as a mining destination. So, that's where we are with Sita on this one.

Ms V T MALINGA: Hon House Chair, hon Minister, since the new mining licensing system will be up and running, preferably before the end of the current financial year, what assurance cadastral system, as a viable option will be transparent and have an extensive track record of success, and is does Mineral Resources and Energy, MRE, have the capacity to manage a custom designed cadastral system?

The MINISTER OF MINERAL RESOURCES AND ENERGY: The hon member wants assurance. I can't give assurances on processes. Processes give results and we will do our best to give the best results. That's all I can promise you. You must remember

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that, in the process of trying to get a cadastral system, we visited two of our neighbouring countries that are having a working cadastral system - Botswana and Namibia. As we were going through this process, we were looking at those examples that were successful. So, we are hoping that, if Sita can accelerate the process and put the cadastral system at work, only then we can assess its effectiveness. Transparency, I think, can be assured. That is the intention of having a cadastral system.

Mr J R B LORIMER: House Chair, Minister, one cadastral system was developed right here in South Africa in Cape Town. That was the one engineered by the company Spatial Dimension, now owned by Trimble. The Trimble system is the one that is used successfully in Namibia, Botswana, Mozambique, Kenya, amongst others. That cadastral system, you would think, would be the logical choice, especially by a party that claims to believe in the importance of local procurement by government.

Minister you've told us about the argument with Sita. My guess is the fight maybe over whether to appoint Trimble as the service provider, but it seems that either Sita or the department doesn't want to give the contract to this company. Can you tell us why somebody does not want to do business with

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Trimble? There has been a suggestion, but it is because they have refused to pay a bribe.

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

The MINISTER OF MINERAL RESOURCES AND ENERGY: I get worried when a party in Parliament bids for a company. When ... No, I get worried when a political party in Parliament bids for a particular company. We have issued bids, we have done the assessment, we have done the evaluation and a winning bidder has been selected. It is with Sita. When they give us a decision, we will implement that decision. We can’t say a particular company of Cape Town must be given the bid. It is not our responsibility. The selection ...

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

The MINISTER OF MINERAL RESOURCES AND ENERGY: Chair, can I be protected, because sometimes, we see that this thing of delinquency is a big problem of howling at each other. I am saying, we have issued an open bid. There was a panel. I am not part of that panel. That panel has selected a winning bidder and that is with Sita now. We are waiting on feedback

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from Sita. I am not going to stand for a particular company that Mr Lorimer is promoting. I'm not promoting any company. A winning bidder will be given the contract.

Mr M MANYI: Chairperson, ...

IsiXhosa:

... molo, Mqwathi ...

English:

... a quick one. As the EFF, we are very worried and nervous about the delegation of the capacity of the state to deliver what is in its core mandate. It is our view that the issue of licensing is a very core and critical function of your department. So, the question is: What is your strategy to ensure that this winning bidder, whoever it is, does not cause us to have another evergreen contract that we have with various Eskom people, such as the issue with the mining of coal in Eskom? What is the strategy of the department to ensure that this capacity that you are outsourcing now, we are not going to be insourcing in a very short period of time? Thank you.

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The MINISTER OF MINERAL RESOURCES AND ENERGY: Hon Manyi it is easy to imagine, when you are not involved in this situation. We have been working in the mining industry. We had a system that collapsed in our face. It did not work. What is important is that, if you don't have a working system, it is reflected on the level of backlogs. So, in dealing with backlogs, you have to go to an efficient system and if, that system is contracted, that is not outsourcing. It is contracted to work within the state, in our nine regions and it will monitor applications efficiently and transparency.

It will stop this question of applying and you will find that you apply for a piece of land that has 10 other applicants before you apply. You will at least see a transparent system that tells you where you are, how far can you go and what the possible outcome is.

So, we are working on that cadastral system with the impression that we want to get efficiency in the system, in the department. At this point in time, we are not getting a cadastral system with the intention of insourcing immediately. We want that system to work. If it works, we will not insource. We will use it as a contract to the state. It is the state that issues licences; it is not the cadastral system.

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Ms M D HLENGWA: Hon Chair, hon Minister, let me take the question. Earlier this year, you hosted the Inaugural Critical Mineral Africa Summit in Sandton, where the President of the Minerals Council, SA, Nolitha Fakude, said that it is essential that research, development and innovation into new technologies and the best use of the African minerals are encouraged, and that the academic, private and public sector pull together in this aim. Does this department have any plans to collaborate with other departments, such as the Department of Higher Education, Science and Innovation, to ensure that these objectives are reached, as well as to find ways of troubleshooting the existing system and address the backlog. If not, why not?

The MINISTER OF MINERAL RESOURCES AND ENERGY: Regarding research, we have an institution called Mintek, which is a mineral and mining research institution – cutting-edge, world-class, good results and we are working closely with the CSIR. We work with the Department of Higher Education, which has a big responsibility concerning research and technology. So, we will work with all those entities, because what counts, are results.

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Therefore, we have a lot of projects with Mintek, including the world-class technology to deal with acid mine drainage water. It is researched by Mintek produced by Mintek. I can give you a long list of those. We have research capacity and we work with other research institutions, because success and results are the issues. Thank you.

Question 540:

The MINISTER OF MINERAL RESOURCES AND ENERGY: Hon Chairperson and hon members, the department deals with legal mining complaints in two ways. We categorize them in two. There are illegal miners who mine in land that is not theirs, for example, we have two mining farms next to one another. One moved to the other farm, that is illegal mining. There is armed illegal mining, which is a criminal offence, and therefore the approach to the two is different. Let me outline them: illegal miners who are mining on unauthorized land received through designated e-mails, being that we receive them, people report, and we go visit these areas physically, and acknowledge and allocate reference number for the specific complaints wherein a complainant is notified. So, somebody reports, and we report that, one example was two coal mining companies that overlapped in the mining, and we had to take the machinery of one mining company to the police station.

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That is different from the illegal mining of armed illegal miners who go underground in various areas. And having done that, we work with inspectors of the industry, we work with the environmental inspectors, and we work with the police to deal with such situations. Investigation is undertaken, and based on findings, administrative measures are instituted. I am saying administrative measures to highlight the distinction between the criminal activity and this one, which is administration, and where the perpetrators fail to adhere to the instructions on the compliance notice, such is deemed to be an offence, and as a result, criminal measures are instituted. That is the issue. But in the case of illegal mining being undertaken by armed illegal miners, a joint operation with SA Police Service is undertaken as an activity is criminal in nature and warrants immediate institutions of extreme measures. Where criminal cases have been opened, the investigating officer shall engage with the National Proceedings Authority, NPA, with the ultimate intention to secure convictions. Those are the two sets of illegal mining cases. That's how we deal with them.

Mr J R B LORIMER: Minister, thank you, the answer is very interesting in how these cases are categorized and quite logical in the way that they are approached. But there is one

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problem. In too many cases it doesn’t happen. In the case of Bosmanspruit near the Optimum Coal Mine, where the Department of Minerals Resources and Energy officials actively protected an illegal miner to the case of Groenfontein in Matjhabeng Municipality, where officials claim they can’t do anything because their hands are tied. It seems that if there is a standard operating procedure, it has not filtered down to officials in all the regions. A procedure is needed where police are automatically engaged and kept informed by the department so they can act swiftly against that illegality. So, Minister, can you tell us if you have ... firstly, do you acknowledge that there is a problem, that it hasn't reached all parts of the department and there are cases where your procedure doesn’t work? And if you do acknowledge it, what are you going to do about it?

The MINISTER OF MINERAL RESOURCES AND ENERGY: I know that the procedure does work. I equally know that there are human beings involved in these cases. Now, that is why, for example, you go to some areas you find an allegation that the police are collaborating with some of these criminals and all those things, that is an intervention that we need to follow through when it happens. But it can only be followed through if somebody reports it, because once you report it – don’t shout

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Mr Lorimer, I have a lot of respect for you, don't do it - if it is not reported, it can’t be said that it was not to be followed through, but if it is reported it will be followed. If there are the Department of Mineral Resources and Energy officials who are involved, I will be interested to know who these Department of Mineral Resources and Energy officials are and in which office are they? If you talk of the Department of Mineral Resources and Energy, it will be the Witbank office. I will be interested to know who these officials are, and that’s how it works. I must know the names; I must get the report and then I can follow up. This procedure does work. For your information, at the head office of the Department of Mineral Resources and Energy there is a unit that focuses on compliance and enforcement. It is very small but very effective. It works efficiently with the police and the impact is visible.

Ms N P TYOBEKA-MAKEKE: House Chair, hon Minister, since reporting of any suspicious extraction of minerals is a cornerstone of the Department of Mineral Resources and Energy’s efforts to combat illegal mining, which affects the credibility of and the badly-needed investment in our mining industry, what explains the extensive track record of success of the Department of Mineral Resources and Energy’s reporting

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system as we witness on a daily basis members of communities reporting any suspicious activities that lead to the arrest of suspects linked to illegal mining? And how does the Department of Mineral Resources and Energy intend to make its reporting system more user-friendly to encourage members of communities to continue reporting illegal mining activities? I thank you, House Chair.

The MINISTER OF MINERAL RESOURCES AND ENERGY: I don't know where the hon member is staying. I opt not to know. I don't know where she is staying. But if the hon member has not seen arrests of illegal miners, then I will shudder because we have seen numbers of people being arrested. That's why in the strategy that has been developed, that empowers police and supported by the army to deal with illegal mining – I am talking about the second category of illegal mining - we have agreed that police and the army will deal with that issue and that's what the resolution says. It says let's start with the focus in Gauteng and spread it throughout the country because it affects several provinces, because one of the issues that is affecting us is sterilization of marginal mineral deposits, because if you sterilize marginal mineral deposits, you are creating a fertile ground for illegal mining because former miners will go and mine that area. That's why we are having a

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discussion with the industry to say, let’s have a model to deal with mining marginal deposits not sterilized. Thank you.

The HOUSE CHAIRPERSON (Mr C T Frokick): Hon members, the time allocated for questions has now expired. Outstanding replies received will be printed in Hansard.

The House rose at 18:05.

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