

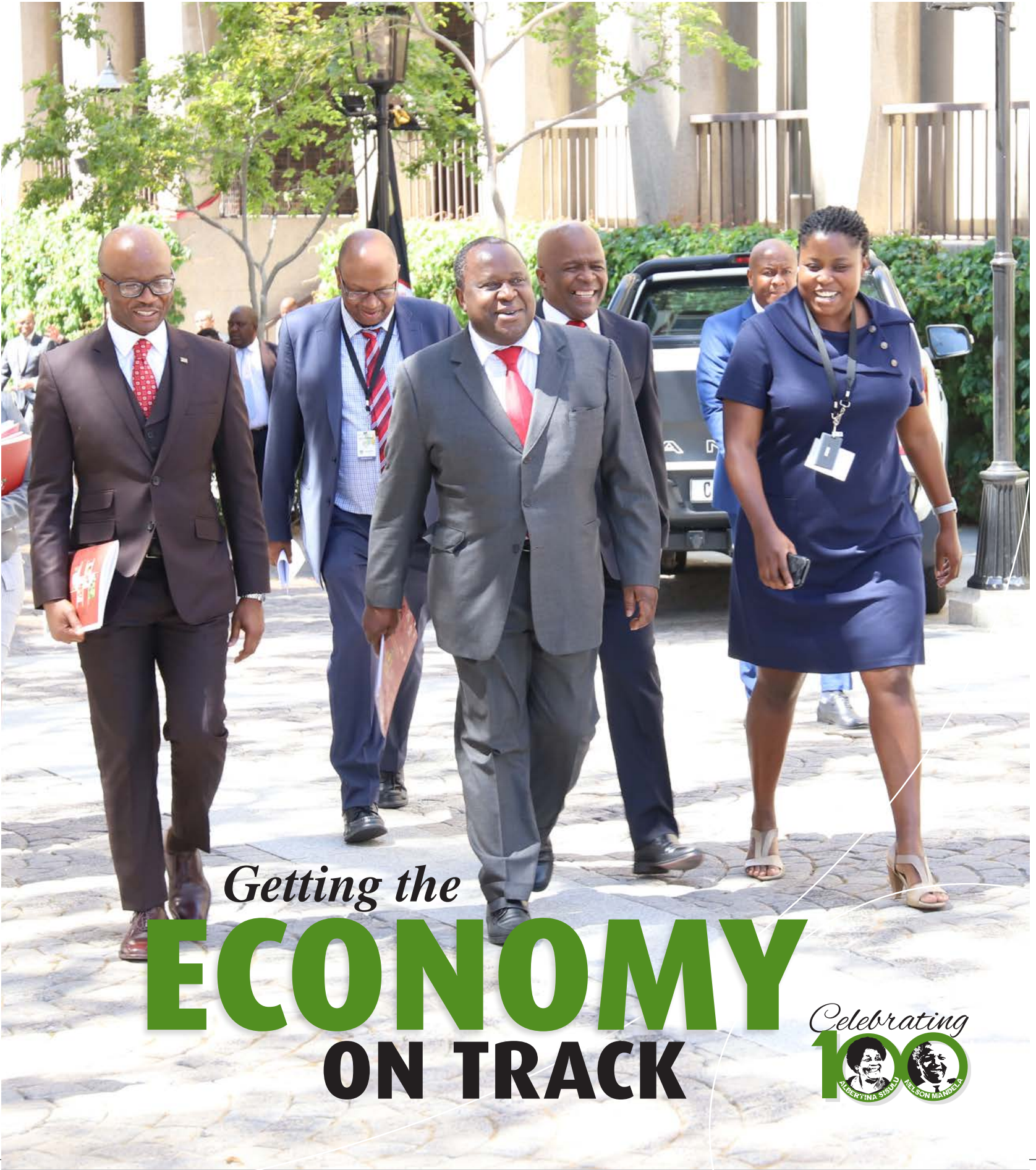
MAKING YOUR FUTURE WORK BETTER – Learning from Madiba and Ma Sisulu

in session



The official magazine of the Parliament of the Republic of South Africa

ISSUE 10 2018



Getting the

ECONOMY

ON TRACK





PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA



Mace of National Assembly

Vision

An activist and responsive people's Parliament that improves the quality of life of South Africans and ensures enduring equality in our society.

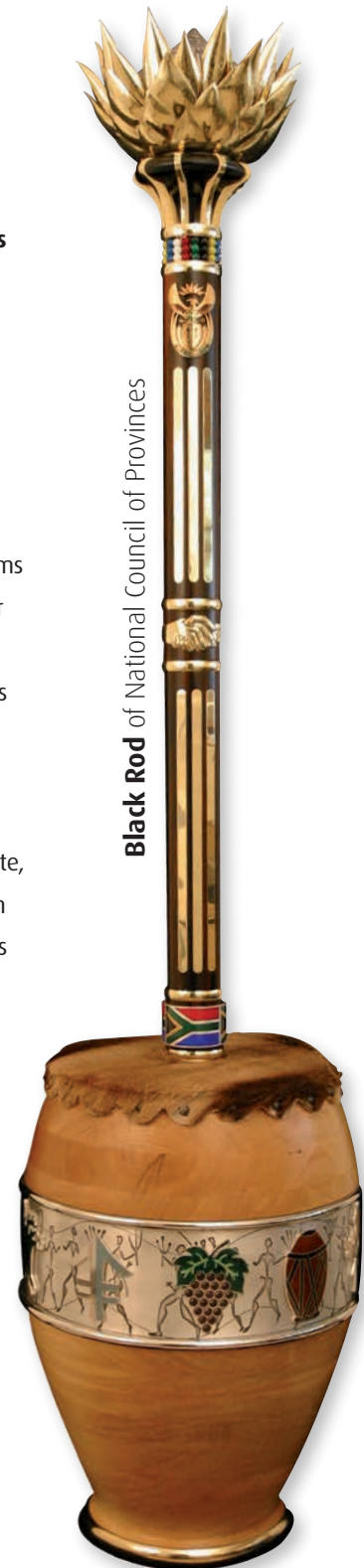
Mission

Parliament aims to provide a service to the people of South Africa by providing the following:

- A vibrant people's Assembly that intervenes and transforms society and addresses the development challenges of our people;
- Effective oversight over the Executive by strengthening its scrutiny of actions against the needs of South Africans;
- Participation of South Africans in the decision-making processes that affect their lives;
- A healthy relationship between the three arms of the State, that promotes efficient co-operative governance between the spheres of government, and ensures appropriate links with our region and the world; and
- An innovative, transformative, effective and efficient parliamentary service and administration that enables Members of Parliament to fulfil their constitutional responsibilities.

Strategic Objectives

1. **Strengthening oversight and accountability**
2. **Enhancing public involvement**
3. **Deepening engagement in international fora**
4. **Strengthening co-operative government**
5. **Strengthening legislative capacity**



Black Rod of National Council of Provinces

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OUR IDEALS**Vision**

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Strategic Objectives


Strengthening oversight and accountability; enhancing public involvement; deepening engagement in international fora; strengthening cooperative government; strengthening legislative capacity.

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OVERSIGHT ATTENTION:
NCOP Delegates
scrutinise reports.

Intervention in the North West leads to criminal cases

*The Constitution of the Republic of South Africa empowers national government to take over the administration of a provincial government in a case where the province is found to have failed to fulfil its executive obligation in terms of the Constitution and legislation, writes **Sakhile Mokoena**.*

The Constitution further stipulates that the national executive must submit a written notification to the National Council of Provinces (NCOP) within 14 days after the intervention began in the province. According to section 100 (2)(b) of the Constitution, “the intervention must end if the NCOP disapproves it within 180 days after the intervention began, or by the end of that period has not approved the intervention”.

In May (2018), the NCOP received

a written notification from the national executive to place the North West provincial government under administration, following the Auditor-General’s concerns about the performance of the provincial government, public outcries about the delivery of services, and the alleged corruption in the provincial government.

According to the Constitution, while the intervention continues, the NCOP must review the intervention regularly and may make appropriate recommendations to the national executive. In order to carry out this constitutional responsibility, the NCOP established the Ad Hoc Committee to Inquire into the Intervention in the North West Provincial Government in terms of section 100 of the Constitution.

Mr Charel de Beer who is the permanent delegate representing the Northern Cape province was appointed as the Chairperson of the Ad Hoc Committee. As part of monitoring the intervention

and gathering more evidence to determine whether the intervention by national government is necessary, the committee conducted an oversight visit to the province. During the oversight visit, the committee split into two groups in order to cover more ground, Mr De Beer led one group while the House Chairperson for Committees and Oversight in the NCOP, Mr Jomo Nyambi, was in charge of the other group.

The committee met with the provincial Standing Committee on Public Accounts (Scopa) for a report on the state of affairs in the province where its Chairperson, Mr Mohlakeng Mohlakeng, outlined the depth of corruption in the province that warranted the intervention by the national government.

Mr Mohlakeng told the committee that the provincial Scopa had opened criminal cases with the Directorate for Priority Crime Investigation (the Hawks) relating to the alleged corruption, maladministration and tender irregularities in the province.

“The corruption in this province is beyond your imagination. It is not politics, it is corruption. We have a group of thieves stealing public money with no remorse, the agenda is to do thieving”– Mohlakeng Mohlakeng

The Ad Hoc Committee also heard about four North West municipalities that invested millions of rands of taxpayers’ money in VBS Mutual Bank, currently facing liquidation after directors were implicated in massive looting of investments at the bank.

“All of them are alleging ignorance to the Treasury regulations (that municipalities cannot invest in mutual banks) and we have now advised the municipalities to open cases against those responsible for this decision,” said Mr Mohlakeng.

“The corruption in this province is beyond your imagination. It is not politics, it is corruption. We have a group of thieves stealing public money with no remorse, the agenda is to do thieving,” stressed Mr Mohlakeng.

He also told the committee that the Scholar Transport Programme, a government initiative to provide transport services to learners who stay far from schools, was in a shambles and a probe by the Special Investigating Unit (SIU) was under way.

The Administrator of the Department of Transport, Mr Ngaba Ngandela, gave an overview of alleged corruption in the awarding of contracts in the scholar transport programme, which has cost the provincial government millions of rands in irregular expenditure.

Mr Ngandela described the programme as the “biggest and worst nightmare” for the administrators. Irregularities have been uncovered in the awarding of the tenders, compliance of the vehicles used, additional number of routes and inflated number of learners. “To say there was overspending in this programme would be an understatement. It sucked all the budget and we still have a few months to go in the financial year and unpaid invoices,” Mr Ngandela explained.

Learners who lived near schools do not qualify for scholar transport but in this case, they were transported to other schools, two or more bidders were given contracts for the same routes and they kept on adding more routes.

The programme was allocated R374 million for the 2018/19 financial year and by September, there was only R79 million left with many outstanding invoices.

According to the administrators, what happened in the North West was not a mistake, but a deliberate act of breaking the law. A lot of people will be unhappy when things are corrected.

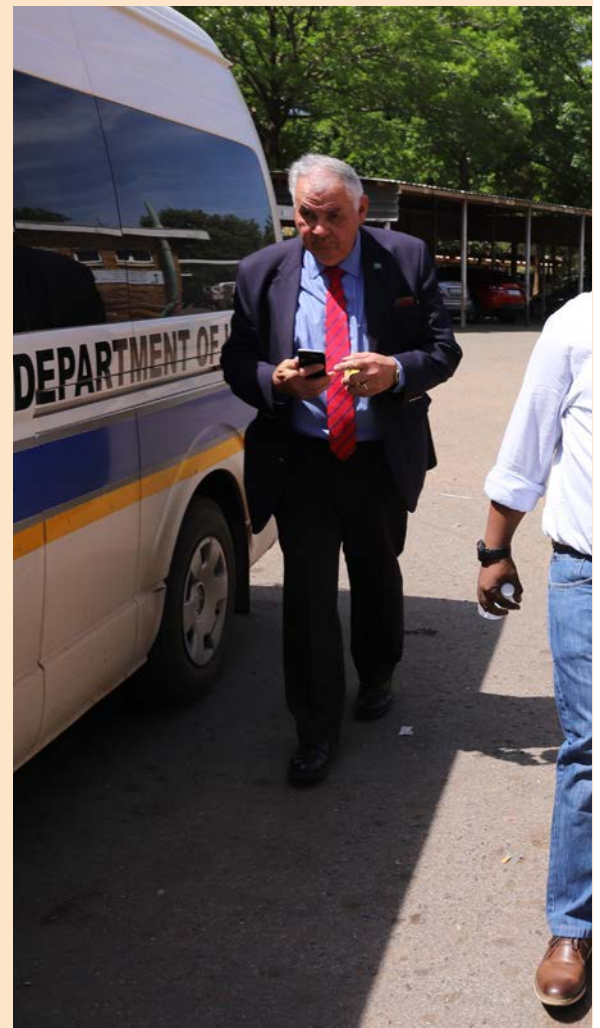
The committee also heard how almost the entire emergency services in the North West province were outsourced to private ambulance operators at inflated rates.

A delegation of the committee that visited the emergency services station in Klerksdorp was told how the provincial government outsourced almost the entire ambulance services, leaving personnel with no work to do.

A contract to Buthelezi Emergency Services, which was initially meant to provide advanced life support to the provincial emergency services at R10 million per year, was later amended to cover all ambulance services at a cost of R20 million per month to the provincial government.

Emergency services officials told the committee that after the Buthelezi contract came into being, patient numbers escalated from around 400 to over 800 patients per month. A R1.6 million per month contract for ambulance helicopter service, also from Buthelezi, has since come to an end.

The committee also held public meetings in Mafikeng and Klerksdorp to





On TOP: NCOP Delegates scrutinise reports. BELOW: NCOP Delegates on-site walk-about.

hear the views of the community about the decision to place the provincial government under administration. While there was a general welcome of the intervention with hopes that it might bring change and better service delivery in the province, some members of the public questioned whether the intervention was not politically motivated.

For Mr Thabo Moiloa, who spoke at one of the public meetings, there was no tangible progress and he and a majority of residents felt that there were ulterior motives behind the intervention. "I want to ask, was this intervention a political intervention or an administrative intervention? I ask because to me the status quo still remains in the province because the same heads of departments and chief directors who looted the province remain in their positions, and no punitive measures are being taken against them for the corruption they were involved in," said Mr Moiloa. Committee member and Acting Chief Whip of the NCOP at the time of the oversight visit, Rev James Mthethwa, said individuals who were involved in the misappropriation of public funds through tender irregularities and violation of supply chain policies that led to the section 100 intervention in the North West province will be exposed and charged.

One of the administrators' responsibilities is to expose those involved in the activities that led to the collapse of governance and sound financial management. "Those who are responsible for the missing monies must be charged. One of the responsibilities of the administrator is to make sure that those involved in the misappropriations are known and held accountable," he said. Let us expose those people who led us to this situation – the community must know why they cannot get services." 🙏





Minister Tito Mboweni delivers Medium Term Budget Policy Statement.

We must reprioritise to grow our economy: Finance Minister

*The Minister of Finance, Mr Tito Mboweni, appeared before the Joint Meeting of the Standing Committee on Finance, Select Committee on Finance, Standing Committee on Appropriations, and Select Committee on Appropriations to explain the rationale of his Medium Term Budget Policy Statement (MTBPS), writes **Abel Mputing**.*

The MTBPS was characterised by a South African economy at a crossroads. An economy faced with triple

challenges of low economic growth forecast, dwindling tax revenue and rising government expenditure, which has pushed national debt to an unprecedented level.

“That is where we are. You may not like the ideological stance of the International Monetary Fund (IMF), but that is where we are going to end up if we downturn our economic tide,” said the Minister of Finance.

The current disappointing growth rate is the flip side of “the economic growth projection that our economy enjoyed 10 years after 1994, when the economy grew by 5.6% and had a potential output of 4.5%, but went above that”.

All that has now been lost, he pointed out. The R32 billion tax revenue shortfall is not helping the current economic scenario and is holding back government’s developmental agenda. “This has forced the Treasury to reprioritise and that is what we need to do in a situation like this”.

Furthermore, the South African Revenue Service (Sars) is facing a crisis. He did not mince his words when he claimed “it got broken while you were looking on. But nonetheless we are trying to review the situation to resuscitate the collecting capacity of Sars”.

Regarding our escalating debt projections, he is of the view that “if nothing is done to arrest its steady



ON THE MOVE: Minister, Deputy Minister and Senior Treasury managers walking to the National Assembly.

rise, we are likely to have a debt rate of 60% to our gross domestic product (GDP)."

"it got broken while you were looking on. But nonetheless we are trying to review the situation to resuscitate the collecting capacity of Sars".

If such a scenario is not reversed, we would be forced to have a conversation with the IMF and we don't want that. He warned "that means the IMF will take over the running of our finances and will impose its structural adjustment policies on our economy".

One of the envisaged measures is to maintain the budget expenditure ceiling to avoid increases in the major tax instruments, unless the economic environment requires, and to "retain national departments' compensation ceilings, which implies continued restrictions on personnel budgets and public employment", he said.

Urged to outline his stance on the bloated public sector wage bill or whether he envisaged retrenchments, he assured Members of Parliament that there were no plans to retrench public servants. He hinted to the fact that the problem with the huge public sector wage bill "is not about numbers. But about the degree of compensation at various managerial levels of the sector. And that is something that needs to be attended to".

Asked why the current projections were

silent on free education, he responded that much of what was not talked about in the MTBPS will feature in next year's budget speech.

Mr Mboweni expressed his concern about faltering state-owned enterprises such as the South African Airways (SAA) which, he said, needed to be reconfigured urgently. "We are in constant engagement with them, what we cannot do is to lie to them. In those engagements we are trying to see how we can address their concerns."

When asked if there was any possibility of privatising SAA, he responded: "Not in its current state. We are not even entertaining such an idea now, because no investor will be willing to invest in SAA in its current financial state. Currently, it is not a viable business proposal and there is no investor who will be willing to invest in it."

Mr Mboweni expressed his concern about faltering state-owned enterprises such as the South African Airways (SAA) which, he said, needed to be reconfigured urgently.

The Minister's policy statement was anchored on the President's stimulus package that seeks to revitalise economic growth. This includes, among other things, the reprioritisation of public spending to support growth and job creation. "There is R32.4 billion earmarked for the stimulus package over the next three years, of which

R15.9 billion goes towards faster spending infrastructure programmes, clothing and textile incentives, and the Expanded Public Works Programme," he said.

"One immediate plan is to align our infrastructure expenditure with the stipulations of the National Development Plan. For the R1.7 billion infrastructure spending to be successful, we need to have an effective planning commission. One of the benefits of having such an entity is that it would enhance the planning and the implementation of government infrastructure projects. Also, it can determine our departments' capacity to implement government policies," he said.

The Infrastructure Fund seeks to stimulate the much-needed public/private sector investment collaboration. Government is working with development finance institutions (DFIs) and private sector partners on an infrastructure project preparation facility. "The government is negotiating access to funding from DFIs, multilateral development banks and private banks. These institutions have committed technical resources to help plan, approve, manage and implement projects. In addition to that, work is under way to design a fund that supports 'blended' finance, combining capital from the public and private sectors, and DFIs."

To strengthen accountability and transparency, "the government will publish online expenditure reports of current infrastructure projects".

Finance committees hold public hearings on Medium Term Budget Policy Statement

Following standard practice, the Standing and Select Committees on Finance held public hearings on the Finance Minister's Medium Term Budget Policy Statement (MTBPS). Various stakeholders and interest groups appeared before them and presented their inputs and recommendations, writes

Abel Mputing.

Most of them commended the MTBPS for acknowledging that, as a result of corruption, South Africa's economy is at crossroads. At the same time, many of those making inputs were disappointed that the MTBPS fell short of stating the extent of the corruption and what can be done to combat it.

Representing the Congress of South African Trade Unions (Cosatu), Mr Mathew Parks said: "The MTBPS acknowledges corruption, but there is an absence of government anti-corruption plans. The MTBPS does not state how much was or is still being looted. How much has been recovered. Are there any arrests, convictions or asset seizures?"

The Statement also said nothing about the R400 million set aside to fund the commissions probing corruption, a high cost that our economy can ill-afford. Mr Parks also made suggestions on how to cut government expenditure, suggesting, among other things: "There is a need to trim bloated executives' pay and perks – spousal benefits, first class travel, travel allowances – and to

trim down the six departmental head offices that cost the government R12 billion."

Commenting on the bloated public sector wage bill, he blamed the growth in management and policy posts and related perks, while there is a huge vacancy rate in critical service delivery posts. The impending retrenchments at the South African Broadcasting Corporation (SABC) also came in for criticism.

Our country is faced with a political, not an economic problem, said the representative of the Federation of Unions of South Africa (Fedusa), Dr Dennis George. Like Cosatu, Fedusa is of the view that government should "not blame workers for our country's economic woes. Workers must be allowed to share in the growing prosperity, wages and salaries should increase at a rate equal to the price of inflation plus productivity growth".

"A bold and decisive confrontation of these problems will go a long way to restoring domestic and global investors' confidence and the sovereign credit rating to investment grade"

Fedusa is concerned about the growing culture of inefficiencies at state-owned enterprises, which continue to drain the fiscus and drive away investors. "A bold and decisive confrontation of these problems will go a long way to restoring domestic and global investors' confidence and the sovereign credit

rating to investment grade," he said.

On a positive note, Fedusa welcomed President Cyril Ramaphosa's stimulus package that reprioritises the expansion of healthcare services. The union was also pleased about the Clothing and Textile Competitiveness Programme. "Fedusa is pleased that the expansion of healthcare services will result in the creation of 2 200 critical posts across the provinces and the success of the Clothing and Textile Competitiveness Programme, which saw exports from the sector grow from R7.1 billion in 2008, to R25.1 billion in 2017, and the opening of 22 leather factories."

The representative of Organisation Undoing Tax Abuse (Outa), Mr Matt Johnson, said the economy has reached a point where further increases in taxation will be counterproductive. "Tax levels prevailing between 2014 and 2017 show that a 1% increase in taxation produced only 0.05% in additional real tax revenue. Also, the data shows that each percentile of increase in taxation historically correlates to an average decline in GDP (gross domestic product) of about 0.3%."

New fiscal anchors are needed, he said, because "the basis of current concern of the credit rating agencies with respect to government finances is not the absolute level of accumulated debt, which now stands at R275 billion. Rather, it is the limited scope that is available for raising further revenue in the form of taxes, excise duties and user charges."

More alarmingly, he pointed out, is that the social contract between government and taxpayers has eroded.

“SAA should have been given away five years ago when it still had value. In the meantime, it has been a massive drain on the fiscus.”

“There is now a trust deficit, which has led to budgetary deficits due to perceived and reported cases of corruption and mismanagement of state resources and entities.”

The Head of the School of Economic and Business Science at the University of the Witwatersrand, Prof Jannie Rossouw, emphasised that South African Airways (SAA) is an unaffordable vanity project. “SAA should have been given away five years ago when it still had value. In the meantime, it has been a massive drain on the fiscus.”

Many tax professionals and economists agree that the best way to create jobs, provide access to land and to stimulate GDP growth is to substitute personal taxes with a land tax, said a representative of the South African Constitutional Property Rights Foundation, Mr Peter Meakin.

The five-fold increase in the Consumer Price Index in the past 30 years shows that land profits are unearned. “Ironically, during all these 30 years, a large part of my hard-earned salary, interest, dividends and profit was expropriated. The onerous income taxes and value-added tax reduce the average standard of living of a family of three by R147 000,” Mr Meakin explained.

The representative of the Budget Justice Coalition, Mr Neil Coleman, disagreed that the public sector is to blame for rising government expenditure. “Although a useful scapegoat in the face of government’s dearth of new ideas, the public sector wage bill is not the root cause of our problems. The refusal to increase taxes on the rich and

corporations is limiting government’s revenue raising and spending potential.”

Creative solutions for generating additional revenue are urgently needed, he emphasised. “The Unemployment Insurance Fund can be leveraged for a work seeker’s grant for the unemployed. Only around R15 billion of the surplus would be needed per annum from around the current R140 billion, as part of a contribution to such an important initiative.”

Mr Coleman also suggested that a multi-agency work group should be established to curb illicit financial flows.

A representative of the Alternative Information and Development Centre, Mr Erwan Malary, suggested that the government should harness the one million jobs that investment in renewable energy could unleash.

For the first time in the history of these public hearings, an emotional appeal by Pietermaritzburg Pensioners, who took a bus to Parliament, was presented to the Standing and Select Finance Committees, pleading to government to double their end of the year old-age grants and to increase their monthly grants. The pensioners told the committees how increases in the costs of living were putting an enormous strain on their meagre grants. 🌱



LEADING THE WAY:
Minister Mboweni leading
Treasury team.



Budget Review: tightening oversight over public purse

*The last term of the fifth democratic Parliament is an important and busy period. It began with a two-week committee period from 9 to 19 October 2018 dedicated to the compilation of budget review and recommendations reports (BRRR), writes **Musa Zamisa**.*

BRRR originates from section 5 of the Money Bills Amended Procedure and Related Matters Act (2009) or the Money Bills Act. Various subsections of the Act clarify the when, what and how

questions as follows: National Assembly (NA) committees must annually assess the performance of each national department in terms of service delivery performance against available resources, effectiveness and efficiency of the use and forward allocation of available resources (section 5(1)(3)); the Act outlines key instruments that feed into the compilation of BRR reports (section 5 (1)(a)); the NA committees are to make recommendations on future budgetary allocations.

Ultimately, all BRR reports reach the NA for tabling (section 5(2)(3)); NA committees must adopt and submit BRR reports to the NA after the adoption of the Appropriation Bill and

prior to the adoption of the reports on the Medium Term Budget Policy Statement (MTBPS) (section 5(4)) and once adopted by the NA, the Speaker of the NA must submit the BRRR to the Minister of Finance and to the relevant minister of a department. This must happen before Parliament adopts its report on the Medium Term Budget Policy Statements (MTBPS) (section 5(6)).

In October 2018, the fifth Parliament had an opportunity to scrutinise the work of the executive and made appropriate recommendations on how public resources are allocated going forward. It was an intense period for researchers, content advisers and

committee secretaries. They analysed a collection of documents and prepared draft BRRR for consideration and adoption by their respective committees.

They analysed documents such as the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF), the State of the Nation Address (Sona), budget documents, strategic plans and annual performance plans (APPs), quarterly expenditure reports (section 32 reports), annual reports, oversight reports, reports of the Standing Committee on Public Accounts (Scopa) and appropriations committees, among others.

Members of Parliament (MPs) were also busy. After considering the presentations made by departments and entities on their annual reports and the input from the Auditor-General, MPs had to ask hard questions about departments' performances. Have departments used taxpayers' money effectively, efficiently and economically to deliver quality services to the 57.7 million South African citizens? Is there alignment between departments' performances and constitutional imperatives, the NDP goals, the 14 MTSF outcomes, the Sona programme of action, budget priorities, and departments' strategic and annual performance plans? How should the National Treasury best decide on future budgets based on performance in 2017/18 and the first six months of 2018/19?

Portfolio committees had to adopt and submit all their BRRR to the NA by 19 October 2018. The NA in turn had to table, debate and submit the BRRR

to the executive before the tabling of the mid-year budget. True to its work ethic, Parliament stuck to the cut-off date and adopted the BRRR prior to the Minister of Finance's maiden MTBPS on 24 October 2018.

There is a good reason why the NA completed its work on BRRR before the MTBPS. Additional to offering an opportunity for reflection, the MTBPS set the scene and prepared MPs for an informed discussion on the MTBPS and the proposed budget adjustments.

Now that the NA has submitted BRRR to both the Minister of Finance and ministers of national departments, the executive knows Parliament's views on future budgetary allocations.

The appropriations committees benefitted immensely. The two committee were already armed with reliable analysis of departmental performance upon entering discussions with the National Treasury on adjustments and amendments to the 2018/19 Appropriation Act and the Division of Revenue Bill. The MPs of these committees already knew which departments spent better than the others, which programmes and projects needed more funding, and so on. They were in a good position to amend the budget, and they are also ready for the 2019 national annual budget.

The BRRR process also reinforced stronger collaboration among various committees of Parliament, which

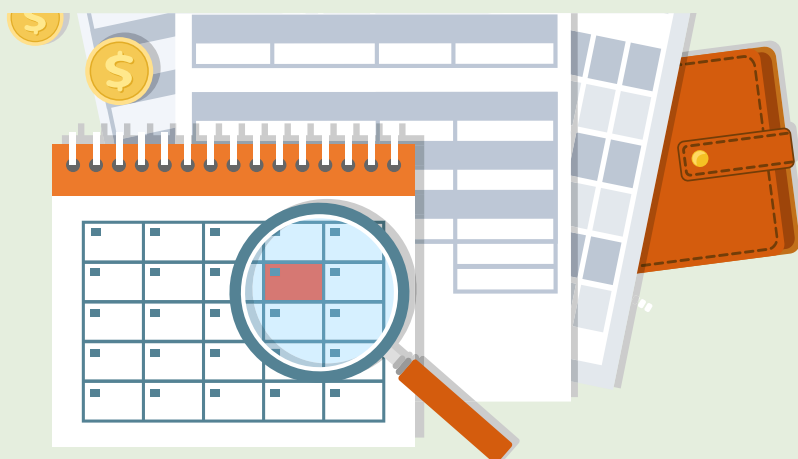


confirmed the vital contribution of Scopa and sectoral committees in the budget process. The drafters of the Oversight and Accountability Model should be pleased to see the various pieces of their vision coming together.

Now that the NA has submitted BRRR to the Minister of Finance and ministers of national departments, the executive knows Parliament's views on future budgetary allocations. In their preparation for the 2019 annual national budget, the Minister of Finance and his team had to consider Parliament's views. The Minister of Finance also tabled a report to explain how the budget gives effect to recommendations of BRRR. The minister's report also explained why the budget did not consider some recommendations. This is a good way of enforcing greater accountability and responsiveness.

As the fifth Parliament is set to wrap up its work and pass the baton to the following one, there is no doubt that the 2018 BRRR process has made a significant contribution to sustaining a vision for a vibrant people's Parliament that intervenes and transforms society and addresses the developmental challenges of South Africans. Soon the onus will be on the sixth Parliament to ensure that the executive implements all the recommendations of the fifth Parliament.

There is no time or resources to spare, as 57.7% of South Africans are unemployed, and poverty and inequality remain unbearably high. The government has less than 12 years to resolve these issues as per the commitments of the NDPs Vision 2030. The wheels need to move – and move fast. 🇿🇦



National Assembly calls on Hawks and NPA to act swiftly on VBS Bank



WAITING PATIENTLY: Recipients queuing for social grant monies.

*The VBS Mutual Bank scandal which rocked the country recently after revelations that directors of the bank stole more than R1.5 billion of service delivery funds that were illegally invested by municipalities, was debated by Members of Parliament (MPs) in the National Assembly (NA) writes **Sakhile Mokoena**.*

It was African National Congress (ANC) parliamentarian and member of the Standing Committee on Finance (Scopa), Ms Thandi Tobias-Pokolo, who proposed the debate on the topic: The VBS Mutual Bank Report titled *The Great Heist*.

Opening the debate, Ms Tobias-Pokolo said municipalities were not supposed to invest with VBS, making reference to

the Municipal Finance Management Act (MFMA), which prohibits municipalities from investing funds with mutual banks due to the risky nature of such banks.

“Only commercial banks are used, for the simple reason that municipality funds are not meant for long-term deposits, but are meant for service delivery-related projects and this test lies on the liquidity positions of commercial banks as opposed to mutual banks.”

She also questioned the business model of relying on municipal investments and called what happened at VBS “a self-destructive mission” by the management of the bank.

“VBS management seemed to have involved themselves in a self-destructive mission. In total, the bank accepted more than R1 billion from municipalities. Now, one asks oneself, why did VBS have a concentration of deposit-makers in a form of municipalities? Why this business

model? This leaves much to be desired,” said Ms Tobias-Pokolo.

“We also need to mention upfront that VBS flouted the law by focusing on municipal deposits, which comprised 75% of its total deposits. VBS continued to accept municipal deposits even after engaging the National Treasury on phasing out municipal deposits, based on a report Parliament received early this year when the problem started,” she added.

Ms Tobias-Pokolo called on the Directorate for Priority Crime Investigations (the Hawks) and the National Prosecuting Authority (NPA) to act swiftly and decisively against those responsible for the VBS heist. “We will also ensure that the NPA and the Hawks report urgently on the action taken to investigate such individuals implicated in the forensic report,” she said.

Mr Kevin Mileham, of the Democratic Alliance, who also serves on the



Opening the debate, Ms Thandi Tobias-Pokolo said municipalities were not supposed to invest with VBS, making reference to the Municipal Finance Management Act (MFMA), which prohibits municipalities from investing funds with mutual banks due to the risky nature of such banks.

Portfolio Committee on Cooperative Governance and Traditional Affairs, said the sad thing about the VBS saga was that it was perpetrated with the knowledge and active participation of the bank's management and officials. He also said it was unfortunate that 94 VBS staff members have been retrenched, as they were not the guilty party.

"The bloodsucking leeches and parasites that have fed off of the savings of some of the country's poorest citizens must be held accountable. The VBS heist was blatant in its audacity, but completely unsophisticated in its implementation," he said.

Cooperative Government and Traditional Affairs Minister Dr Zweli Mkhize also participated in the debate and condemned what he referred to as "the wanton fraud and corruption" that has been displayed in the VBS saga. He also raised concerns about the scores of poor people, who have directly lost their individual deposits as a result of the VBS collapse.

"They have also lost their money indirectly through the R1.5 billion investment made by municipalities illegally into the VBS Mutual Bank, which has impacted negatively on the delivery of basic services such as water, sanitation and electricity."

According to an investigation report commissioned by the Reserve Bank, mayors, municipal managers and chief financial officers of several municipalities were introduced to VBS by an agent who earned a commission on every deposit of funds subsequently made by those municipalities, including the occasions when funds already deposited were rolled over after the term of the deposit had expired.

Dr Mkhize said the VBS debacle must become an example of what happens to people who steal government funds.

"Law enforcement agencies should pursue not only the municipal officials, but also those who profited from this wholesale fraud against the poor, who are outside of government.

"While we condemn what happened at the VBS, we also wish to emphasise that the country needs many banks, like the VBS, which are designed to assist the poor and also black businesses, cooperatives and small and medium-sized enterprises, which find themselves marginalised by the mainstream banks and other financial institutions. The transformation of the financial sector cannot be postponed any further," the Minister said.

Mr Mkhuleko Hlengwa of the Inkatha Freedom Party said all the people who stole the money from VBS must go to jail and pay back the money.

He also called on President Cyril Ramaphosa to establish a national task team to assess banking practises generally, and establish if there is collusion and corruption among the banks.

The Chairperson of the Standing Committee on Finance, Mr Yunus Carrim, said: "The collapse of VBS is a setback to the diversification of the banking sector in South Africa." 🗣️



STILL WAITING: Recipients queueing for social grant monies.

Mayors must account for unlawful VBS deposits and appear before committee on COGTA

Mayors of the 14 municipalities that invested with VBS Mutual Bank will be summoned to appear before the Portfolio Committee on Cooperative Governance and Traditional Affairs (CoGTA) to explain themselves, as such investments are a violation of several laws, including the Municipal Finance Management Act and the Municipal Investment Regulations, writes Sakhile Mokoena.

The committee received a briefing from the Minister of the Department of CoGTA, Dr Zweli Mkhize, on these municipalities' financial and service delivery performance. The

municipalities from Limpopo, North West and Gauteng jointly invested more than R1.5 billion with the bank. It is unclear if the funds, which were meant for service delivery projects, will ever be recovered, as the bank has been put under curatorship by the South African Reserve Bank, following alleged massive fraud by VBS directors and shareholders.

The Chairperson of the Portfolio Committee on CoGTA, Mr Richard Mdakane, said it would be very unusual for municipalities to invest public funds without the knowledge of mayors or approval by municipal councils. Committee members also found it hard to believe reports that most mayors of the involved municipalities have stated that they were not aware of what was going on with the VBS investments.

"The mayors must account for these investments, which were clearly unlawful. It would be very rare for a

decision to invest municipal funds to be taken without council knowing about that. Under normal circumstances, it doesn't happen," said Mr Mdakane.

"...surely they knew what they were doing, and they must be able then to account for their actions."

"The law agencies must be allowed to do their work and on our side, politically, we are going to call those responsible for this to appear before the committee – mayors and other people who were responsible. They were warned that it was wrong for them to do so, but they went ahead and deposited the money. Therefore, surely they knew what they were doing, and they must be able then to account for their actions," Chairperson Mdakane explained.

“The mayors must account for these investments, which were clearly unlawful. It would be very rare for a decision to invest municipal funds to be taken without council knowing about that. Under normal circumstances, it doesn’t happen.”

**Mr Richard Mdakane
Chairperson of the Portfolio
Committee on CoGTA**

The committee welcomed Dr Mkhize’s report on the VBS Bank and other challenges with local government in South Africa. The committee supported Dr Mkhize’s statement that legal steps be taken to deal with those involved and to recover the funds. “We cannot allow public funds to disappear quietly. We are going to pursue these funds up to the last cent, we will make sure the money is recovered,” he said.

Dr Mkhize said the department has held meetings with all implicated municipalities. Resolutions have been taken to restructure budgets, and to develop recovery plans to ensure municipal financial stability and sustainable service delivery. The affected provincial departments have instituted forensic investigations in accordance with section 106 of the Municipal Systems Act.

Dr Mkhize told the committee that the municipalities are now facing financial and service delivery difficulties, as a result of the VBS investments. This has resulted in the delay or suspension of municipal projects and failure to pay creditors within 30 days, as required by law.

Members of the committee called on Dr Mkhize to make sure everything possible is done to recover the missing funds. “Whatever monies can still be recovered must be chased – whether assets or cash – it must be recovered,” said committee member Mr Xolani Ngwezi.🙏





Parliamentary Presiding Officers taking questions and suggestions from stakeholders.

Active citizenry strengthens Parliament

*In the spirit of public accountability and bringing life to the concept of “a people’s Parliament”, the national Parliament hosted stakeholders from different sectors of society for a progress report on the performance of the fifth democratic Parliament at the Cape Town International Convention Centre (CTICC), writes **Sakhile Mokoena**.*

The Presiding Officers of Parliament (National Assembly Speaker, Ms Baleka Mbete, and the Chairperson of the National Council of Provinces (NCOP), Ms Thandi Modise) met with members of the community, civil society organisations, institutions supporting democracy, diplomats and the media for a progress report on the national legislature’s performance.

As the fifth democratic Parliament wraps up its business and prepares a

legacy report to hand over to the next generation of parliamentarians after the 2019 general election, Ms Mbete believes interacting with the public and other relevant stakeholders is important for South Africa’s maturing democracy and it also contributes to strengthening Parliament’s public accountability.

Addressing 300 guests representing various stakeholders, Ms Mbete said the public must always be updated about the work of Parliament and the performance of their elected representatives. She also said the positive response by the attendees of the session showed an element of “active citizenry”, which is important for the growing maturity of South Africa’s democracy.

Focusing much of her speech on Parliament’s participation in global platforms, she also thanked the world for making 2018 “a special year” for South Africa by honouring the founding President of a democratic South Africa, Mr Nelson Mandela.

“2018 is a special year for us as Parliament and South Africa. Special things have happened for which we are

very thankful. We have been honoured through the United Nations (UN) when a statue of our founding President was unveiled at the UN headquarters in New York. No country has received a better honour and we applaud the world for recognising the value of Mandela’s contribution in promoting world peace and democracy,” she said.

Ms Mbete said the purpose of the briefing was to share and report on the work of the fifth democratic Parliament. “As the fifth Parliament, we remain acutely aware that the world’s problems are interconnected – that economic crises, for instance, to which countries and their citizens are exposed, often emanate from far beyond their borders,” she said.

Parliament’s engagement in international relations, she said, is informed by South Africa’s foreign policy and parliamentary diplomacy imperatives. This is an expression of South Africa’s democratic values. Parliament has been affiliated to the Inter-Parliamentary Union (IPU) since South Africa became a democracy in 1994. The IPU provides a platform to

“2018 is a special year for us as Parliament and South Africa. Special things have happened for which we are very thankful. We have been honoured through the United Nations (UN) when a statue of our founding President was unveiled at the UN headquarters in New York. No country has received a better honour and we applaud the world for recognising the value of Mandela’s contribution in promoting world peace and democracy.” – Baleka Mbete

advance South Africa’s position on topical global issues. It also provides a platform to advance socio-economic development in Africa.

Parliament’s active participation in global platforms is not just an end to itself. International parliamentary agreements must contribute to changing the lives of the poor, especially in developing countries. “This participation in these platforms should be about finding ways to ensure that the commitments are not just pen on paper, but become programmes that better the lives of the people of our countries” she explained. She gave the example of the sustainable development goals (SDGs) that parliament must ensure are implemented by government to improve the lives of the people.

This parliamentary term saw the launch of the South African branch of the Global Tuberculosis Caucus, a commitment by Members of Parliaments across the world to fight the spread of TB.

The Chairperson of the NCOP, Ms Thandi Modise, said the fifth Parliament is approaching its end, and will finish in a strong position, holding itself accountable while setting a foundation for the sixth Parliament.

This stakeholder engagement, is one of the many ways that Parliament strengthens its interface with the people, accounts for its work of law-making, oversight and public

participation to advance democracy and development in South Africa. Eleven Bills have been passed and signed into law by the President since April 2018, with 35 Bills still before the National Assembly and 20 more Bills before the NCOP.

Ms Modise said public participation has taken a positive turn with unprecedented public and stakeholder engagement in the Constitutional Review Committee on the desirability of amending the Constitution to make it possible to expropriate land without compensation. She also said that the NCOP’s Taking Parliament to the People in the Eastern Cape, Free State and Gauteng, along with the work of portfolio and select committees, remain the engine rooms for more than 95% of Parliament’s work.

Ms Modise recounted to stakeholders how Parliament has started to implement a programme to improve the pace of gender transformation, including the Women in Leadership Programme. Parliament has also included its stakeholders at the centre of all its efforts, appreciating that 54% of stakeholders are satisfied with parliamentary services, according to a survey by the Human Sciences Research Council.

“We thank you all for continued engagement, critique and collaboration – and we pledge to raise the bar as we are also doing through this briefing to diplomats, stakeholders and the media,” said Ms Modise.🙏

NCOP Chairperson: Ms Thandi Modise



Speaker of the National Assembly: Ms Baleka Mbete



Strong global action needed to rope in mercenaries

SHARING A POINT:

NCOP Deputy Chairperson Mr Raseriti Tau and NCOP Chief Whip Mr Saiso Mohai.

*The Deputy Chairperson of the NCOP (National Council of Provinces), Mr Raseriti Tau, made a passionate call for global action against mercenaries who are undermining peace and international security in the world. Mr Tau made the input on behalf of the eight-member high-level Parliamentary delegation who attended the 139th Assembly of the Inter-Parliamentary Union (IPU) in Geneva, Switzerland, from 14 to 18 October 2018, **staff writer.***

Mr Tau said the biggest challenge facing the world is the macro-economic model that is biased towards profit maximisation at the expense of human rights. Many private military and security companies continue to adversely affect peace and stability in many parts of the world.

The NCOP Deputy Chairperson said parliaments around the world need to heighten global collaborations in order to build an integrated system to close the space in which mercenaries operate.

In his presentation, Mr Tau gave practical legislative solutions South Africa has put in place, which could be emulated by other parliaments, to tighten their legislative frameworks to prohibit mercenaries from operating. He further emphasised the importance of a strong and vibrant judicial system that ensures there are effective consequences for violating the legislation prohibiting mercenary activities.



The IPU Standing Committee on Peace and International Security is a statutory structure that facilitates engagements on matters of concern to various groups before they are taken into the General Assembly of the IPU for consideration and adoption.

Also during the course of the IPU meeting, the Speaker of the National Assembly Ms Baleka Mbete, convened a meeting of Brazil, Russia, India, China and South Africa (Brics) parliamentarians to consider a draft protocol for Brics Parliamentary Forum (Brics PF).

As the current Chairperson of the Brics Parliamentary Forum, South Africa believes it is crucial for Brics parliamentarians to formalise their collaboration through the establishment of the Brics PF to help foster a more inclusive, just and better world.

Much needs to be done, Ms Mbete said, to translate the ideals that inspired Brics parliamentarians to work closer together on matters of common interest to advance a better quality of life for their respective people through, among other things, reducing poverty

and inequality among the nations of the world.

The time has come for Brics parliamentarians to be at the forefront of economic partnerships, peacekeeping efforts, engendered transformation and to ensure the health of all the people living in Brics countries, Ms Mbete said.

Various speakers spoke about the value of this initiative for more formalised relations. The Brics parliamentarians agreed to appoint people from each Parliament to facilitate consultations on the shared draft protocol and prepare for a meeting planned for Brics parliaments for March 2019.

Over the past decade, Brics parliamentarians have been meeting on the side lines of the IPU assemblies. In their standing meeting organised to coincide with the 139th Assembly of the IPU, Brics parliamentarian shared a more common position on, among other things, safeguarding and strengthening multilateral governance structures against the encroaching unilateralism emerging from some countries of the world. 🌍

Speaker calls for improved education of women and children in science, technology and Maths



National Assembly Speaker Ms Baleka Mbete called for an improvement in the education of women and girl children in science, technology, engineering and mathematics (Stem) when she addressed the 139th Assembly of the Inter-Parliamentary Union (IPU) in Geneva, Switzerland.

Parliaments of the world must help break the pattern of exclusion and under-representation of women in the Stem fields and related professions, she said.

The theme of the 139th Assembly of the IPU was: "Parliamentary Leadership in Promoting Peace and Development in the Age of Innovation and Technological Change". Speaker Mbete was one of the Heads of Parliament from 130 countries who shared a platform reflecting on how best parliaments of the world could ensure that the technological advancements in artificial intelligence and information

and communication technologies, among other things, must leave no one behind, including women and children.

The Speaker made a plea to all parliaments to ensure that their respective governments provide budgets that prioritise gender mainstreaming in order to address gender imbalances. Ms Mbete said the world will not be ready to embrace and make the best of opportunities brought by science and technology if it continued to exclude women.

Making reference to the United Nations Children's Fund (Unicef) population projections that the African population will constitute 25% of the world population by 2050, Ms Mbete said a deliberate focus on Stem education for women and girl children is essential for the African continent to reap its demographic dividend.

The South African National Research Foundation's increase of funding for postgraduate students doing science, technology and innovation research by 76% in the 2016/17 financial year, is a positive development, Ms Mbete noted.

She also pointed out that it had taken 55 years for a woman, Dr Donna Strickland, to be honoured with a Noble Prize in Physics in 2018, while Dr Frances Arnold became only the fifth woman to be awarded the Noble Prize in Chemistry.

She said so much more needed to be done to accelerate the entry of women and girl children into the areas of science, technology, engineering and mathematics, traditionally regarded as men's domain.

The IPU made reference to South Africa's founding father of freedom and democracy, Mr Nelson Mandela for special acknowledgement during its 70th anniversary celebrations of the Universal Declaration of Human Rights (UDHR).

The programme of the celebration of started with a video message from Ms Mbete, followed by messages from the IPU member parliaments and concluded with a short video on the life, times and values of South Africa's iconic leaders, Mr Mandela and Ms Albertina Sisulu.

The IPU said: "As we celebrate the 70th Anniversary of the declaration, we also remember and honour Nelson Mandela, who would have turned 100 years old this year. He personified the ideals of the declaration and, in his own words, strived to uphold 'the ideal of a democratic and free society in which all persons live together in harmony and with equal opportunities'.

Over the course of his lifetime, the rights enshrined in the declaration have been universally recognised, with states now bound by law to ensure that their citizens benefit from them and can access appropriate remedies and redress when they are violated." 🌍

Transport is key to development in South Africa

*October was Transport Month and thus the National Council of Provinces (NCOP) held a debate with the theme “Together, Moving South Africa Forward” on transport’s role in stimulating economic growth so that South Africa reaches the targets laid out in the National Development Plan, writes **Abel Mputing**.*

There was a unanimous view that transport can play a critical role in fostering socio-economic integration and development and as such, it can be

“a significant driver of economic growth and job creation, assisting as an enabler in reducing historic inequalities”, said the Chairperson of the Select Committee on Trade and Business Development, Mr Mandla Rayi.

This, he pointed out, was a recognition of the fact that both the colonial and apartheid spatial inequality and transport system contributed to a lot of problems that were later inherited by African states and the post-apartheid transition in South Africa.

“The legacy of the transport system in South Africa is not immune from that of other former African colonies. It was primarily developed for an extraction

economy imbedded in the minerals energy complex (MEC). And to import goods and to export raw materials with the secondary consideration of an integrated and comprehensive system that took into consideration the future needs of the country.”

Giving a context to Transport Month, the Deputy Minister of Transport, Ms Sindisiwe Chikunga, stated that it sought to provide the department with an opportunity to showcase its multiple programmes and projects within the transport sector which acts as vehicles for transformation and socio-economic development. 🇿🇦



“We have a rail system that is unreliable, that risks the jobs of our workforce. We have a rail system where safety is highly questionable and whose volume of service has been shrinking year-on-year”. – Mr Mntomuhle Khawula, Inkatha Freedom Party

President Cyril Ramaphosa launched the ground-breaking rail manufacturing factory in Dunnottar, Ekurhuleni in Gauteng, at the end of October, Ms Chikunga announced. This factory will employ 1 500 people and upskill 19 527.

Also in October, the department launched a Green Transport Strategy to provide an affordable, world-class transport network that reduces greenhouse gas emissions and other pollutants. “We have embarked on this project because the transport sector contributes 81% of emissions. In fact, the road sector contributes more than 90% of total emissions,” she said.

In response to the ongoing vandalism and disruptions of Metrorail services in the Western Cape, Ms Chikunga said the department also held a national transport *imbizo* in Khayelitsha in the Western Cape on 27 October, with the provincial administration of the Western Cape and the local government of the City of Cape Town.

The NCOP House Chairperson, Ms Masefako Dikgale, said that while there are challenges that need to be addressed, such as the high road death toll during holidays, “there is a great deal to be grateful for as we move towards integrating transport systems to provide mobility and accessibility to all South Africans”.

She also pointed out that although a big portion of the 2012 Transnet-launched R300 billion Market Development Strategy is dedicated to rail as part of the government’s road-to-rail strategy, if reliability and safety are not given the attention and priority they deserve, rail transport will be viewed as a catalyst for economic depression, non-productivity and unemployment rather than as a catalyst for economic development.

Transport Month is meant to encourage participation from civil society and businesses in providing safe, affordable, accessible and reliable transport system



to stimulate the country’s economy. However, this never materialised, said Mr Willem Faber, of the Democratic Alliance.

Instead, transport entities continued to incur losses and irregular expenditure “of more than R72.6 billion, almost double in comparison with the R42.8 billion the previous financial year. The figure could be higher, as the department did not yet present its reports to Parliament”.

Mr Mntomuhle Khawula of the Inkatha Freedom Party pointed to the deterioration of the rail service. It keeps on moving from tolerable to worse, he said. “We have a rail system that is unreliable, that risks the jobs of our workforce. We have a rail system where safety is highly questionable and whose volume of service has been shrinking year-on-year”.

This has led to the Rail Safety Regulator’s threat to withdraw the Passenger Rail Agency of South Africa’s (Prasa’s) operating permit. “Under all these grim circumstances, how can we be hoping to ‘move South Africa forward’ at all? No wonder our economy is in such a gruesome state.”

The Western Cape MEC for Transport and Public Works, Mr Donald Grant, welcomed the Department of

Transport’s intent to push for additional investment and funding for public transport. “We wholeheartedly support this proposal. But we should consider where the investment should be directed by incorporating the learning gleaned from a decade of Integrated Public Transport Network’s implementation. We must strive to achieve the greatest possible impact and value for money.”

We have come a long way as a province, said the Chairperson of Committees in the Mpumalanga Legislature, Mr Skhosana Mahlangu. Among the province’s achievements is the scrapping of over 9 000 unroadworthy minibus taxis, through the Taxi Recapitalisation Programme. The Mpumalanga provincial government is also subsidising over 400 000 commuters on 156 routes and more than 60 000 learners are benefiting from scholar transport, he stated.

There is a need to capacitate municipalities to perform their land transport functions in line with the National Land Transport Act of 2009, said South African Local Government Association representative at the NCOP, Ms Mavis Charles. She also called for an effective inter-governmental platform to deepen the interface between the private sector and government. 🌐

New Bill will ensure maritime safety, economic development and environmental protection

Minister of Defence and Military Veterans: Ms Nosiviwe Mapisa-Nqakula.



The Hydrographic Bill came before the National Assembly for its second and final reading before it becomes an Act.

The Bill was welcomed by all political parties because of its significance in ensuring that South Africa is a safe destination for seafarers, writes

Abel Mputing.

The Minister of Defence and Military Veterans, Ms Nosiviwe Mapisa-Nqakula, stated that this Bill "once enacted will grant legislative status to a cardinal function of the state to ensure that South Africa retains international and regional credibility as a safe destination for seafarers in a world of increasing seaborne traffic in trade and commerce".

She went on to explain that "hydrography is the branch of applied science which deals with the measurement and description of the physical features of oceans, seas, coastal areas, lakes and rivers, as well as the prediction of their change over time."

This will have a far-reaching impact on the economic development and security of our coastal borders. "Other than the primary purpose of safety of navigation, this Bill is in support of all other maritime activities, including economic development, security and defence, scientific research and environmental protection."

Without hydrography, "no ship sails safely, no port or coastal infrastructure can be built, no maritime environmental plan can be implemented, no marine rescue can be attempted, no inundation model which determine the risk of flooding can be developed and no marine boundary can be delimited or enforced", she said.

The economic implications of not having this service are severe, she stated. "This could lead to poor or dangerous maritime facilities resulting in reduced maritime trade and undeveloped fishing activities. As well as difficulty in supporting and progressing the exploitation of marine resources."

This is significant because the volume of global maritime trade in growing South Africa's economy depends upon it. South Africa also has an international obligation to maintain an effective hydrographic service as a hydrographic leader in Africa.

In 2008, South Africa was subjected to a Voluntary International Maritime Organisation inspection to confirm its adherence to its conventions. The inspection found that South Africa was in contravention of regulation 2.2 of the International Convention for the Safety of Lives at Sea (Solas) and recommended that this be rectified.

This is what gave rise to this Bill, the Defence Minister explained.

The Bill will give rise to the establishment of a hydrographic office, to provide for hydrographic surveying, nautical cartography, archiving of hydrographic data and related products and services in compliance with international obligations.

The safety and efficiency of our nautical data and information is significant, it is this recognition that necessitated the establishment of the hydrographic office, said the Chairperson of the Portfolio Committee on Defence and Military Veterans, Mr Malusi Motimele.

She went on to say that the economic potential of South Africa's seas which the hydrographic office will help realise can contribute to the National Development Plan's goals and objectives.

Among other things, the hydrographic office will assist in standardising guidelines and maritime standards so that they can be in line with international standards.

It will also improve the governance and management of the hydrography in South Africa.

The coastal communities need to be informed of their roles and responsibilities regarding maritime safety and regulations. This can be done through public participation, said Democratic Alliance Member of Parliament Mr Shahid Esau. This is one of the non-controversial bills and as such there is no problem in supporting this bill, she added.



**Acting Committee Chairperson:
Ms Zukiswa Rantho**



Eskom inquiry report: Law-enforcement agencies must investigate

*The Portfolio Committee on Public Enterprises has unanimously adopted with amendments the report on an oversight inquiry into allegations of governance failures and state capture at Eskom, writes **Yoliswa Landu**.*

The committee was of the view that the process undertaken was an inquisitorial inquiry, not a judicial hearing. The committee did not accuse anyone in the report, but recommended that law-enforcement agencies make further investigations into the findings and observations made during the inquiry.

The committee resolved to hand over the report, together with the documentation and the entire record of evidence collected in the course of the inquiry, to the Zondo Commission for further investigation. This is the final report, which will be handed to the National Assembly, where the recommendations made will be pursued.

The Portfolio Committee on Public Enterprises held a meeting with the Eskom board on 23 May 2017 to receive a briefing on the process followed in the reappointment of the former Group Chief Executive Officer, Mr Brian Molefe and the determination of the retirement package by the board to Mr Molefe.

This followed widespread concern from the committee and the public about the Eskom board's ability to provide effective leadership to the national

electricity utility. The committee noted that there was *prima facie* evidence that Eskom's primary mandate as a national power utility had been compromised owing to weakened governance and management structures and systems, which ultimately contributed to the board's inability to discharge its fiduciary responsibilities.

There appeared to have been flouting of governance rules, laws, codes and conventions. This collective conduct, *inter alia*, rendered Eskom potentially financially unsustainable due to irregular procurement, mismanagement and non-compliance with existing policies; saw the purging of highly qualified, experienced and skilled senior staff members in violation of human resource management policies and procedures. In some instances, these purged staff members were replaced, without due consideration for, or compliance with, established recruitment policies.

On 21 June 2017, the committee unanimously resolved to institute an inquiry into the matter of Mr Molefe's retirement package and reappointment as Eskom GCEO. The committee also received a letter from the National Assembly House Chairperson: Committees, Oversight and ICT, requesting it to investigate the allegations of state capture reported in the media and in the "#GuptaLeaks" emails.

The committee instituted the oversight inquiry in line with the mandate of Parliament as articulated in section 55 of the Constitution read together with Rules 167 and 227 (1)(b)(iv) and (c) of the National Assembly.

National Assembly approves three Bills



NA sitting.

The National Assembly passed three Bills, namely the Competition Amendment Bill, the Plant Improvement Bill and the Plant Breeders' Rights Bill during its plenary sitting in October.

The Competition Amendment Bill, as amended by the Portfolio Committee on Economic Development, seeks to amend the Competition Act, 1998, so as to introduce provisions that clarify and improve the determination of prohibited practices relating to restrictive practices, abuse of dominance and price discrimination, while strengthening the penalty regime.

Furthermore, the Bill seeks to introduce greater flexibility in the granting of exemptions which promote transformation and growth, while strengthening the role of market inquiries and merger processes in the promotion of competition and economic transformation through addressing the structures and deconcentration of markets. Added to this, the Bill seeks to protect and stimulate the growth of small and medium businesses

and firms, owned and controlled by historically disadvantaged persons, while at the same time protecting and promoting employment, employment security and worker ownership.

In addition, the Competition Amendment Bill seeks to make provision for national executive intervention in relation to mergers that affect the national security interests of the country, and to mandate the Competition Commission to act in accordance with the results of a market inquiry. The Bill thus seeks to amend the process by which market inquiries are initiated and to promote greater efficiency regarding the conduct of market inquiries, and to clarify and foster greater certainty regarding the determination of confidential information and access to confidential information.

Lastly, the Bill seeks to provide the Competition Commission with the powers to conduct impact studies on prior decisions, to promote the administrative efficiency of the Competition Commission and Competition Tribunal. The Bill now goes to the National Council of Provinces (NCOP) for concurrence.

The **Plant Improvement Bill** was amended by the Select Committee

on Land and Mineral Resources in the National Council of Provinces and returned with amendments to the National Assembly for concurrence.

The Bill seeks to provide for the registration of certain types of businesses relating to plants and propagating material intended for cultivation, sale and registration of premises from which such business is conducted.

Furthermore, the Bill seeks to provide quality standards for plants and propagating material intended for cultivation, sale and conditions of plants and propagating material, while also providing a system for national listing of plant varieties. Added to this, the Bill seeks to provide for the evaluation of plant varieties in order to ensure value if there is doubt in respect of the value for cultivation and use of plant varieties intended for cultivation and sale. The Bill will also provide for the import and export control of plants and propagating material and a system for different types of schemes for plants and propagating material. The Bill was then sent to the President for assent.

The third Bill approved by the National Assembly is the **Plant Breeders' Rights Bill**. The Bill, also amended by the Select Committee on Land and Mineral Resources in the National Council of Provinces, was returned to the National Assembly for concurrence on 13 June 2018.

The Bill seeks to provide for a system where plant breeders' rights relating to varieties of certain kinds of plants may be granted. Furthermore, for the requirements that have to be complied with for the granting of such rights and for the scope and protection of such rights. Lastly, the Bill will provide for the granting of licences in respect of the exercise of such rights. The Bill was then sent to the President for assent. 🇿🇦

Actions of Parliament must be consistent with the Constitution

Mr Mosiuoa Lekota.



The Congress of the People (Cope) recently tabled a motion for debate in the National Assembly on: "The state of our nation – what went wrong and what must be done to fix it".

*Party Leader Mr Mosiuoa Lekota proposed an overhaul of the electoral system to allow for the direct election of the president, premiers and mayors, instead of the current system, where these public representatives are chosen by their political parties, writes **Sakhile Mokoena**.*

Mr Lekota argued that changing the electoral system will ensure that constituencies have greater powers to hold elected officials accountable. It would also allow citizens to stand as independent candidates for national and provincial elections. "We as the Congress of the People are of the view that the present Electoral Act, which was passed by the apartheid government, must be amended such that the actions of our Parliament will be consistent with the Constitution.

"Change our electoral system to ensure greater accountability to constituencies, and ensure the direct election of the president, premiers and mayors. Review the extensive powers of the president. Amending the Electoral Act will enable reliable, accountable and incorruptible skilled men and women of calibre to avail themselves to be servants of the people," said Mr Lekota.

The present Electoral Act 73 of 1988 is in conflict with section 2 of the Constitution, he said. "This Constitution is the supreme law of the republic. Law or conduct inconsistent with it is invalid and the obligations imposed by it must be fulfilled."

Cope said the Act has previously deprived citizens of their right to stand for office as independent candidates for provincial and national elections by requiring that only members of political parties may stand for elections to provincial and national legislature.

During the wide-ranging discussion in the National Assembly, members exchanged different views on the obstacles to achieving economic growth, poverty eradication and tackling inequality.

African National Congress (ANC) Member of Parliament and Chairperson of the Portfolio Committee on Energy Mr Fikile Majola argued that any assessment of South Africa must start where the primary contradiction began, with colonialism and apartheid, which created an economic system and model that condemned the majority of the African population to a life of servitude.

"Since 1994, the ANC has been tasked to undo the damage of colonialism and apartheid, whose major intention was seizure of the economy for their narrow interests – today we are battling to change the structure of the economy, which is one of our greatest impediments."

He also said in 1994 the democratic government confronted huge budget deficits along with extraordinary demands for housing and electricity. "The global financial crisis of 2008 ravaged the South African economy, destroying demand for the mineral deposits at the centre of its economy. It wiped out half of the roughly two million new jobs, which had been created in the previous four years. The recovery has been difficult up to today.

"Our economic growth has been far behind the NDP average target of 5 percent growth per year. At the moment we are growing only as fast as our population which means that we stay where we are in terms of poverty and inequality. We need much faster economic growth and many more jobs to get more of our people out of poverty," said Mr Majola.

He suggested that for the economy to grow at a rate that will lead to job creation on a meaningful scale, the country must significantly increase the level of investment.

Ms Natasha Mazzone of the Democratic Alliance said urgent reform of state-owned entities (SOEs) is desperately needed in order to turn around state-owned enterprises, which are a key contributor to economic development and job creation.

The member of the Economic Freedom Fighters (EFF), Adv Thilivhali Mulaudzi, said: "The real state of our nation is that the majority of black people, in particular Africans, women, children and people living with disabilities, remain a conquered people who are landless and live in poverty."

He said the EFF would "insist on an open, accountable and corruption-free government and society, something which is non-negotiable." 🌱



Committees *in brief*

A round-up of some of the work that took place in Parliament's committees in November

The **Standing Committee on Public Accounts (Scopa)** was forced to send the South African Broadcasting Corporation (SABC) back for not providing the information that the committee had requested on irregular expenditure amounting to R4.9 billion.

Scopa had sent letters to the SABC detailing exactly the kind of information that was required for today's meeting. The committee told SABC lack of this information makes it difficult for the committee to continue with deliberations on the financial statements of the SABC that the committee should deal with.

The committee is concerned about the fact that SABC seems to have lost the momentum of cleaning out the rot that had begun when the previous interim board had been constituted and concerned that the current Board of the SABC has no details of the contracts that have resulted to the irregular expenditure of R4.9 billion.

The committee told the SABC board that it was puzzled by the lack of information particularly on irregular expenditure as the Auditor-General (AG) has consistently qualified the SABC on irregular expenditure. Scopa would then expect the entity to give special

focus on all the matters that the AG raised on the SABC.

Scopa has also welcomed the detailed report from the Special Investigating Unit (SIU) on all the investigations at SABC. The report which detailed two phases of investigations included the specific cases, names of the people involved, the amounts involved and the status of the matters currently being investigated. This information has assisted the committee in keeping track of the consequence management that is happening at the SABC in light of the hundreds of billions of rands that should be recovered from the implicated individuals.

Also in November, Scopa questioned the value for money of 10 Department of Water and Sanitation projects that were undertaken, but not budgeted for. Some of these projects have overrun and the department has overspent on some and extended others.

Scopa questioned the unauthorised expenditure of these unplanned projects as identified by the Auditor-General, namely the Giyani project, the Mopani project, Northern Nsikazi, emergency intervention on the Vaal, bucket eradication programme, War on Leaks, Limpopo GLeWAP phase Tzaneen dam, Mzimvubu water projects, raising of the Clanwilliam dam and the Greater Mbizana Lower Thukela Taung/Naledi project.

Scopa has requested for the concept papers of all these projects to obtain more information.

Scopa has requested the department to provide a breakdown of how the money was shifted from the Water Trading Entity (WTE) to the War on Leaks programme and how much was moved during the 2015/16 to 2017/18 financial years. It has become apparent that the shifting of funds for unfunded projects has had a detrimental effect on the WTE. Scopa also requested a breakdown of the R3 billion that was spent on the War on Leaks programme, as well as the status of all the learners that were funded through this project.

Scopa has also requested a detailed report on how the R454 million overdraft that was granted to the department by the Reserve Bank, which increased sharply to R3 billion in the 2016/17 financial year and then decreased to R1.4 billion. Scopa has also requested the minutes of the management meeting where the request and granting of the R454 million overdraft was announced.

Scopa also wants the payment breakdown of the R124.6 million spent on the planning of the Umzimvubu water project, since the construction of the dam has not even started. The committee wants the details of the companies and names of all those involved, as well as how much they were paid.

Scopa has also requested the Department of Water and Sanitation's organogram and bank statements, as of 30 November 2018, so that Scopa can be aware of the extent of the departments bankruptcy.

In another development, the **Portfolio Committee on Public Enterprises** has unanimously adopted with amendments the report on an oversight inquiry into allegations of governance failures and state capture at Eskom.

The committee was of the view that the process undertaken was an inquisitorial inquiry, not a judicial hearing. The committee did not accuse anyone in the report, but recommended that law-enforcement agencies make further investigations into the findings and observations made during the inquiry.

The committee resolved to hand over the report, together with the documentation and the entire record of evidence collected in the course of

the inquiry, to the Zondo Commission for further investigation. This is the final report, which will be handed to the National Assembly, where the recommendations made will be pursued.

In another development, the **Portfolio Committee on Home Affairs** adopted the Civil Union Amendment Bill and recommended the National Assembly to pass it.

The purpose of the Bill is to repeal section 6 of the Principal Act, which allowed a marriage officer to inform the Minister that he or she objects on the ground of conscience, religion, and belief to solemnising a civil union between persons of the same sex.

The committee is in agreement with the Constitutional Court ruling that it was unconstitutional for the State to provide the benefits of marriage to opposite-sex couples whilst denying them to same-sex couples. This infringed the right to equality before the law and the right not to be

discriminated against by the State on grounds of sexual orientation.

In passing the Bill, the committee was cognisant of the fact that the law could not be retrospective. To remedy this, the Bill proposes a transitional period of 24 months to give the Department of Home Affairs an opportunity for training of those officials that had been granted exemption by the Minister as enabled by the Principal Act.

The amendment further requires that during the transitional period; the Minister of Home Affairs must ensure that there is a marriage officer, other than a marriage officer who had been granted exemption through the Principal Act, available to solemnise a civil union at every Department of Home Affairs office.

The committee is of the view that this amendment is a strong affirmation to the right of equality before the law and further prevents any discrimination on the basis of sexual orientation.🌟



The role of Members of Parliament and Parliamentary Constituency Offices

Parliament is the national law-making body of South Africa and is called the national legislature. One of Parliament's objectives is to represent the people through public involvement to build a responsive people's Parliament. This function is guided by Chapter 4 (section 59 and section 72) of the Constitution, which mandates Parliament to facilitate public access and involvement in legislative and other processes. Members of Parliament ensure that Parliament fulfills this objective by providing services to the public at Parliamentary Constituency Offices.



WHAT ARE PARLIAMENTARY CONSTITUENCY OFFICES?

Socio-economic issues pose a challenge for ordinary citizens to exercise their constitutional right to participate in activities of Parliament, which is situated in Cape Town. Therefore, to fulfill its constitutional duty, Parliament ensures that Parliamentary Constituency Offices are established in all nine provinces, in both rural and urban areas. At these offices, access to the institution, its Members and information provided to the public is an important focus. Parliamentary Constituency Offices exist to serve all citizens of South Africa in communities where they are established.

MEMBERS AND CONSTITUENCY WORK

Members of Parliament represent the South African public in Parliament. They are directly accountable to voters. They must ensure that they bring important matters among the public to Parliament and report back on what is happening in Parliament to the public.

Parliamentary Constituency Offices enable the public to become active citizens and to take part in parliamentary activities. They provide the following services:
 Members of the public can interact directly with their Members of Parliament and lobby them on important issues;
 Members of Parliament can use

Parliamentary Constituency Offices to report back to the public;
 The offices also provide advice on how to access services from public and private sector establishments;
 They can also assist with challenges experienced in local communities; and assist with participation in the processes of Parliament, for example, submissions, petitions and attending committee meetings.

PARLIAMENTARY CONSTITUENCY WEEK

The parliamentary calendar sets aside regular periods for Members of Parliament to spend in their constituencies doing constituency work. During this period, Members visit their respective constituencies and

You can contact your Member of Parliament by telephone or write to her or him at the address below:

**Parliament of RSA
PO Box 15, Cape Town
8000
Tel: 021 403 2911**

conduct oversight over government programmes. Oversight is conducted to monitor and scrutinise government action. It also offers Members a chance to meet with the public and discuss issues affecting those constituencies and how to find solutions to them.

PUBLIC PARTICIPATION AND PARLIAMENTARY CONSTITUENCY OFFICES

Public participation forms an integral part of Parliament’s core objectives in its mission to fulfil its constitutional mandate by ensuring that it truly becomes a people’s Parliament. The public can participate by visiting or contacting their local Parliamentary Constituency Offices.

The public can achieve the following by participating in parliamentary processes:

- Influence decisions made in Parliament;
- Access information about the activities and processes of Parliament;
- Ensure service delivery takes place;
- Exercise their rights as citizens; and
- Build better communities.

HOW TO CONTACT YOUR MEMBER OF PARLIAMENT AND PARLIAMENTARY CONSTITUENCY OFFICE:

You can contact your Member of Parliament by telephone or write to her or him at the address below:

Parliament
PO Box 15
Cape Town
8000
Tel: 021 403 2911

You can get the contact details of Parliamentary Constituency Offices by contacting Parliament or one of the political parties.🌐





OUR SOUTH AFRICA – THE SUN

The sun heals the divisions of the past, improves the quality of life of all South Africans, frees the potential of each person and builds a united and democratic South Africa, taking its rightful place as a sovereign state in the family of nations.



OUR PEOPLE – THE PROTEA LEAVES

Our people, building on the foundation of a democratic and open society, freely elect representatives, acting as a voice of the people and providing a national forum for public consideration of issues.



OUR PARLIAMENT – THE DRUM

The drum calls the people's Parliament, the National Assembly and the National Council of Provinces, to consider national and provincial issues, ensuring government by the people under the Constitution.



OUR CONSTITUTION – THE BOOK

Our Constitution lays the foundation for a democratic and open society based on democratic values, social justice and fundamental human rights. It is the supreme law of our country, and ensures government by the people.

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