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in session



SIU to investigate ‘disgraceful’ Covid-19 corruption, and three Amendment Bills against GBVF on the cards – President Ramaphosa

Over the last two years, significant progress has been made in strengthening institutions like the NPA, the Hawks, SARS, the SIU and others so that they are able to detect, investigate and prosecute all acts of corruption.

The president appeared for the first time in the National Assembly since the outbreak of Covid-19 to answer questions on a range of issues including gender-based-violence and femicide (GBVF), corruption and the government’s strategies and plans to resuscitate the economy, **reports Abel**

Mputing.

Ms Jacqueline Mofokeng (ANC) asked the President: With reference to the work the Government has done to address GBVF, the adoption of the National Strategic Plan and the work towards establishing the Council on GBV, what is intended to be the composition of the

Council on GBV, and will women from rural areas with different cultural, racial and class backgrounds be represented thereon?

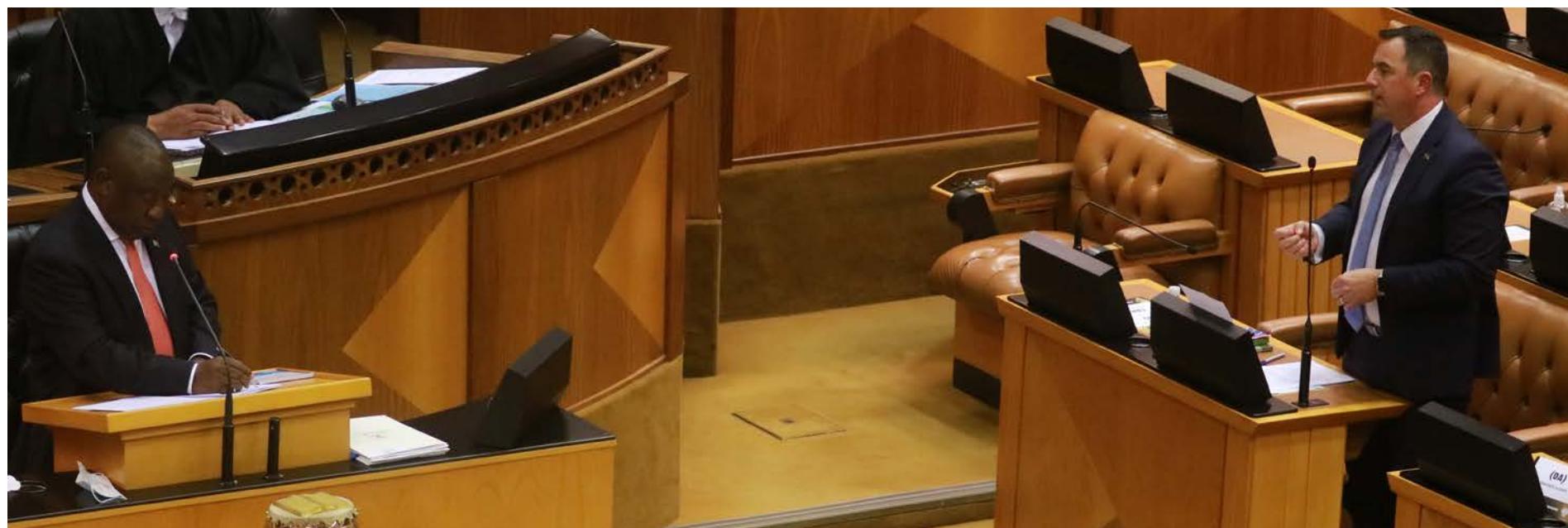
President’s response:
The struggle to end GBVF succeeds only if society as a whole is mobilised and organised behind a common

programme of action. Following the Presidential Summit against GBVF in November 2018 and after an extensive consultation process, a National Strategic Plan was adopted by Cabinet.

The implementation of the Plan began on 1 May 2020. The National Strategic Plan

recognises that the struggle against GBVF requires collective, cohesive and strategic leadership. The strategic plan provides for a governance structure in the form of a multi-sectoral GBVF Council to lead the implementation of the plan.

We have improved the supply of sexual assault evidence kits, which are now available in all police stations. Three amendment Bills intended to strengthen the response of our criminal justice



system have been approved by Cabinet and are in the process of being introduced into Parliament.

Among other things, these Bills aim to tighten bail conditions for perpetrators of sexual offences; strengthen parole conditions and increase minimum sentences; and ensure more severe consequences for contravening a protection order. Five new Thuthuzela Care Centres are to be established and will be operational by the end of March 2021.

After extensive consultation, it has been decided that the National Council will consist of a Board with various technical working units. In line with Article 4 of the Presidential Summit Declaration, the GBVF Council will consist of a maximum of 13 members, 51% of which will be civil society representatives and 49% government representatives.

The National Council will be inclusive of all South Africans, including women from urban and rural areas, and different cultural, racial and class backgrounds. The members will be appointed

through a transparent process of public nomination and selection.

Mr John Steenhuisen (DA) asked the President: Whether the President has received, as directed on and/or about 6 August 2020, the comprehensive report containing the full details of all tenders and contracts that have been awarded by each national department, provincial government and public entity during the period of the National State of Disaster from the Committee of Ministers appointed by him to deal with allegations of corruption associated with the Republic's response to the coronavirus pandemic; if not, by what date does he envisage to receive the report; if so, (a) on what date did he receive the report and (b) what are the main findings of the report?

President's response: It is disgraceful that at this time of national crisis, there are companies and individuals who seek to criminally benefit from our efforts to protect people's health and save lives. As government, we have taken several

measures not only to detect, investigate and prosecute such crimes, but also to strengthen measures to prevent corrupt activities.

To achieve this purpose, I have authorised the Special Investigating Unit to probe any allegations relating to the misuse of Covid-19 funds across all spheres of the state. The work of the SIU is taking place alongside the work of the recently-established special coordination centre, which is called the Fusion Centre, to strengthen the collective efforts among law-enforcement agencies to prevent, detect, investigate and prosecute Covid-related corruption.

The National Treasury has taken effective steps to tighten procurement regulations. These measures will strengthen the ongoing work of the Auditor-General to audit, in real time, all Covid-19 expenditure.

Perhaps the greatest defence against corruption in public procurement is to make the entire process more transparent and open to public scrutiny.

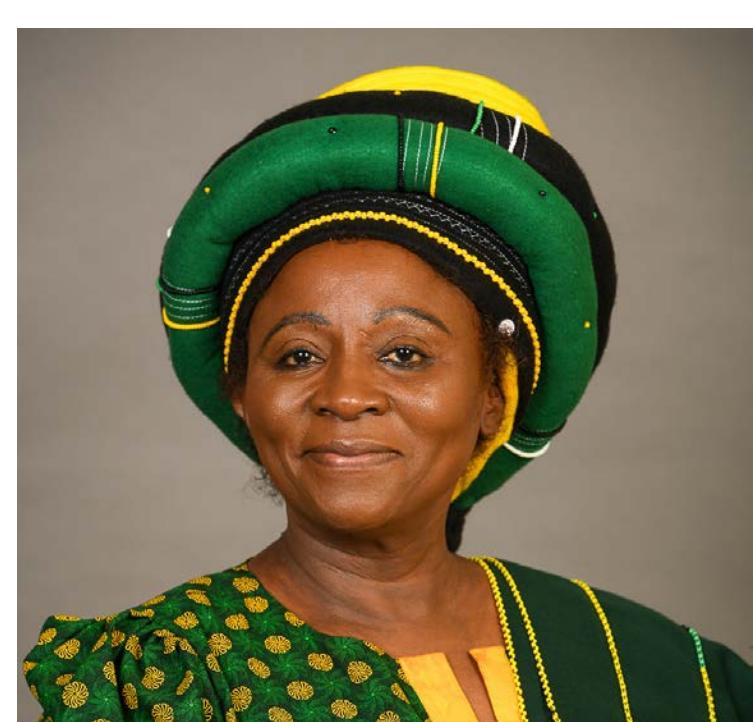
In an important first step towards that goal, Cabinet established a ministerial team to compile and collate a comprehensive report of the details of all tenders and contracts awarded by national departments, provincial governments and other public entities as part of the response to the coronavirus pandemic. The ministerial team was given the responsibility to ensure that the details of these tenders and contracts be made public. Earlier this week, the National Treasury started publishing the submissions from these various government departments and entities on their website.

To date, 95% of provincial and national departments and state entities have submitted all information regarding Covid-19 procurement to the Ministerial team. This initiative is unprecedented in our country's history,

enabling members of the public to find detailed information about how public funds are being spent.

Rev Kenneth Meshoe (ACDP) asked the President: Whether the Special Investigating Unit (SIU) that was authorised by the President to investigate any unlawful and/or improper conduct in the procurement of goods and services during national state of disaster, requested assistance from the Cabinet to provide the names of companies and the details of tenders and contracts that were awarded to national departments, provincial governments and/or public entities during the period of the national state of disaster; if not, what necessitated the appointment of a committee of six Ministers, led by the Minister of Justice and Correctional Services.

President's response: As I indicated in my reply to the previous question, Cabinet established a ministerial



Ms Noxolo Abrahams

team to compile details of all Covid-19 related procurement of all government bodies so that these could be made public. Cabinet's intention in doing so was aimed to promote transparency and accountability. This process is distinct from and unrelated to the work of the SIU in investigating any unlawful or improper conduct in the procurement of goods and services in any state institution.

The SIU has not made any request to Cabinet for assistance in gathering details of Covid-related tenders and contracts.

According to the proclamation I signed on 23 July, the SIU is authorised to probe any allegations relating to the misuse of Covid-19 funds across all spheres of the state.

The SIU is empowered by the SIU and Special Tribunals Act of 1996 to gather all necessary evidence required in the fulfilment of this mandate. If the SIU finds evidence that a criminal offence has been committed, it is obliged to refer such evidence to the prosecuting authority.

Ms Noxolo Abrahams (ANC) asked the President: In light of the fact that the government has reached almost R3 trillion in debt exposure, what measures has the government put in place to ensure that it honours its commitments to finance debt repayments while at the same time maintaining expenditure on socio-economic rights (details furnished) and how will government spending in the medium-term help to address the challenge of rising unemployment that deepens poverty and widens the challenge of inequality?

President's response: The effect of the coronavirus pandemic on economies around the world has been severe. Like most other countries, we have had to

confront the effects of a massive global slowdown and a dramatic decline in local economic activity.

The supplementary budget tabled by the Minister of Finance on 24 June therefore proposed significant increases in expenditure in the context of falling revenue. As a consequence of our decisive and absolutely necessary response to this pandemic, government debt is expected to reach R3.9 trillion in 2020/21. This does not include the debt of state-owned companies.

Debt would stabilise at around 87.4 percent of gross domestic product (GDP), after which it would gradually decline. The active scenario prevents debt service costs from continuing to rise faster than all other items of spending for the foreseeable future. In this way, it prevents an outcome where South Africa's debt costs are higher than all other expenditure, a sovereign debt crisis causes investors to leave the country, and the country has to seek large bailouts from official lenders.

Ms Veronica Mente (EFF) asked the President: You made commitments to deal precisely with GBV, but according to crime statistics under your term sexual offences have increased, and there is a DNA backlog related to these offences, how you intend to deal with that?

President's response: We have now ensured that police stations have test kits to conduct tests, and such tests are sent to laboratories to concretise evidence and prosecution. There have been shortages, but we are attending this matter in provinces such as the Eastern Cape. We are making progress and we are doing a lot in this regard. We are strengthened by the partners we have with entities that we are working with in the National Council



Ms Veronica Mente (EFF)

on GBV to ensure that all matters are attended to. Now 200 social workers have been hired to assist with psychosocial cases. This is progress.

Follow-up question, Ms Mente: There is a view that there should be a parliamentary committee that will oversee the work of the National Council on GBVF and the implementation of the National Strategic Plan on GBV. Do you support such a proposal?

President's response: If the idea of setting up a parliamentary committee is supported by the house and is deemed the best way to go so be it. We all want to see that these structures are effective and accountable.

Ms Liezl van der Merwe (IFP) asked the President: Can

you give an indication as to how you intend to address the underfunding of shelters, some have not been paid. We will never win this war if we don't fund shelters.

President's response: We are building more shelters. And we need more as long as there is a scourge. We will look at the issues of unpaid shelters. We will also bring social workers into the systems because there are cases that need well qualified personnel like social workers to deal with. A process is underway to bring more social workers into the system.

Mr Julius Malema (EFF) asked the President: How will the President deal with wide-spread allegation of corruption related to the procurement of PPE.



Ms Liezl van der Merwe



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President's reesponse: This has caused an outrage across the country. It's disgraceful that at a time of crisis there are individuals that seek to criminally benefits in our efforts to save lives. We have taken several measures to prevent corrupt activities. To achieve that, I have authorised the Special Investigative Unit to accelerate the investigation of PPE tenders across all the departments of the state.

We have since established the Fusion Centre, a collective effort of law agencies to prosecute covid 19 corruption. The National Treasury ha also strengthened procurement procedures and has ensured that they are open and transparent to public scrutiny.



Ms Thandiswa Marawu (ATM)

There is also a ministerial task team to compile and collate comprehensive reports on tenders awarded by departments and other public entities as part of the response to Covid-19 corruption. This marks a new era in the procurement of public goods, and will lead to procurement reforms that will deal with procurement maladies.

Mr Malema asked a follow-up question: Are donors of your ANC presidential campaign not the beneficiary of the PPE tenders? Also, don't you think we should do away with the tendering system on things such as masks? Why don't you establish special court to prosecute those involved in corruption?

President's response: The matter related to the funders for my party political campaign is a matter that is before the court. As such, it's matter that we can't deal with it now. I agree, we need to relook at our tendering process as a whole. The

other question is, should we be outsourcing everything or what are things that can be done in-house by government. About special courts, I will be making pronouncements regarding that very soon.

Mr Narend Singh (IFP) asked the President: Behind the names of companies accused of corruption are faces. Who are the owners and directors of these companies?

President's response: You are absolutely right; we should be focussing on the names behind these entities. The work that is being done by SARS, Special Investigation Unit and Hawks will probe so deeply to determine the faces of these companies and depth of their involvement in this corruption. When it comes to corruption, we have now embarked on a new course, let's support these institutions to ensure they are strengthened and are given all the resources they need.

Mr Floyd Shivambu (EFF) asked the President: South Africa's debt obligation stands at R200 billion annual, servicing 3.7 trillion. That means we spend 200 billion to service our debt. What is the wisdom of borrowing a dollar-dominated loan of R100 billion from International Monetary Fund?

President: We looked at the cost structure of these loans, the IMF came at 1.1% and its conditionalities were not attached to a normal loan.

We took advantage of low interest loan meant for Covid-19. We discussed this extensively. We rejected adverse conditions attached to other loans that would compromise the sovereignty of our country. At the end, we went for cheap money that would allow us to achieve our objectives. And that we would be able to pay back in due course to avoid intergenerational debt.

Mr Steven Swart (ACDP) asked the President: To what degree are you going to address the conditionalities and concerns to address the challenges posed by power supply constraints and corruption that were raised as concerns when you acquired the International Monetary Fund.

President's response: It's not an instruction, these are the things that we were addressing already. We had to agree to addressing those concerns. We intend to comply and they will look at the steps we take in tackling corruption and in upgrading our power utility. These are not negative condition attached to the granting of this loan that interfere with our sovereignty that is why we took this loan.

Ms Thandiswa Marawu (ATM) asked the President: In view of the many job losses in the formal employment market and the youth unemployment rate at just over 60%, what steps do you intend to take to: ensure that trading in the informal economy is reserved only for South Africans, and instruct the Department of Home Affairs and the Department of Employment and Labour to review all work permits given to non-South Africans for the purpose of revoking all permits issued for work that South Africans can do?

President's response: The unemployment crisis in our country has been dramatically deepened by the economic effects of the global coronavirus pandemic. We are therefore called upon to use every means at our disposal to rebuild our economy, protect existing jobs and create new jobs. This means, among other things, that we need to look at issues of migration, employment and economic activity.

To ensure a coherent and sustainable solution to these challenges, Cabinet has recently established an Inter-Ministerial Committee (IMC) on the Employment of Foreign Nationals. Convened by the Minister of Employment and Labour and co-chaired by the Minister of Home Affairs, this IMC will deal with the migration of foreign nationals for employment and related opportunities.



Mr Sakhumzi Somyo (ANC) asked the President: In light of the fact that Covid-19 has exposed a great deal of maladministration within the state, particularly among public servants as well as officials that are conducting business with the state, what additional measures will he put in place to root out corruption within the public sector especially where public servants and senior political leaders are involved by having consideration that it is within the context of restoring ethics in the public service?

President's response: One of the greatest challenges we are confronting as a country is the theft of public resources by those given responsibility to manage and safeguard them. A priority at this moment is to address the concern that has been raised by our people about the involvement of political office bearers and public servants in the unlawful awarding of tenders and contracts to relatives and acquaintances.

Over the last two years, significant progress has been made in strengthening institutions like the NPA, the Hawks, SARS, the SIU and others so that they are able to detect, investigate and prosecute all acts of corruption. At the same time, we have worked to strengthen the measures inside government to minimise the potential for corrupt activities. In 2016, Government reviewed the Code of Conduct for Public Service employees to, among other things, prohibit public service employees from conducting business with the state, be it in a personal capacity or as a director in a company that conducts business with the state. 

Eskom is central to re-igniting our economy, says Deputy President as he answers questions in the NCOP



The Deputy President, Mr David Mabuza, appeared before the National Council of Provinces (NCOP) as the Leader of Government Business to answer questions on Eskom's energy supply challenges, government's land reform programmes and infrastructure development initiatives aimed at resuscitating our ailing economy, **writes Abel Mputing.**

Mr Tshitereke Baldwin Matibe who is Limpopo's permanent delegate to the NCOP, asked the Deputy President: How far is the process of restructuring Eskom and how critical is such process to our country's economic recovery?

Deputy President's (DP's) response: Eskom must be supported to enhance its capacity to meet our country's energy needs. Because our economic recovery depends on efficient energy supply. As such Eskom remains the central pillar that can ignite our economy which had been impacted

negatively by Covid-19. The focus of government support for Eskom includes the bolstering of its governance, accountability mechanisms, stabilisation of its debt and liquidity. And to ensure that government and municipality pay the money they owe Eskom.

In addition to that, we want to ensure that plant maintenance is done efficiently with as minimal disruption to the economy as possible. But our long term aim is to inject new energy capacity to the utility. But in the main, we are in the process of restructuring Eskom. And it's not an easy task to restructure a utility of its size and magnitude and such a process will take time. We have set up a political task team to oversee this process.

This process seeks to stabilise Eskom on one hand. On the other it seeks to restructure the utility into three different components: generation, transmission and distribution. This to ensure that Eskom is run efficiently and profitable. This will ensure that each component develops its own

business case and see to it that it's run profitably. The government is pleased with the current strategic direction that Eskom has embarked on under its new CEO.

Mr Armand Cloete (Free State's permanent delegate to the NCOP) asked the DP if there is a time frame to Eskom's turn-around strategy.

DP's response: This process will unfold until 2022. It will take this long because we are dealing with a utility that has an old fleet, which has resulted into operational problems. But it is hoped that the completion of Madupe and Khusile power stations and the introduction of the independent power suppliers (IPPS) would reduce pressure on the generation of electricity and functionality of Eskom.

Mr Cloete asked a follow-up question: The country is losing billions due to load-shedding; are high levels of load-shedding imminent?

DP's response: Eskom efficiency is saddled with an old fleet and power stations and their maintenance present problems. South Africans must be confident that we will get out of this problem when the new energy built infrastructure programme is put in place to bring about additional energy to meet our country's energy needs. It's envisaged that the IPPS will contribute 2 000 megawatts and this will help in stabilising the energy pressure currently exacted on Eskom.

Ms Sonja Boshoff (Mpumalanga's delegate to the NCOP) asked the DP: If the country opts for nuclear

energy, what will be the budget for that?

DP's response: The strategic plan of our future energy supplies is diverse; it included gas, nuclear energy and we are not discarding any option before us. As and when the money becomes available, South Africa's energy landscape will change.

Ms Mmabatho Mokause (permanent delegate Northern Cape) asked the DP: Can you assure South Africans that government intent is to privatise or not to privatise Eskom?

DP's response: Government has no intention to privatise Eskom. Government is the sole shareholder in this public entity and it has no intent to privatise Eskom.



Mr Christian Smit

Mr Christiaan Smit (Limpopo's permanent delegate to the NCOP) asked: What is the progress of the land reform programme to date?

DP's response: Land reform is a path to redress and a means to restore the dignity of people who were



dispossessed of their land. The Ministry of Agriculture and Land Reform has identified key policy directive aimed at fast tracking land reform.

The ministry has also improved the institutional capacity of its programmes to ensure that it provides investment for a developmental support of land reform and to ensure that land reform farmers are productive. The ministry also seeks to ensure that the post settlement programme promotes economic inclusion.

Mr Moletsane (Free State) asked the DP: Do you intend to set up mechanisms to assess whether the land reform programme is succeeding in addressing land inequality. DP's answer: Let me start

off by condemning the killing of farmers who are important resources to our country's economy. Those involved in this act should be dealt with decisively to ensure that this act does not undermine this sector's contribution to our economy.

Yes, we are taking several steps to assess the productivity of land reform farmers. Out of that we will come out with a strategy that will guide on what needs to be done to support land reform programmes. Part of which, we will assess what went wrong before and how we can allow new entrants in the agricultural sector. As such, the ministry has devised strategies to propose mechanisms to ensure these farmers are productive. Mr Cloete asked a follow-up question to the DP: What has the Department of

Agriculture and Land Reform done to ensure that there is food security in the country?

DP's response: Land reform programmes have yielded good results. As I said, we are now assessing challenges and how we can speed up pace with which land is redistributed. And how that can contribute to food security that will deal with poverty while affording the new entrants with necessary means to produce food for the nation.

Ms Mokause asked a follow-up question about the ongoing investigation of alleged corruption at Eskom and the COO breaching procurement policies.

DP's response: Let's give the board at Eskom space to do its work. The Members of Parliament will engage with

its report and ask necessary questions when it comes before Parliament. For now, let's desist from making wild accusations of bias treatment of the persons involved based on their race.

We should desist from such divisive action and foster a climate of social cohesion. We also interested in ensuring that Eskom becomes a sustainable utility that will be able to meet its development imperatives, and to ensure that it's efficient and sustainable. The government is pleased that the current board is competent enough to tackle any act of corruption, but those who will be found to be involved in acts of corruption will be subjected to due processes.

Mr Timothy Brauteseth (KwaZulu-Natal) asked the DP: If a life style audit of those in public office could

be implemented, as mooted in 2014, would you subject yourself to such a process?

DP's response: If it's done, we would all be subjected to that decision. If the process is in place, no one would be against that, certainly not me. And if agreed upon and implemented, all of us will of course be subjected to it. There are no qualms about that.

Mr Willem Aucamp (Northern Cape) asked the DP: What have you done to ensure that there is proper infrastructure in place to bring into effect much needed service delivery needs where they are most needed?

DP's response: Infrastructure development is critical in bringing about much-needed service delivery in underdeveloped areas. Going forward, government has prioritised infrastructure as a catalyst to growth and to improve the lives of many South Africans in disadvantaged areas of our country.

Government's long-term goals is to invest in infrastructure development to leverage our country's economic growth. This has resulted in the inception of Infrastructure Development Fund whose function resides in the office of the president.

Subsequent to that, Infrastructure SA has been inception to come with the strategic direction on how to create a single entry to infrastructure development. To ensure that investment in infrastructure is well coordinated and done efficiently. This because we have realised that if well-coordinated infrastructure investment can improve productivity and long-term economic growth and most of all, mitigate the economic effects of Covid-19. 🇿🇦



Mr Simon Moeletsane



Mr Timothy Brauteseth



In session writer, Mava Lukani, spoke to the Chairperson of the Portfolio Committee on Sports, Arts and Culture, Ms Beauty Dlulane, on Heritage Month.

GBV is a very deep-rooted men's problem in South Africa and poses a very serious threat to all the national effort towards the achievement of a non-sexist South Africa in general. In particular, GBV poses a very serious threat to women's individual lives. According to media reports, a woman was shot and killed by her husband inside an Eastern Cape police station while reporting a case of domestic violence. The shooting occurred inside the Madeira Police Station in Mthatha recently.

What is Heritage Month and what is its significance?

Let me start by saying that Heritage Day, which was determined by the Public Holidays Act of 1994, is on 24 September. The day and the entire month is used as a strategic platform to foster greater social cohesion, nation-building and a shared national identity. Above all, the month is used to celebrate the inheritances that have been passed on to us by our forebears.

2020 Heritage Month takes place in the context of the Covid-19 pandemic. What is the message of the committee to South Africans?

We have seen our brothers and sisters dying in large numbers because of the Covid-19 pandemic and we were denied access to their funerals by the lockdown regulations. We are extending our deepest condolences to all the relatives and friends of all those who departed through the Covid-19 pandemic. Furthermore, we call upon all South Africans to commemorate heritage anniversaries with extra vigilance as the Covid-19 virus is still with us.

During the previous lockdown levels and the current one, the media

reported serious cases of gender-based violence (GBV) in the country, including TV actress Ms Thandeka Mdeliswa, who was killed for defusing an argument between three men. What is your comment on that?

GBV is a very deep-rooted men's problem in South Africa and poses a very serious threat to all the national effort towards the achievement of a non-sexist South Africa in general. In particular, GBV poses a very serious threat to women's individual lives. According to media reports, a woman was shot and killed by her husband inside an Eastern Cape police station while reporting a case of domestic violence. The shooting occurred inside the Madeira Police Station in Mthatha recently. This indicates the depth of the problem and the heartlessness of men against women. We add our voice as the committee to calls for the intensification of the fight for the successful obliteration of GBV.

Just before the declaration of the State of National Disaster by the President, parliamentary committees, including your committee, invited departments and their entities to present their readiness to deal with the Covid-19 pandemic. Corruption has been an

antithesis of the good plans the departments claimed to have. What is your comment?

What has happened is a regrettable feature of the good collective work that our government has done and is still doing to deal with the Covid-19 pandemic. It's a double blow. Worst of all, from a heritage-making perspective, that bad story of corruption is going to be part of our history that is going to be passed on to the next generations. However, we are grateful about the triumph of the government's strategies to push back the frontiers of corruption. As the committee, we support the good work of the joint effort of the law enforcement agencies in exposing all the corruption on procurement of goods and services for Covid-19-related activities.

What is your message for Heritage Day?

Let all South Africans attach a new and genuine meaning to this day. Let us show some deep sense of appreciation of all the inheritances that were passed on to us. We are calling upon young men to take women as a precious gift and inheritance to the nation, who must be protected. 



Ms Beauty Dlulane – Chairperson PC on Sports, Arts and Culture



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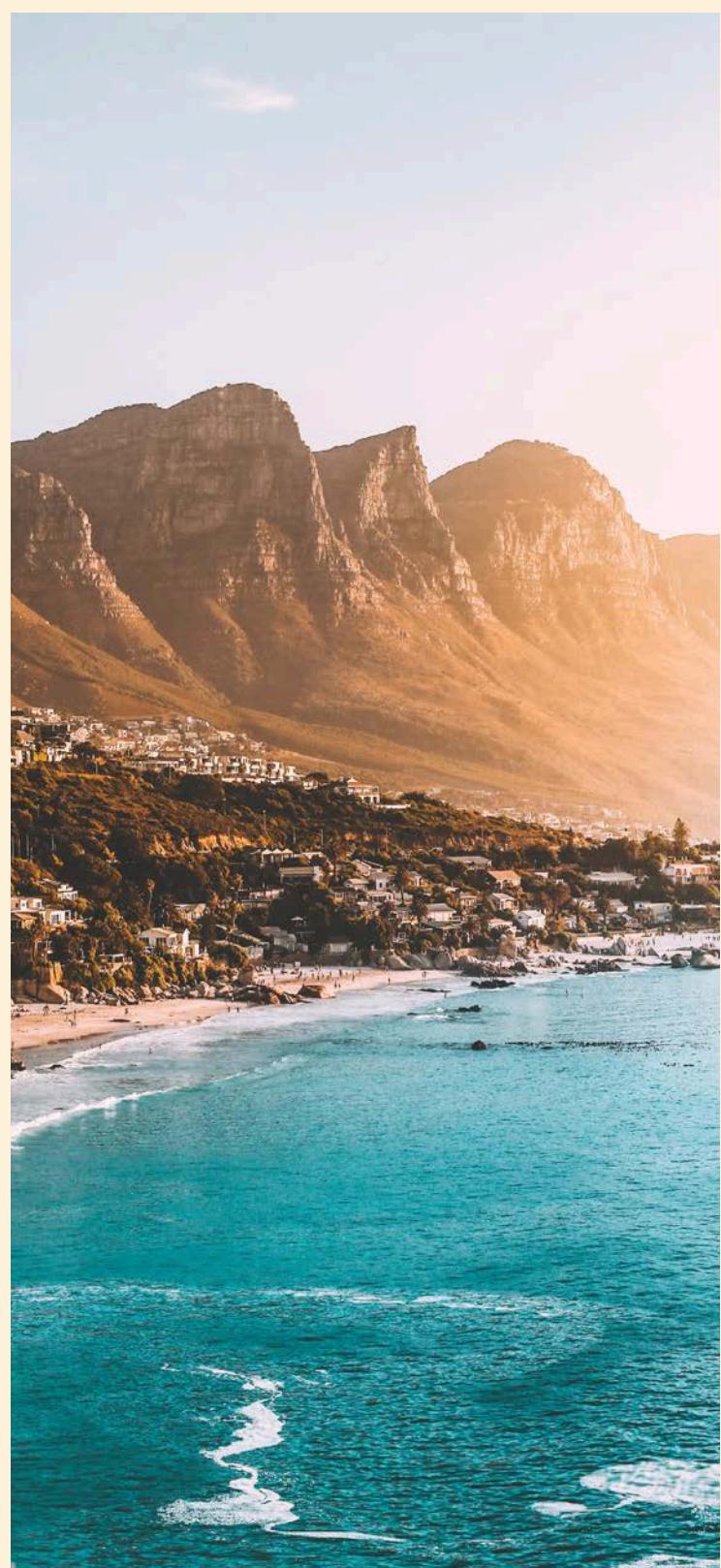
WE ARE EXTENDING OUR DEEPEST CONDOLENCES TO ALL THE RELATIVES AND FRIENDS OF ALL THOSE WHO DEPARTED THROUGH THE COVID-19 PANDEMIC.

- MS BEAUTY DLULANE

Insession writer, Sureshinee Govender, spoke to the Chairperson of the Portfolio Committee on Tourism, Mr Supra Mahumapelo, on Tourism Month



Mr Supra Mahumapelo – Chairperson PC on Tourism



Let us continue to prepare to welcome international tourists to our beautiful country when the international borders are open to all.

World Tourism Day is commemorated on 27 September, elaborate on its significance?

World Tourism Day basically seeks to raise awareness among the international community about the social, cultural, political and economic value of tourism. It is also about how nations can work and be brought together by tourism. Included in this is the objective of affording individuals the opportunity to travel within their countries and to other countries.

2020 Tourism Month takes place in the context of the Covid-19 pandemic. What is the message of the committee to South Africans?

South Africans should understand that we are not the only ones affected by Covid-19 and that each person in the country should take personal responsibility for their safety and for the safety of others. Failure to do this, by not adhering to the Covid-19 protocols, might

result in the perishment (destruction) of humanity.

During the previous lockdown levels and the current one, the media reported that many tourism businesses had collapsed and that thousands of people were now unemployed, what would be the saving factor for tourism?

Since the announcement that the whole country will move to Level 2 of the Risk-Adjusted Strategy from 18 August 2020, this meant that all domestic interprovincial travel is allowed for business and leisure purposes. It is very important for our country to build a strong resilience in the economy and in tourism, this must be done by focusing on village and township tourism. We are now seeing a number of establishments opening up for tourists.

What is your message for World Tourism?

Let us continue to prepare to welcome international tourists

to our beautiful country when the international borders are open to all. In the meantime, we must continue to focus on domestic tourism and get South Africans to start exploring their own provinces first (by visiting their hidden gems in villages, townships and small dorpies) before they engage in inter-provincial travel. Each province has its own unique tourist offerings, such as game parks, safari tours, beach, mountain and sky adventures. We must invigorate the sense of travel amongst our people internally, and in so doing we are able to maintain jobs and ignite rural and township economy. We must put the spotlight on tourism in villages, townships and small towns and grow the economy through tourism. 



Rebooting the economy, National Assembly passes two tax relief bills aimed at supporting businesses and individual households



These emergency bills have been mooted months ago, but Parliament is only dealing with them now. There is an adverse effect when the necessary procedures governing money bills are not followed properly. Parliament must look into that.

The Chairperson of the Standing Committee on Finance, Mr Joseph Maswangayi, presented the committee's report on the Disaster Management Tax Relief Bill and Disaster Management Tax Administration Bill to the National Assembly for consideration. These bills were recently introduced to Parliament, together with the Special Adjustment Budget, by the Minister of Finance, **writes Abel Mputing.**

According to Mr Maswangayi, these bills complement the Special Adjustment Budget and are meant to minimise the impact of the Covid-19

lockdown which created adverse economic conditions. "In the main, these bills seek to bring about social and economic support measures to cushion businesses, households and individuals from the socio-economic impact of Covid-19," he said.

The committee conducted public hearings on both of them and there was consensus that there is a need for such interventions. The bills expand tax relief to businesses, bring about the expansion of tax incentives schemes and create special tax dispensations and skills levy holidays to bring financial relief to businesses.

The committee also considered the revenue implications of such measures and was pleased to announce to the House in its report that the bills will have no adverse impact on South Africa's fiscal framework, on expenditure, borrowing, investment or government job creation programmes.

In debating the bills, Mr Geordin Hill-Lewis (representing the Democratic Alliance) stated that South Africa is currently facing a financial crisis and worse was still to come. "There will be no economic recovery if we allow businesses to collapse and shut their doors, if we allow people to lose their jobs. And unless our borders opened to tourists, there would be no economic recovery."

He further added that the pandemic has thrown many families into poverty and the country is now littered with empty shops to let. The shrinking tax base is an ongoing concern that is exacerbating the effects of the pandemic on our economy, the house heard.

Ms Omphile Maotwe (Economic Freedom Fighters) was concerned that the economic crisis would make it difficult for government to provide basic services to the needy. She blamed the narrow tax base created by apartheid racial policies, which excluded the majority of the population from participating actively in the mainstream economy.

As a result, a few South Africans carry a heavy tax burden to sustain government social welfare programmes. "This grouping pays 24% of our country's income tax to enable government to deliver services."

Taking part in the debate, the Minister of Finance Mr Tito Mboweni emphasised the need to reboot the economy. He told Members of the National Assembly that these bills are a step towards that goal. In a crisis like this, South Africans must think about how they can effect tax changes, incentives and reliefs to oil the wheels of the economy to ensure that the mining, agricultural, transport and banking sectors thrive. These

bills are meant to achieve precisely that.

Mr Wouter Wessels (Freedom Front Plus) said tax relief is needed to save the economy and the fiscus. He further urged Parliament to reflect on how it deals with money bills. "These emergency bills have been mooted months ago, but Parliament is only dealing with them now. There is an adverse effect when the necessary procedures governing money bills are not followed properly. Parliament must look into that."

Mr Dion George (Democratic Alliance) said South Africans' trust in the South African Receiver of Revenue has been betrayed. "We will never know how much has been stolen from the people. People have been taken for granted and this has betrayed their loyalty." In his view, no progress has been made in the fight against corruption and there has never been a fight against corruption in the first place. As a result, tax morality will continue to erode.



Minister Tito Mboweni

State-owned companies show some governance improvements

Ms Modisane told the committee that Alexkor's cash reserves are expected to be depleted by September 2020. She said the department is not able to provide further funding to the entity, which is unable to generate revenue.

The Department of Public Enterprises appeared before the Portfolio Committee on Public Enterprises recently to brief the committee on progress made in addressing governance challenges facing state-owned entities (SOEs), **reports Nolizwi Magwagwa.**

The newly appointed Director-General of the Department of Public Enterprises, Mr Kgathatso Tlhakudi, said it is the department's responsibility to ensure that the seven major SOEs under their jurisdiction are financially sustainable, adequately funded and operationally robust. The entities are Alexkor, Denel, Eskom, Safcol, South African Airways (SAA), South African Express, and Transnet.

The committee heard that three of the seven, Denel, Safcol and Alexkor, reported financial losses in the 2019/20 financial year. The arms company Denel recorded a loss of R1.7 billion due to a significant decline in revenue collection, which is a direct cause of its current liquidity challenges. The third largest state-owned company in South Africa, the South African Forestry Company Limited (Safcol), reported a loss of R47 million, also as a result of the decline in revenue collection and high operating expenses.

The diamond mining company, Alexkor, reported a loss with no revenue generating activities. This entity depends solely on income from the Pooling and Sharing Joint Venture (PSJV). Ms Jackie Modisane, the Deputy Director-General of the Enterprises Department,

said the PSJV's performance has been erratic because of poor management, corruption and low diamond prices. "Consequently, the PSJV's liquidity challenge has had a substantial impact on Alexkor's financial position. Alexkor is therefore not a going concern," she said.

Ms Modisane told the committee that Alexkor's cash reserves are expected to be depleted by September 2020. She said the department is not able to provide further funding to the entity, which is unable to generate revenue. Furthermore, she said the entity is unable to access financial markets, and neither can it request support from the fiscus. Alexkor's financial projections for the financial year 2020/21 are not available due to the winding down of its head office.

With regard to Eskom, Ms Modisane said the increase in revenue at the power utility is underpinned by the increase in tariffs. She said although cash from operations is increasing, it is insufficient to cover the increasing costs.

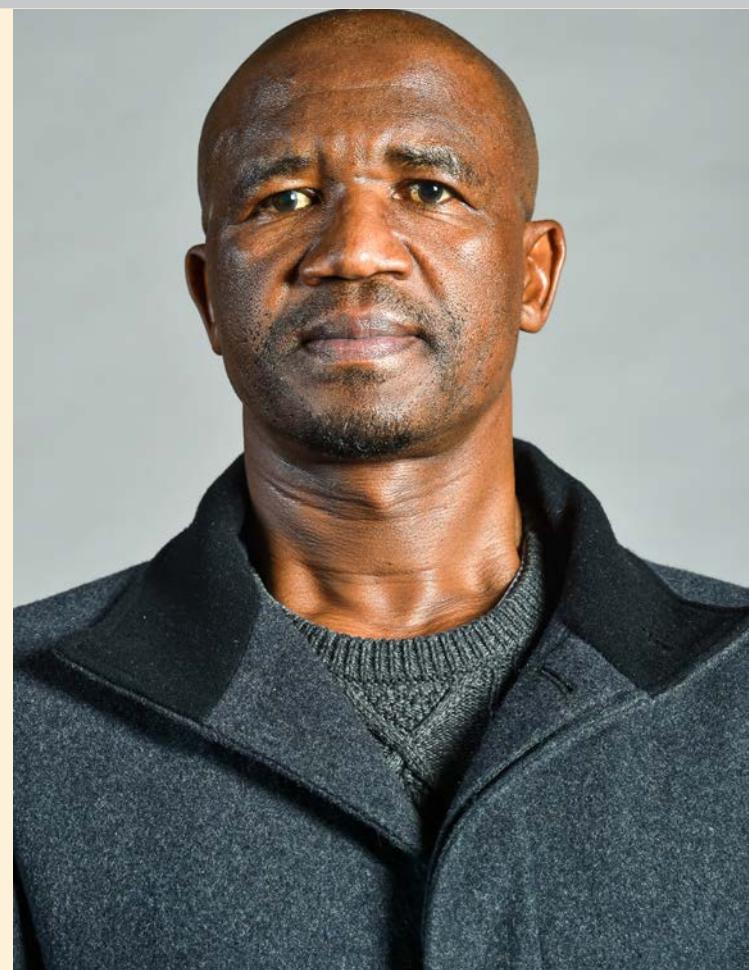
Transnet's revenue grew by 3% to R57 billion in the 2019/20 financial year. The department attributed this growth to the lower demand than previously, which therefore resulted in low-volume performance. "According to its corporate plan, revenue was expected to increase to R78 billion, but Covid-19 and lockdown make it unlikely that this will be achieved," Ms Modisane said.

The department also reflected on the status regarding SAA

and SA Express. SAA was placed under business rescue in December 2019, due to declining performance and its inability to pay its debts. A business rescue plan was approved by creditors in July 2020 and various options to raise funds to implement the business rescue plan are being considered. "This is being carried out with the assistance of the Rand Merchant Bank, which has been appointed as Transaction Advisor to ensure that the best option of securing funding is chosen," Ms Modisane added.

SA Express was placed under business rescue in February this year and was subsequently placed under provisional liquidation on 29 April 2020 by the High Court. The provisional liquidators have advertised the expression of interest for the sale of the business.

According to the department, there is a likelihood that the airline may be liquidated on 30 September 2020 should there be no interest from any potential investor. On the strengthening of governance structures and tools at the state entities, the department



Chair: Khaya Magaxa

reported that critical positions are receiving the necessary attention at the various companies.

On the strengthening of governance structures and tools at the state entities, the department reported that critical positions are receiving the necessary attention at the various companies that include:

Transnet has finalised the recruitment and appointment of the group Chief Executive officer (GCEO) and the group Chief Financial Officer (GCFO).

Eskom: GCEO and GCFO positions occupied.

Denel: The GCEO resigned on 15 August 2020. The recruitment process will be undertaken by the Board.

SAA: In business rescue. Interim CEO in place.

SA Express: Provisional liquidation in place.

Safcol: CFO recruitment process underway.

Alexkor: CEO appointed for 5-year term from 2017 to 2022, appointed accounting authority.

The Chairperson of the Portfolio Committee, Mr Khaya Magaxa applauded the department for the progress in dealing with the challenges facing the state entities. "There are many developments that are being observed since the last meeting and this is very encouraging," he said. 



Auditor-General to be appointed following a transparent, open and public participatory process



The Ad Hoc Committee on the Appointment of the Auditor-General (AG) recently interviewed six candidates for the position of the Auditor-General of South Africa. The committee went through a transparent, open and public participatory process of appointing this new Auditor-General, **writes Faith Ndenze.**

The committee, which began its work in June this year,

ensured that the members of the public were part of the process from its inception. After the committee shortlisted qualifying and suitable candidates, it published the CVs (curricula vitae) of all the shortlisted candidates on the parliamentary website and called for the public to make written submissions on all the candidates.

In her opening remarks during the interview process,

the Chairperson of the committee, Ms Sisisi Tolashe, said the committee was embarking on this process of searching for a suitable candidate to lead the Office of the Auditor-General amid a wide range of allegations of corruption currently facing the country. "These allegations of corruption have, to some extent, a potential to erode our people's confidence in their government," she said.

Ms Tolashe said in an effort to assist the government's commitment to root out corruption, the committee will have to recommend a suitable candidate, who will ensure that the Auditor-General of South Africa, as the supreme audit institution, exists to strengthen the country's democracy by enabling accountability and oversight in the public sector through auditing, thereby building public confidence.

"It is therefore against this backdrop that we have to ensure that our process is transparent, open and just. From the beginning, we have put systems to ensure that

this process is transparent and open to the public. We have broadly listened to the concerns raised by the public and acted accordingly. We have invited the public to apply for the position of the AG and deliberated the shortlisting process in an open meeting," she said.

The committee had shortlisted eight candidates, however, two candidates withdrew before the interviewing process could commence. During the interviews, the committee asked pertinent questions that sought to understand their areas of leadership, management, strategic management, technical skills relevant to the AG's office, as well as behavioural traits.

The committee also interviewed candidates on issues that include governance, adherence to the Constitution, ethics and credibility. The committee also wanted to know how the candidates would deal with the challenges that are facing the Office of the Auditor-General, in particular, challenges that could arise

in the implementation of the Public Audit Act, and the threats that are made against auditors.

During the public participation process, the committee received written submissions that related to two of the shortlisted candidates. During the interview process, the committee informed the two candidates of the submissions they had received and posed questions to them relating to those submissions.

The committee had been given until 31 August 2020 to finalise the appointment of the Auditor-General but the date has been extended to 30 October 2020.



Chairperson: Ms Sisisi Tolashe

SERVANTS OF THE PEOPLE PASS ON

Mr Peter, who passed away due to Covid-19-related illness, served on the Portfolio Committee on Tourism and on the Joint Standing Committee on the Auditor-General. He was described by the chairpersons of both committees as a loyal servant of the people.

Advocate Hishaam Mohamed served on the Portfolio Committee on Justice and Constitutional Services and was the whip of the committee. He was described by the committee Chairperson as someone who stood for justice, especially for the poor and vulnerable people.

The National Assembly (NA) recently lost two members who passed away, Mr Zamuxolo Peter and Advocate Hishaam Mohamed. Both members joined the NA in 2019 after the 2019 general elections.

Mr Peter, who passed away due to Covid-19-related illness, served on the Portfolio Committee on Tourism and on the Joint Standing Committee on the Auditor-General. He was described by the chairpersons of both committees as a loyal servant of the people.

Parliament's Presiding Officers described Mr Peter as a selfless servant who, despite being relatively new to Parliament, immersed himself well in the workings of Parliament and its constitutional functions. They said he was an asset to the committees he participated

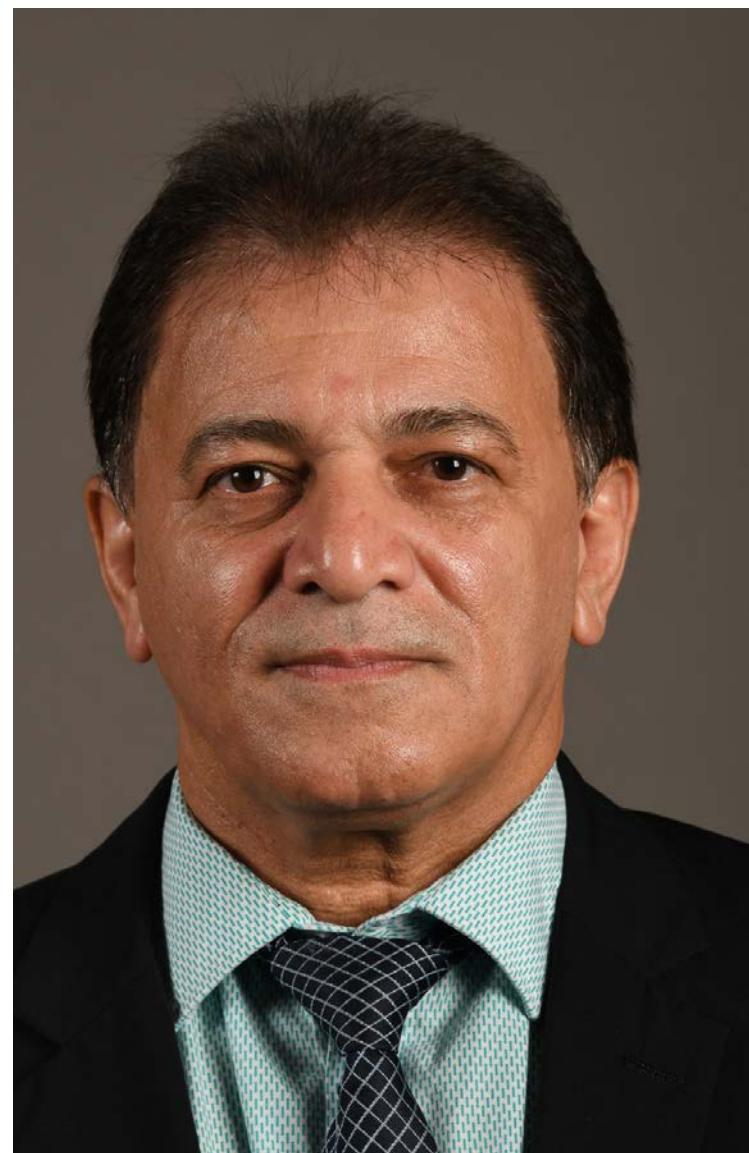
in, where he demonstrated a deep knowledge of the subject matter.

They said he was passionate about rural tourism and was at the forefront of the vigorous pursuit of fearless oversight for the development of rural tourism as a catalyst for rural economic development. "We will remember him fondly for his passion, dedication and hard work in the service of the constituencies he represented and the people of South Africa in general."

Advocate Hishaam Mohamed served on the Portfolio Committee on Justice and Constitutional Services and was the whip of the committee. Before joining Parliament, he served as the head of the Western Cape Department of Justice and Constitutional Development, where he focused on providing access

to justice, improved services and promoting community participation in the criminal justice system, particularly at courts servicing vulnerable communities.

He was described by the committee Chairperson as someone who stood for justice, especially for the poor and vulnerable people. Furthermore, the committee Chairperson said, justice was very close to Adv Mohamed's heart and this was clear from the questions he asked during meetings. The Presiding Officers described Advocate Mohamed "as an astute lawyer and an experienced community activist. Even in his brief time with the NA, he proved to be a dedicated and diligent member of the House, who demonstrated exemplary commitment to his work."



Advocate Hishaam Mohamed



Mr Zamuxolo Peter

