



**LIMPOPO
LEGISLATURE**

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REPUBLIC OF SOUTH AFRICA

LIMPOPO PROVINCE

**VERBATIM REPORT
[HANSARD]**

OF THE

DELIBERATIONS AND DEBATES

OF THE

SECOND SESSION

OF THE

SIXTH LEGISLATURE OF THE LIMPOPO LEGISLATURE

THURSDAY, 03 SEPTEMBER 2020

MEMBERS OF THE EXECUTIVE COUNCIL [CABINET]

Office of the Premier	Mr C S Mathabatha [Premier]
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Health	Dr P C Ramathuba
Social Development	Ms N C Rakgoale
Economic Development, Environment and Tourism	Mr T A Mokone
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Transport and Community Safety	Ms M M Lerule-Ramakhanya
Agriculture and Rural Development	Ms N A Ndalane
CoGHSTA	Mr B R Makamu
Sport, Arts and Culture	Ms T A Moraka
Provincial Treasury	Mr S C Sekoati

OFFICE-BEARERS OF LIMPOPO LEGISLATURE

The Speaker	Ms R R Molapo
The Deputy Speaker	Mr A J D Ndou
The Chief Whip	Mr M E Mokgonyana
The Deputy Chief Whip	Dr S M Mochadi
The Chairperson of Committees	Mr N V Mashamaite
The Deputy Chairperson of Committees	Mr C B D Selane
The Leader of Government Business	Mr S C Sekoati
The Leader of the Opposition	Mr M J Buthane
The Secretary of Limpopo Legislature	Mr S Mothoa

MEMBERS OF THE LIMPOPO LEGISLATURE (in alphabetical order)**PARTIES REPRESENTED IN THE HOUSE:**

African National Congress (ANC)
 Democratic Alliance (DA)
 Economic Freedom Fighters (EFF)
 Vryheidsfront Plus (FF+)

1. Aphiri, Mokgadi Johanna	ANC
2. Boshielo, Shela Polly	ANC
3. Buthane, Modikane Joseph	EFF
4. Kekana, Nakedi Grace	ANC
5. Lebea, Kedibone Margaret	ANC
6. Lekganyane, Nakedi Maria	ANC
7. Lerule-Ramakhanya, Mavhungu Maureen	ANC
8. Maharaj, Risham	DA
9. Mahasela, Mahlodi Caroline	ANC
10. Makamu, Basikopo Rodgers	ANC
11. Makhurupetje, Makoma Grace	ANC
12. Managa, Lilian	EFF
13. Manganye, Tinyiko Florence	EFF
14. Maritz, Marcelle Frieda	FF+
15. Marule, Jacob Boy Otto	ANC
16. Maseko, Funani Jerry	ANC
17. Masekoameng, Mmabogahla Isaiah	ANC
18. Masemola, Namane Dickson	ANC
19. Mashamaite, Nkhohlo Victor	ANC
20. Mathabatha, Chupu Stanley	ANC
21. Mathe, Simon Matsobane	ANC
22. Mathye, Susani Violet	ANC
23. Matlou, Leswafo Joshua	ANC
24. Mdaka, Falaza Philemon	ANC
25. Mitleni, Wisani Goodman	ANC
26. Mochadi, Sekutu Monicca	ANC
27. Mohlala, Manamane Charles	EFF
28. Mokaba-Phukwana, Mapula Annah	ANC
29. Mokgonyana, Essob Mmanoko	ANC
30. Mokone, Thabo Andrew	ANC
31. Molapo, Reneiloe Rosemarry	ANC
32. Monama, Gannye Rodgers	ANC
33. Monyamane, Nkome Sarah	ANC
34. Moraka, Anna Tandi	ANC
35. Mphahlele Selaelo Regina	EFF
36. Ndalane, Nandi Annah	ANC
37. Ndou, Azwindini Jeremiah Dingaan	ANC
38. Phala, Katlego Suzan	DA
39. Phala, Kgolane Alfred	ANC
40. Radzilani, Fulufhelo Florence	ANC
41. Rakgoale, Chritian Nkakareng	ANC

42. Ramathuba, Phophi Constance	ANC
43. Raphela, George	EFF
44. Sekoati, Seaparo Charles	ANC
45. Selamolela Selelo Donald	ANC
46. Selane, Che Bonnie David	ANC
47. Seono, Mmaishibe Rebecca	ANC
48. Seshoka, Jetrick	EFF
49. Smalle, Jacobus Frederik	DA

PERMANENT DELEGATES TO NATIONAL COUNCIL OF PROVINCES

1. Mamaregane, Mmamora Lilliet	ANC
2. Mathevula, Brenda Tirhani	EFF
3. Matibe, Tshitereke Baldwin	ANC
4. Nchabeleng, Mamagase Aleck	ANC
5. Shaikh, Shahidabibi	ANC
6. Smit, Christiaan Frederik Beyers	DA

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- a) Rules Committee
- b) Internal Arrangements Committee
- c) Programming Committee
- d) Whippery
- e) Disciplinary Committee
- f) Committee on Ethics and Members' Interests
- g) Committee of Presiding Officers
- h) Public Accounts Committee
- i) Public Participation and Petitions
- j) Quality of Life and Status of Women, Youth and Disability

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- b) Co-operative Governance, Human Settlements and Traditional Affairs
- c) Public Works, Roads and Infrastructure
- d) Economic Development, Environment and Tourism
- e) Agriculture and Rural Development
- f) Transport and Community Safety
- g) Sport, Arts and Culture
- h) Education
- i) Health
- j) Social Development
- k) Public Administration
- l) Oversight Review Mechanism

HANSARD EDITORIAL TEAM

Editor-in-Chief: Mr M L Makgopa
Tel: 015 633 8144
Cell: 082 849 5555
Email: makgopam@limpopoleg.gov.za

Editors: Mr J P Mahlangu
Tel: 015 633 8028
Cell: 066 093 6831
Email: mahlanguj@limpopoleg.gov.za

Mr M T Matloa
Tel: 015 633 8142
Cell: 079 494 7555
Email: matloam@limpopoleg.gov.za

Mr M J Kabini
Tel: 015 633 8671
Cell: 072 631 2738
Email: kabinim@limpopoleg.gov.za

Sub-editors: Hlongwani, H (Mr)
Kotzé, C R (Ms)
Mahlangu, R V (Mr)
Mamaile, M C (Ms)
Mpebe, M P (Ms)
Mukundamago, N T (Ms)
Ndala, N T (Ms)
Netshamulivho, A J (Mr)

**VERBATIM SPEECHES OF THE
LIMPOPO PROVINCIAL LEGISLATURE
VIRTUAL SITTING
THURSDAY, 03 SEPTEMBER 2020
MEETING OF THE HOUSE: 10:00**

1. PRAYERS/MEDITATIONS

THE SPEAKER

We shall now have the opportunity for a moment of silence for prayers and/or meditation.

[SILENCE]

Honourable Members, before we can move to item 2, let me indicate that in the last Sitting held on 01 September 2020, the Deputy Speaker, Hon Ndou, promised the House that he will consult the *Hansard* report in order to make an informed ruling on the matter raised by Hon Seshoka against Hon Mathe.

After consulting *Hansard*, indeed we can confirm that Hon Mathe used an unacceptable language. Therefore, my ruling is that Hon Mathe should withdraw his utterances. Hon Mathe, you can withdraw.

MR MATHE

Hon Speaker and honourable Members of the House, I find peace in unconditionally and without any reservations to duly withdraw my utterances as they are ruled to be unparliamentary. I, therefore, wholeheartedly withdraw.

THE SPEAKER

Thank you very much, Hon Mathe. I think you are leading by example.

2. MOTIONS WITHOUT NOTICE

Are there any motions without notice in terms of House Rule 145? Hon Mphahlele, you are recognised.

MS MPHAHLELE

Thank you, Hon Speaker. Hon Premier, honourable MECs present here, honourable Members of this august House good morning.

CELEBRATING EXCELLENCE AND INNOVATION IN TRADITIONAL MEDICINE
(Motion without Notice)

I rise on behalf of the EFF to move a motion without notice that the House notes that:

- The EFF in Limpopo commends a Limpopo traditional healer who has created a mobile application that enables people to consult with traditional healers via a network at the comfort of their own homes.
- RevMed was developed by a traditional healer Mpho Makhado to do away with the stigma associated with consulting traditional healers. The App also provides an online shop which offers a variety of herbal medicines.
- This traditional healer also reveals that patients can also be admitted at a certain facility should there be a need. The launch of such an App will also help to preserve the privacy of clients who do not wish to be seen consulting a traditional healer.
- We salute and celebrate Mpho Makhado for bridging the gap between Western health practice and traditional health practices. There are currently about 16 healers and herbalists affiliated to RevMed.
- The company also has a temporary facility in Gauteng where patients can consult. The government must support and promote traditional medicine innovations because most of our people find comfort when they consult from them.
- The EFF government will support such initiatives and make people proud of who they are, and not embrace other cultures as their own. They must be proud of their own culture and tradition.

I so move. Thank you, Hon Speaker.

THE SPEAKER

Thank you, Hon Mphahlele. Hon Chief Whip, it is your time.

THE CHIEF WHIP

Thank you, Hon Speaker.

CONDOLENCES TO THE FAMILIES OF LUMINARIES WHO WAGED A STRUGGLE AGAINST APARTHEID

(Motion without Notice)

I rise on behalf of the ANC in this august House to send messages of condolences to the families of notable luminaries who waged a bitter struggle against the apartheid government.

The Office of the Chief Whip has lost one of its most senior and longest serving staff members. The death of Cde Motsei Rammala, who was the Manager for the ANC Study Group, has left a huge void in our caucus machinery that would be difficult to fill. The late Motsei Rammala will be buried this Saturday, 05 September 2020 at House 12, Legodi Street, Rainbow Park.

In the past week alone, the ANC buried two of its bravest sons in the form of Genl Peter Dambuza and Kgoši Mathebe, both MK veterans who went into exile whilst fighting the apartheid government was not fashionable. We have all grown to know Mbulaheni David Malada as Genl Peter Dambuza, his nom de guerre, a name he gained after spending many years in Angola, Swaziland, Mozambique and Cuba doing military training.

The Limpopo province also lost one of its precious sons in the form of Ambassador Kgoši Mohlamme Mathebe, who was also the Advisor to the Premier, Stan Chupu Mathabatha. Kgoši Mathebe is a former MK member and was part of the June 16 Detachment and underwent military training in countries like Angola. Kgoši Mathebe forfeited the comforts and luxuries of royalty in his youth days to join the likeminded struggle stalwarts to fight the atrocities of the apartheid government.

May their souls rest in peace! Thank you, Hon Speaker.

THE SPEAKER

Thank you, Hon Chief Whip. Is there any seconder to the motion? Hon Makhurupetje, you are recognised.

MS MAKHURUPETJE

Nna, Makoma Makhurupetje, ke ema go thekga polelo ye e boletšwego ke Sefepikgolo sa African National Congress. Ke a leboga.

THE SPEAKER

Thank you, Hon Makhurupetje. Honourable Members, let us have a moment of silence in honour of those who departed.

[SILENCE]

May their souls rest in peace! Thank you very much.

Is there any other motion without notice in terms of House Rule 145? Hon Seshoka, you are recognised.

MR SESHOKA

Thank you, Hon Speaker. Greetings to the Leader of the Opposition, Hon Buthane, all MECs present here and honourable Members of the House.

EFF LIMPOPO WELCOMES HONEST CATEGORISATION AND CONFIRMATION THAT ANC IS CORRUPT BY CYRIL RAMAPHOSA (Motion without Notice)

I rise on behalf of the EFF to move a motion without notice that the House notes that:

- The EFF in Limpopo is delighted by the confirmatory letter by Cyril Ramaphosa confirming officially that the ANC is corrupt. The people of Limpopo will recall

how the ANC tried its best to mislead the public on the VBS saga. The characterisation of ANC as corrupt is correctly located by its leaders and their NEC members.

- In Limpopo, the public was misled that the ANC has dealt with and disciplined Mayors who were involved in the VBS money scheme. The fact is that all Mayors were removed from the public eye just like they tried in KwaZulu-Natal with Zandile Gumede hidden in the provincial Legislature. The same is happening here in Limpopo. There are a number of Mayors who were never touched or disciplined yet they took the public money to VBS.
- It is a known fact that all Mayors who took money to VBS benefited personally through some illegal commissions. Senior public officials must be aware of corrupt ANC politicians who use them as a vehicle to endorse wrongdoings against public money.
- Public servants are urged to resist any temptation to be part of looting schemes done by the ANC as confirmed by Cyril Ramaphosa. Ka Sepedi ba re seo ANC e se dirilego ke go re tšhela phori mahlong. Mahodu a ditšhelete tša setšhaba a fihlilwe ka mo Palamenteng. Corruption will never be defeated, because senior government officials learn from their political masters.
- The EFF government will increase, harness and enhance the efficiency and effectiveness of government institutions to prevent all forms of corruption.
- The EFF government will establish a state administration court to promptly respond to incidents of corruption with the aim of firing and blacklisting corrupt state employees and private companies in order to recover money lost due to corruption.
- The EFF government will introduce a minimum sentence of 20 years in prison for all public representatives and servants convicted of corruption.

I so move.

THE SPEAKER

Thank you, Hon Seshoka. Is there any seconder to the motion? Hon Buthane, you are recognised.

THE LEADER OF THE OPPOSITION

Thank you, Hon Speaker. I must say ever since you were nominated, elected and confirmed as the Speaker, I have never congratulated you. Therefore, let me take this opportunity to congratulate you. We wish you all the best. May God guide you through your journey.

THE SPEAKER

You are welcome.

THE LEADER OF THE OPPOSITION

I rise to second the motion as presented by Hon Seshoka.

THE SPEAKER

Thank you very much. We are still on item 2. Are there any further motions without notice in terms of House Rule 145? If they are not there, we shall move to item 3.

3. NOTICES OF MOTIONS

Are there any notices of motions in terms of House Rule 146? I don't see any hand.

4. MEMBERS' STATEMENTS

Are there any Members' Statements in terms of Rule 200? Hon Managa, you are recognised.

MS MANAGA

Ndo livhuwa Mulangadzulo Vho-Rosemarry Molapo. Ndumeliso kha Mudzulatshidulo, murangaphanda wa EFF kha Phalamennde ya Limpopo, Muhulisei Vho-Jossey Buthane. Nda, dovha hafhu nda lumelisa Mirado vhothe vha Phalamennde vha re hone kha Dzulo lino, na vhatu vhothe vho daho u vha na rihe kha lino Dzulo.

WATER SHORTAGE IN GAMAMABOLO WARD 30 (Members' Statement)

Hon Speaker, it is very sad that more than 20 years in the democratic dispensation the poor masses of our province are still suffering as they cannot access government basic services. The ANC does not have the capacity or the political will to provide services to the people, hence the poor continues to suffer in the hands of the ANC government. Ward 30 at GaMamabolo village only gets tiny drops of water once after two weeks. This includes water for cooking, washing clothes, bathing and other domestic use.

On the basis of these developments, we can therefore correctly say that the impression given to the people by the ANC government is that they only drink water, bath and wash their clothes after two weeks.

The ANC continues to ill-treat, disrespect and violate the constitutional right of our people of access to water and other basic services. We thought the new dispensation will bring a meaningful change to the lives of the people of Limpopo; little did we know that the people will be subjected to the worst treatment ever. The people of our province are being subjected to dehumanising living conditions and hatred of the highest magnitude.

The ANC government must tell us what the people did to them that they deserve such harsh punishment by the very government that preaches the message of care during elections.

Water is a basic necessity, and water is life, but the government continues to underscore this important fact and reality of life.

In conclusion, we call upon the MEC for CoGHSTA to investigate this matter and make immediate intervention on behalf of the people of GaMamabolo in ward 30.

I thank you.

THE SPEAKER

Thank you, Hon Managa. Are there any other Members' Statements in terms of Rule 200? Hon Mohlala, you are recognised.

MR MOHLALA

Thank you, Hon Speaker. Greetings to the House, MECs, Members of the Legislature and the Leader of the Opposition, Hon Jossey Buthane.

ANC COUNCILLORS IN EXTENSION 44 OUTSIDE POLOKWANE SELLING RDP HOUSES

(Members' Statement)

Hon Speaker, the houses that are meant to be provided to the poor people for free are now being sold by some ANC councillors. These councillors have found a way of making quick cash out of the houses that are meant to restore the dignity of our people. An ANC councillor by the name of Tebogo Mokwele of Ward 8, Extension 44 outside Polokwane sold an RDP house to a poor man for R45 000.00 and continues to sell them to the vulnerable and desperate people.

People are desperate because the ANC is not building them houses as the backlog continues to grow whilst fewer and fewer houses are being built. It has also come to our attention that it is not only this person who sells RDP houses, but also some of her comrades around the province are also engaged in similar criminal activities. The moral fibre within the ANC has long vanished and it only the poor that suffers the consequences of this decay. People are being sold RDP houses during the night when most of the people are sleeping because the act in itself is immoral. It is a shame that such criminality continues to find a place in society whilst unabated in defence and protection of the rights of the poor. The people are being sold what belongs to them and what is rightfully theirs. In simple terms, it is a daylight robbery.

We call upon the MEC for CoGHSTA to investigate this matter, and that the law must take its course. She can look very nice in orange overalls. Thank you.

THE SPEAKER

Thank you, Hon Mohlala. I just want to check before we continue, Hon Buthane, Hon Seshoka and Hon Managa, I notice that your hands are still up. I don't know if you are aware of that.

MR SESHOKA

My apology, Hon Speaker; it was just a mistake.

MS MANAGA

My apology too, Hon Speaker.

THE SPEAKER

Are there still Members' Statements in terms of Rule 200? If there is none, can I call upon the MECs to respond to the Members' Statements? If there is none, let's move to item 5.

5. EXECUTIVE STATEMENTS

Are there any Executive Statements in terms of Rule 201? There are none.

6. TABLING OF COMMITTEE REPORTS, OTHER REPORTS AND PAPERS

Are there any tabling of committee reports? There are none.

7. ORDERS OF THE DAY

Item 7.1: Consideration and Adoption of the reports of the Standing Committee on Public Accounts. I call upon the committee chairperson.

MR MITILENI

I, Wisani Goodman Mitileni, wish to table the report of the Standing Committee on Public Accounts on the report of the A-G on the financial statements and the performance information for Gateway Airports Authority Limited for the 2017/18 financial year for consideration and adoption. I so move.

THE SPEAKER

Thank you, Hon Mitileni. Is there any seconder? Hon Seono, you are recognised.

MS SEONO

Thank you very much, Hon Speaker. I, Mmaishibe Rebecca Seono, raise my hand to second the chairperson of Scopa, Hon Mitileni. Thank you very much.

THE SPEAKER

Thank you, Hon Seono. Chairperson, please proceed.

MR MITILENI

Thank you, Hon Speaker. I wish to present the report of the Auditor-General of South Africa on the financial statements and the performance information for Limpopo Gambling Board for the 2017/18 financial year. I so move.

THE SPEAKER

Thank you, Hon Mitileni. Is there any seconder? Hon Matlou, you are recognised.

MR MATLOU

Thank you very much, Hon Speaker. I, Leswafo Joshua Matlou, hereby second the presentation as done by Hon Mitileni. Thank you.

THE SPEAKER

Thank you, Hon Matlou. Honourable chairperson, you are recognised.

MR MITILENI

Thank you, Hon Speaker. I wish to present the report of the Auditor-General of South Africa on the financial statements and performance information for Roads Agency Limpopo for the 2017/18 financial year. I so move.

THE SPEAKER

Thank you very much. Hon Makhurupetje, you are recognised.

MS MAKHURUPETJE

Thank you, Hon Speaker. I stand here to second the motion by the chairperson of Scopa. Thank you.

THE SPEAKER

Thank you. Chairperson, you may continue.

MR MITILENI

Thank you, Hon Speaker. I, Wisani Goodman Mitileni, wish to present the report of the Auditor-General on the financial statements and performance information for Limpopo Economic Development Agency for the 2017/18 financial year. I so move.

THE SPEAKER

Thank you very much. Is there any seconder? Hon Phala, you are recognised.

ADV PHALA

Ke tlatša Modulasetulo ka pego yeo a e tlišitšego go Lekgotlatheramelao gore e dumelelwe ke Lekgotlatheramelao bjalo ka pego ya lona. Ke a leboga.

THE SPEAKER

Re a leboga, Mohlomphegi Phala. Chairperson, you may continue.

MR MITILENI

Thank you, Hon Speaker. I wish to present the report of the Auditor-General on the financial statements and performance audit of Limpopo Tourism Agency for the 2017/18 financial year. I so move.

THE SPEAKER

Thank you very much. Is there any seconder? Hon Radzilani, you are recognised.

MS RADZILANI

Thank you, Hon Speaker. I rise to second the presentation of the report by the chairperson of Scopa. Thank you.

THE SPEAKER

Thank you, Hon Radzilani. Honourable chairperson, over to you.

MR MITILENI

Hon Speaker, I wish to present the report of the Auditor-General on the financial statements and performance audit of Gateway Airports Authority Limited for the 2018/19 financial year. I so move.

THE SPEAKER

Thank you very much. I recognise Hon Aphiri.

MS APHIRI

Thank you, Hon Speaker. I, Mokgadi Johanna Aphiri, second the motion as presented by the chairperson of Scopa and the deputy chairperson of APAC. I thank you.

THE SPEAKER

Thank you. Honourable chair, over to you.

MR MITILENI

Hon Speaker, I, Wisani Goodman Mitileni, wish to present the report of the Auditor-General on the financial statements and the performance information of Limpopo Economic Development Agency for the 2018/19 financial year. I so move.

THE SPEAKER

Thank you very much. Is there any seconder? I recognise Hon Mahasela.

MS MAHASELA

Thank you, Hon Speaker. I, Mahlodi Caroline Mahasela, raise my hand to second the report presented by the chairperson of Scopa, Hon Mitileni. Thank you.

THE SPEAKER

Thank you very much. I call upon the honourable chair.

MR MITILENI

Hon Speaker, I wish to present the report of the Auditor-General on the financial statements and the performance information of Limpopo Gambling Board for the 2018/19 financial year. I so move.

THE SPEAKER

Thank you very much. Hon Selamolela, you are recognised.

MR SELAMOLELA

Thank you, Hon Speaker. I, Selelo Donald Selamolela, stand to second the report as tabled by the chair. Thank you.

THE LEADER OF THE OPPOSITION

Madam Speaker.

THE SPEAKER

Yes, Hon Buthane.

THE LEADER OF THE OPPOSITION

Kganthe le mo Zoom re apara dimaseke? [LAUGHTER]

MR SELAMOLELA

Ee, re a di apara.

THE SPEAKER

Honourable chair, can you please continue.

MR MITILENI

Let me present the report of the Auditor-General on the financial statements and the performance information of Limpopo Tourism Agency for the 2018/19 financial year. I so move.

THE SPEAKER

Thank you, honourable chairperson. Hon Selamolela and Hon Buthane, can you switch off your cameras please?

THE LEADER OF THE OPPOSITION

Re timile.

THE SPEAKER

Is there any seconder to the report on Limpopo Tourism Agency? Hon Monyamane, you are recognised.

MS MONYAMANE

Thank you, Hon Speaker. I, Sarah Monyamane, stand to second the report as presented by Hon Mitileni, the chairperson of Scopa. Thank you.

THE SPEAKER

Thank you. Hon Mitileni, over to you.

MR MITILENI

Manana Xipikara, hi ta va hi susumeta ra mahetelelo naswona ndza tshemba leswaku namutlha swi nge tisi ku hlanganahlangana.

I wish to present the report of the Auditor-General on the financial statements and the performance information of Roads Agency Limpopo for the 2018/19 financial year. I so move.

THE SPEAKER

Thank you, honourable chairperson. Is there any seconder to the move?

MR MATLOU

Thank you very much, Hon Speaker. I, Leswafo Joshua Matlou, hereby second the presentation as done by the chairperson of Scopa. Thank you, Hon Speaker.

THE SPEAKER

Thank you very much, Hon Matlou. We shall now refer to the Speakers' List. The first member on the Speakers' List is Hon Florence Radzilani

MS RADZILANI

Hon Speaker, Hon Premier, Members of the Executive Council, the Chief Whip of the ruling party, the Leader of the Opposition, chairperson of Scopa and Members of this august House, ndi matsheloni.

It should be noted that the African National Congress in this province was voted to power to fulfil the will of the people and ensure a better life for all. As we continue to deliver services to our people, we should ensure that we avoid shortcuts at all costs because failure to do that will compromise the good work the African National Congress government is doing to the people of Limpopo.

Hon Speaker, let me remind this august House that in the 2018/19 financial year, the Auditor-General embarked on a roadshow under the theme, “*Act now on the accountability.*” This is the message that the A-G puts across to oversight structures like Scopa to strengthen our oversight role in ensuring that the executive is held accountable. We remain worried and disturbed at the same time by the gaps that we identified during our financial oversight work when we were interacting with public entities.

I shall highlight some of the challenges bedevilling our state-owned entities. These include, but not limited to non-compliance with prescribed legislation, which impacted negatively on the performance of the public entities to deliver on their obligations; and failure to follow supply chain management processes, which resulted in unwanted irregular expenditure. For example, Roads Agency Limpopo is one of the top five contributors to irregular expenditure with the figures ranging from more than R1 million in 2016/17 to R270 million in 2017/18 and R945 million in 2018/19 financial years. Another entity which is continuously dragging down the general performance of the public entities is Great North Transport, a subsidiary of LEDA, which incurred irregular expenditure of R78 million in 2016/17, R22 million in 2017/18, and R94 million in 2018/19 financial years. The question we ask ourselves is: Where was the accounting authority and the management when all these non-compliances were happening?

Hon Speaker, we remain concerned as Scopa about the persistent non-compliance and the disregard of the supply chain management processes in these entities. We want to put it on record that the accounting authorities in all these entities should apply the relevant consequence management to address these unwanted expenditures. We took a resolution as Scopa that the chief executive officers will have to conduct investigations into the irregular expenditures incurred and any loss due to negligence.

The entities did not have adequate internal control systems in place in order to identify and record all irregular expenditures incurred and effective steps were not taken to prevent fruitless and wasteful expenditures. Fruitless expenditures are expenditures made in vain. These are expenditures that could have been avoided had reasonable care been taken. We also want to emphasise that the chief executive officers must investigate fruitless and wasteful expenditures and recover any financial loss due to negligence from responsible officials.

We further recommended that the executing authority take appropriate action against the accounting authority and responsible officials for failing to take effective steps to prevent fruitless and wasteful expenditures as required by section 51(1)(b)(ii) of the Public Finance Management Act. These unwanted expenditures are robbing the people of Limpopo of the services they should be receiving. We, therefore, want to see action taken and we will monitor that as Scopa. Financial statements not compiled in accordance with prescribed financial reporting is another challenge. This limits the Auditor-General from obtaining sufficient audit evidence on the number of issues.

It must be indicated that overall, the state of affairs in provincial entities is not pleasing. We have noted among others that LEDA is unable to generate sufficient revenue to sustain itself as a schedule 3(d) entity, while Great North Transport had almost collapsed as a result of poor governance and failure to appoint personnel with requisite skills to deal with expenditure and management issues amongst others. It, therefore, cannot be tolerated that issues raised by the A-G keep recurring year after year without consequences.

Our state-owned entities remain critical in enhancing the developmental agenda of the state. Therefore, fixing these entities will in a way assist in reinforcing the capacity of the state to deliver services and also to intervene in the economy and in the best interest of our people.

Let me now focus on the regression in the audit outcomes in relation to the public entities. With GAAL, we have noted with serious concern that the entity has regressed from an unqualified audit opinion with matters of emphasis in the 2016/17 financial year to qualified audit opinion in 2017/18 the financial year. GAAL has serious challenges which include, amongst others: poor governance with only an interim board in place; serious financial irregularities on supply chain management; lack of stability in senior management positions; and the threat to withdraw the operating license. They even tabled the annual report late, which is non-compliance to section 55(1) and (3) of the Public Finance Management Act. This is an entity that is operating without a legal unit and relies mainly on the Secretary who happens to have a legal qualification. Hon Speaker, the list is endless.

These are some of the reasons that have led to the stagnation in the audit outcomes where poor leadership and management are treated as a norm. There is a deliberate disregard of the prescribed legislation. During the public hearings, Scopa heard that R15 million of irregular expenditure was written off by the interim board and it was later revised by the A-G due to poor investigations. This is, but one of the many examples, to show the level of the rot within the entity where consequences management does not apply. It was further learnt that about R14 million cannot be accounted for and the then MEC made a commitment to make a follow-up on the matter.

It was further established during the public hearing that the former CFO, who also contributed to the collapse and non-functioning of the public entity is currently appointed in Greater Letaba Municipality, which is another sphere of government. As Scopa, we have agreed that the former CFO be called to account before the committee, a matter which will be followed up.

We further requested for a resuscitation plan and a turnaround plan by the board. We also recommended that the executing authority must take appropriate action against the accounting authority and responsible officials for failing to table an annual report in the House on the programmed date and for tabling the annual report of poor quality later on.

LEDA regressed in the audit outcomes from unqualified audit opinion in the 2017/18 financial year and during the 2018/19 financial year there was a stagnation in the entity. LEDA failed to fill the key vacant posts that were identified in the previous year.

As Scopa, we recommended that the Chief Executive Officer must develop a comprehensive audit plan in order to obtain a clean audit and that the Provincial Treasury must appoint a forensic investigation into supply chain management processes. The entity is expected ... [INTERJECTION]

THE SPEAKER

One minute remaining. Please conclude.

MS RADZILANI

In conclusion, Madam Speaker, let me indicate that the Limpopo Gambling Board regressed from an unqualified audit opinion with no matters of emphasis in the 2017/18 financial year. Since the regression, the entity has been stagnant. The

Limpopo Gambling Board is the only entity in the province that is able to generate revenue and as Scopa we want to commend the entity on that. In the process, we encourage the entity to improve on its governance matters so that it can achieve a clean audit. Thank you, Hon Speaker.

THE SPEAKER

Thank you, Hon Radzilani. Our next speaker is Hon Donald Selamolela. You are allocated ten minutes.

MR SELAMOLELA

Hon Speaker, Hon Premier, Members of the Executive Council of our esteemed province, chairperson of Scopa, Leader of the Opposition, Members of the august House, friends and compatriots, I greet you this morning in the name of economic growth, development and prosperity. This is, indeed, yet another important day on our calendar as lawmakers and the significance of the session of this nature cannot be overestimated.

Allow me, as part of the greetings, to congratulate the chairperson of our Standing Committee on Public Accounts on his election as the deputy chair of the Association of Public Accounts Committee in the country. In the same vein, congratulate also Cde Mokgadi Johanna Aphiri as a new member of the said executive.

We meet in this fashion today to discharge a responsibility of holding our provincial executive to account. This is a hallowed responsibility entrusted on our shoulders by the people in whose name we are today called Members of the Legislature. As you all know, the people who have sent us to this esteemed House with a tripartite mandate. Our first mandate is to make laws for our province. We are further mandated to facilitate the participation of the people in the process of governance and also ensuring oversight over the work of the provincial executive. This is exactly what we are doing today. The executive is expected to account for commissions and omissions in the execution of their legislative and common law responsibility. It is for this reason that we take the work of this committee seriously. When we accepted to become Members of this House, we took a solemn oath to be true at all times to our people and surely to put them at the centre of all our engagements and our work.

This, we did and continue doing, Hon Premier, with a clear understanding that in making the executive to account, we make a valuable contribution to the lives of our people. In holding you and the executive to account, we lubricate your service delivery machinery to become effective, efficient and responsive to the needs of our people. There is nothing we do in this House for ourselves. In our work we are always guided by the mantra 'everything for the people and nothing against the people'.

We have over a period of time in line with the relevant piece of legislation interrogated the reports from various entities of our state and interacted with all relevant people in relation to the said reports. Among other things, we are here to ensure that public resources are spent in a fair, equitable, transparent, competitive and cost-effective manner. Anything less than this test, which is codified in section 217 of our Constitution, our supreme law in the country, will be exposed and we will demand a corrective action. We will not massage any form of corruption, maladministration or any of the related tendencies.

As the committee, we are mostly worried about the situation at the Limpopo Economic Development Agency during the period under review. The committee has heard and considered the evidence that the Auditor-General was unable to obtain sufficient appropriate audit evidence regarding current liabilities of LEDA which had material cumulative effect on the total current liabilities. We have learned as a committee with concern the deferred income liability of R1,361 million as included in the disclosed balance of R99,645 million in the separate financial statements; trade and other payables of R3,806 million as included in the disclosed balance of R93,541 million in the separate financial statements. The Auditor-General was unable to determine whether any adjustments were necessary for the current total liabilities.

In this regard, as the committee, we recommended that the executing authority must take appropriate action against the accounting authority and responsible officials for failing to submit sufficient appropriate evidence regarding other current liabilities of LEDA which had material cumulative effect on the total current liabilities. We further recommended that the Chief Executive Officer must submit all sufficient appropriate audit evidence regarding the current liabilities of LEDA which had material effect on total current liabilities to the Auditor-General for special auditing.

On irregular expenditure of the said entity, we have also heard and considered evidence that the entity did not include irregular expenditure in the notes to the financial statements as required by section 55(2)(b)(i) of the Public Finance Management Act and this was due to the payments made in contravention of the supply chain management requirements. The committee has further noted that the entity did not have adequate internal control systems in place to identify and record all irregular expenditures.

The A-G was unable to determine the full extent of the understatement of irregular expenditure stated as R233,082 million for the year 2017/18 and R63,689 million for the year 2018/19 in the consolidated separated financial statements respectively. To this effect, as the committee we had noted this with great concern and recommended that the executing authority take appropriate action against the accounting authority and responsible officials for failing to include irregular expenditure in the notes to the financial statements as required by section 55(2)(b)(i) of the Public Finance

Management Act for making payments in contravention of the Supply Chain Management Act.

Hon Premier, of great concern to us as the committee is a matter relating to consequence management. We are worried that when things happen as per the picture alluded to, no one is made to take responsibility and the report provided has depicted this particular picture which is worrisome to all of us as committee members and as Members of this august House. This is worrying concern precisely because the only way we can turn the situation around in the entities like Limpopo Economic Development Agency is when everyone takes accountability for his/her omissions and/or commissions. The culture of impunity and lack of consequence management must be frowned upon by all of us and be uprooted. This is the culture that stands in direct antagonistic position against the ideal society that our people yearn to live in, a developmental society that will fulfil and meet the needs of our people; and not only the needs of our people, but also equally lay a base for the future generations.

On fruitless and wasteful expenditure, the committee has also heard and considered evidence that LEDA did not include irregular expenditure in the notes for the financial statements as required by section 55(2)(b) of the Public Finance Management Act and this was due to the very contravention of the said Act as alluded to earlier.

On material impairments, the committee has heard and considered evidence that material impairments to the tune of R171,249 million, R127,369 million, R132,973 million and R369,506 million respectively were made to loans from group to companies, other financial assets and trade and other receivables respectively as a result of loss incurred by subsidiaries or associates and this resulted in irrecoverable loans and debts. In this regard, the committee recommended that the Provincial Treasury must conduct investigations into loans and debts incurred by subsidiaries and associates and table a report in this august House when is readily available.

As the committee, we are worried about the developments in the Great North Transport as alluded to earlier. We have noted with great concern that the Great North Transport has collapsed as a result of lack of proper governance. We also note the continued failure to appoint personnel with the necessary required skills. It is our concern, Hon Speaker and Hon Premier, that the failure of Great North – for us to manage Great North and for Great North to collapse – has got a dire implication for the people of the province, particularly the facilitation of economic opportunities for our people in the province.

We have noted that there should be appointment of personnel to assist the entity to deal with, amongst other things: expenditure management, material underspending of the budget, and material mismanagement in the preparation of the financial statements, which is of a great concern for us as the committee members.

To this effect, we have recommended that the executing authority must take action against the accounting authority and the responsible officials for the collapse of Great North Transport. Furthermore, as the committee, we recommended that the executing authority must involve the law enforcement agencies to investigate possible collusion and corruption in the supply chain management.

In conclusion, our call to the Hon Premier, our call to the executive of this province can be summed up in one word and only one word which is: consequence management, consequence management, consequence management, Hon Speaker, until you say time up; consequence management, Hon Premier. I thank you very much.

THE SPEAKER

Thank you very much. Hon Smalle, it is your turn.

MR SMALLE

Thank you, Hon Speaker, Members of the Executive Council and members of the Scopa committee. Our public entities and their subsidiaries were established with the intention of stabilising the Limpopo economy, reducing the red tape and creating job opportunities to the 5,6 million people aspiring to build a life here in our home province. Investment has shrunk to a third and Limpopo has lost 40% of its SMMEs during the current year. To date these entities have failed our province; not only have they collapsed, but they have also established an attitude of greed, demanding more and more bailouts every month milking out a deficit of R2,5 billion at the expense of the people of Limpopo province.

Let me remind this House that this province was placed under administration during 2011 because of the deficit of R2 billion. Simply put, the leadership currently in management allowed our entities to collapse and the inability of this government to discuss the future of these entities and subsidiaries is something we must rectify urgently. GAAL, RAL, GNT, Limpopo Connexion are riddled with a smell of maladministration, incompetence and the inability to adhere to sound financial discipline, processes and legislation. About 25% of Scopa resolutions dealt with were clear disregard of processes, legislation and accountability. We still await the so-called revitalisation of the R100 million chicken abattoir in Lebowakgomo while 300 000 jobs are being lost, and companies and individuals are gearing up to loot out from Limpopo Connexion broadband telecommunication.

With reference to LEDA, we considered evidence that material impairments to the amount of R142 million, R171 million, R106 million respectively, were made loans to and from subsidiaries and associates, other financial assets, loans and receivables respectively as a result of the losses incurred by subsidiaries or associates and this resulted in irrecoverable loans and debts. Revenue is down and revenue collection is as low as 2% under the enterprise development finance unit.

RAL has collapsed as a result of lack of governance, failure to appoint personnel with requisite skills to deal with expenditure management and material underspending of the budget and material misstatements in the preparations of annual financial statements. Evidence that material uncertainty relating to financial sustainability indicates that the public entity incurred a deficit of R917 million in 2017 to R1,5 billion during the year ending 31 March 2018. As of today, the public entity's current liabilities exceed its current assets by R270 million and R298 million in 2017.

These are the types of incompetent decisions taken against the very same financial regulations that provide for transparency. The Limpopo Gambling Board is one of those subsidiaries that can become the sexy entity in the basket of LEDET. Due to the

inability to fill the key financial positions, it registered R405 000 irregular expenditure and therefore internal control collapsed and saw a clean audit eluding them.

The implementation of the Executive Committee decision to transfer the Limpopo Wildlife Resorts in the 2016/17 financial year, left LTA with the sole mandate of marketing the province as the tourist destination. This led to the financial statements due for submission for auditing not been prepared in accordance with the prescribed financial reporting framework as required by section 55(1)(b) of the PFMA.

Furthermore, the committee has also considered evidence that the accounting authority did not adequately review the financial statements and the annual performance report before submitting them for auditing, which resulted in the identification of a number of material misstatements. This resulted in the Limpopo Tourism Agency's audit outcome being stagnant on an unqualified audit opinion with matters of emphasis over the last two years. The R1,7 million fruitless and wasteful expenditure and the R2,5 million irregular expenditure would have gone unaccounted for if it wasn't for Scopa's oversight and guidance. This could be perceived as a weakness by the executing authority to appropriately monitor and evaluate the entity.

Our recommendations are that the executing authority must take appropriate actions against all relevant accounting authorities and responsible officials for submitting financial statements that were not prepared in accordance with the prescribed financial reporting frameworks and supported by full proper records as required by section 41(b) of the PFMA. Thank you, Hon Speaker.

THE SPEAKER

Thank you. Our next speaker is Hon Johanna Aphiri and you have ten minutes.

MS APHIRI

Thank you very much, Hon Speaker. As we debate the most critical agencies responsible for service delivery in this province, one could not ignore the state of the country's health in relation to COVID-19. While the Minister of Health assures us as South Africans that the storm is over, but it is in our hands to emerge victorious against this deadly virus.

We appreciate our ANC-led government for opening the economy and, of course, noting the gains we have made from level 5 to 3, including measures implemented. During this level 2 as we march to level 1, all participants in the economy, households, small businesses and firms shall commence with their activities as we adhere to the new normal.

The general performance of the public entities in this province is not pleasing. For example, LGB regressed from clean audit in the 2016/17 financial year to an unqualified audit opinion both in the 2017/18 and 2018/19 financial years. GAAL also regressed from an unqualified audit opinion with matters of emphasis in the 2016/17 financial year to a qualification in the 2017/18 and 2018/19 financial years. LTA and RAL have been stagnant on their audit outcomes of unqualified audit opinion with matters of emphasis since the 2016/17 to 2018/19 financial years, while LEDA remained on qualification since the 2016/17 to 2017/18 financial years.

Allow me to speak to the issues of material misstatements in the annual financial statements since they cut across all the topics, with special reference to GAAL. Scopa considered evidence that financial statements submitted by GAAL for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1)(b) of the PFMA. Furthermore, quarterly reports were not submitted to the executing authority as required by the Treasury Regulation 29.3.1.

GAAL's accounting authority failed to develop a mechanism of oversight and monitoring for early detection and prevention of cash flow and liquidity challenges experienced by this entity during the 2016/17 and 2018/19 financial years. This was evidenced by the net loss of R12,7 million in the 2017/18 and R11 million in the 2018/19 financial years respectively, and the poor financial health persisted in the 2018/19 financial year due to high debtors impairment with very low collection rate, amongst other things. The entity is currently on net current liability. The creditors, as a percentage of cash, is higher than its equivalents at the year end and the entity still reliant on equitable share whereas it is supposed to be self-sustainable.

As Scopa, we remain concerned about the sustainability of this public entity. We are asking ourselves as to what value is this entity adding to the general growth and development of the province. How much is government spending on this entity which is continuously operating at a loss. In the 2017/18 financial year, the entity's grant allocation was R47,5 million and in the 2018/19 financial year it was R53,4 million and this adds up to R100 million in two years. The provincial government spent over R100 million just in two years and the entity incurred a loss of R24 million. Hon Speaker, this is a disgrace to the masses of this province who have put their trust in our hands to monitor their purse. We want to urge our provincial government to move with speed when it addresses the challenges of GAAL in order to avoid further losses.

On the issue of governance and internal audit, GAAL is still taking the lead with poor governance. In 2018/19 financial year, the A-G reported the following as root causes of poor governance:

- The submission of the annual financial statements and performance report containing material misstatements highlighting the weakness in internal control over the processing, reconciliation and report of financial and performance information;
- No segregation of duties;
- Inadequate reviews by the audit committee and internal audit of the annual financial statements;
- Inadequate consequences for poor performance and supply chain management transgression.

Although LTA showed an improvement in its governance, the accounting authority should exercise oversight over the action plan to allow sufficient time for review of the implementation.

With regard to LGB, management reviewed the annual financial statements prior to the submission for audit. However, shortcoming in the internal control environment resulted in a number of misstatements identified on the annual financial statements. As Scopa, we want to encourage this entity to continue with governance and revenue generating methods. We will continue providing our financial oversight on this public entity since it has the potential of achieving a clean audit.

On LEDA, Scopa considered evidence that the executive officer did not exercise adequate oversight responsibilities over the preparation of financial statements, the report on predetermined objectives, compliance with laws and regulations and internal controls.

The committee has also considered evidence that the IT governance framework had been developed but not yet approved. The mitigation processes were not in place to address the entity's reliance on consultants and to guide the entity during the periods of change and unpredictability. The entity's internal audit did not adequately evaluate compliance with legislation. Scopa made the following recommendations:

- The executing authority must take appropriate action against the accounting authority and the responsible officials for failing to exercise adequate oversight responsibility over the preparation of the financial statements, the report on predetermined objectives, compliance with laws and regulations and internal controls.
- The executing authority must take proper action against the accounting authority and responsible officials for failing to put in place mitigating processes to address the entity's reliance on consultants and to guide the entity during periods of change and unpredictability.
- The Chief Executive Officer must approve the IT governance framework in order to allow the entity's IT division to operate optimally.
- The executing authority must brief the House on progress made every six months on the implementation of this resolution until this resolution is fully implemented with effect from 31 October this year.
- RAL's efforts to address the cash flow and liquidity challenges did not yield the desired results to minimise the public entity's exposure to cash flow risk and liquidity problems which led to ongoing concerns and financial viability difficulties.

The leadership of RAL did not always take prompt and adequate actions to address weaknesses in internal control, which resulted in non-compliance with applicable legislation and gave rise to irregular expenditure, which is an issue that I shall be addressing.

We remain concerned as Scopa that a public entity like RAL is continuously failing the people of Limpopo because its leadership is not performing according to its expected mandate. Procurement and contract management is a matter which concerns irregular expenditure. Irregular expenditure is expenditure which can be attributed to corruption since the official deliberately disregard the supply chain processes.

Although other public entities incurred irregular expenditure, I specifically focused on RAL, because this is an entity which has continuously failed to comply with the supply chain processes.

In conclusion, Madam Speaker, I would like to remind the House that we have been mandated and given authority by the Constitution of the Republic of South Africa to conduct the oversight function in terms of section 114(2)(a) and (b).

As Albert Einstein in his own words once said, "The world will not be destroyed by those who do evil, but by those who watch them without doing anything." We are therefore obliged as the financial oversight committee to continue monitoring the implementation of the House resolutions and holding the executive accountable in order to strengthen this democracy. I thank you.

THE SPEAKER

Thanks, Hon Aphiri. Hon Buthane, it is your turn now.

THE LEADER OF THE OPPOSITION

Thank you, Madam Speaker. The Premier in absentia, I must thank you and all Members of the House that at least today this House has agreed that the ANC government is corrupt. We presented a motion and it was seconded and no one objected to it. That means that the EFF was correct in that assertion. Thank you very much. We shall publicise it in a form of a media statement.

Madam Speaker, our entities in Limpopo have no hope given that in the last five years things are not improving, but rather getting worse. These entities are on a permanent bailout mode as they fail to generate income. They are not sustainable but depend entirely on government for their survival. The most confusing slogan of the ANC government is always making recommendations, which are never implemented as it will be difficult to have consequence management where political heads are involved.

It is worth noting that the rot and contamination start from the highest office in Limpopo, as it was seen with mining deal which involves the brother of the Premier. We must ask if the relative of the Premier did disclose the relationship between the two in the bid document; and upon mentioning that, what did the committee say or do about it. Was it the first time it was advertised? If not, how many times was it re-advertised and why did it get re-advertised? We need to further ask who were the competitors who showed interest and was there no one besides the relative of the Premier who could have gotten the tender? What has happened to other competitors?

The material uncertainty relating to financial sustainability of RAL should be of highest concern to this House. The last five financial years of the entity warrant swift action which is uncompromising. As a matter of fact, RAL incurred a deficit of R832,735 million in the 2017/18 financial year and R924,739 million during the year ended 31 March 2019. As of that date, the public entity's current liabilities amounting to R332,486 million exceeds its current assets of R208,884 million for the 2017/18 financial year. Why should we keep this entity because clearly it has collapsed.

RAL has not met its target in the last five financial years. Villages like Marowe are forever on the waiting list of communities whose roads were supposed to have been tarred long time ago. Despite having these roads budgeted for, RAL continues to promise communities what they can't deliver.

Record keeping is a foreign word in RAL. They may not know if they have met their targets as there is nothing which is kept to acceptable governance standards.

In the midst of this mess, the Premier refuses to deal with the chairperson of RAL Board and deliberately protects him, even if it means losing Hon Mochadi who advised him correctly on the mess in the entity. The question arises: If you are willing to lose your own comrade, your own deployee, for providing you with a genuine advice, what is it that you stand to benefit from those that are doing wrong? Why would you decide to keep a person doing the wrong things, but deal with the one doing the right things.

The protection of the chairperson of the RAL Board by the Premier is a clear indication that the Premier has no intention to deal with wrongdoers in this province. That is why seated in this House, there are people with cases of corruption known to him and he has never acted. We must declare as this House that the Premier is the promoter of corruption, the defender of corrupt people and the protector of people committing maladministration. It must be known that he is the punisher of those who do good.

We call upon the provincial government to place RAL and GAAL under administration and deal decisively with anybody who contributed to the collapse of the system at all levels where they can't even account to the A-G. GAAL continues to contravene financial systems and therefore time should not be wasted in intervening noting that their audit has regressed. GAAL incurred an irregular expenditure of R355,592 million as a result of the violation of supply chain management processes, worsening the financial situation of the already ailing entity.

We must get an updated report on the individuals and entities which were given support by this entity, and if there has been any asset disposed by LEDA. However, who ate with billionaire directors at GAAL? You will remember the billionaire saga in GAAL. Why does this matter continue to be swept under the carpet? All the evidence is there; all the reports are there; but still you can't get to the head and the tail of this billionaire animal at GAAL. Those who ate indeed must vomit and for the record LEDA incurred an irregular expenditure of R63,689 million which could have been used to deliver services to the people in order to change their lives for the better.

As I conclude, I would like to say that as an alternative, the EFF government will retain ownership of all state-owned companies and entities under the control of the state and ensure that they are all run and managed efficiently as it is stated in our manifesto. I thank you.

THE SPEAKER

Thank you, Hon Buthane. I now call upon the chairperson of Scopa, Hon Mitileni. Your 12 minutes starts now.

MR MITILENI

Hon Speaker, Hon Deputy Speaker, Members of the Executive Council, and honourable Members who are in attendance here, the success of the Asian Tigers in building successful developmental states was based on the strengths of the state-owned enterprises in those countries. Until the beginning of the 21st century, Japan was the second biggest economy due to the kind of interventions that they had put in place.

South Africa through the National Development Plan has taken a decision to build a capable developmental state, and therefore the role of the entities becomes critical. For us to realise that we must make sure that our entities are able to comply with the PFMA, the Companies Act, as well as the King Commission's recommendations.

The role of the entities becomes more critical given the triple challenges of unemployment, poverty and inequality where the majority of our people are struggling and therefore cannot be able to get the public goods on their own.

It is against this background that the Standing Committee on Public Accounts held the hearings with the entities for the two financial years under review. Out of the five entities, three of them are under the Department of Economic Development, Environment and Tourism whilst RAL and GAAL are under the Department of Public Works and the Department of Transport respectively.

The Public Finance Management Act places the accounting authority at the centre of financial accountability when it comes to the entities. In this respect, the standing committee got seriously disappointed that there is no executing authority who effected any consequence management on any of the accounting authorities that are involved. I shall, therefore, speak to each one of them in great details. The Limpopo Gambling Board regressed in terms of the audit outcome. It is the only one that has the potential to improve. It is the only one that continues to collect and generate some revenue. It is the only one with some stability at the level of the leadership. The fact that there is an irregular expenditure is taking that entity back. You will appreciate that with very few departments and entities with a clean audit here in the province, it becomes very critical that for an entity like the LGB to can get a clean audit and then help to improve the general performance of the province.

Hon Speaker, let me join the rest of the Members in expressing our disappointment in the manner in which GAAL is being run. That entity has almost collapsed. When we met with GAAL, they were been led by an interim board, and I guess the term of that board has lapsed by now. Even that board was not coming to present anything to us given the fact that there was nothing to can report to us. It was just towards the end of the term that some consequences were done on the top officials, but that could not change the state of affairs in terms of their financial accountability. Therefore, it becomes critical that the executing authority looks at the viability of the entity itself given the fact that GAAL is a schedule 3D kind of entity which was supposed to be able to run itself. We are making firm recommendations as the standing committee that within the next six months, there must be serious work that must be worked around the sustainability of the entity itself. Most importantly, we would expect that a permanent board is appointed and there are consequences on those that have led to the collapse of the entity on all manner of issues raised by the Auditor-General. I shall not repeat what the rest of the Members have raised.

On the Limpopo Economic Development Agency, which is also a schedule 3D kind of an entity, and one that is taking a lot from the fiscus, we are making a firm recommendation that the board must be able to start generating the requisite revenue. However, it is not able to do so when one of the subsidiaries in the form of the Great North Transport (GNT) is performing in the manner that it does. Equally, when the entity itself is faced with huge costs in the form of irregular expenditures, in the form of the fruitless and wasteful expenditures, we therefore would expect the executing authority to make sure that there are consequences on the accounting authority of this entity, and also to play an active role in trying to save GNT because the majority of our people stands to benefit from that. But from the engagement, there is no leadership in the entity itself. The fleet of the buses and so forth are quite problematic.

With regard to RAL, the rest of the Members have already mentioned that there are challenges of overcommitments and the redirecting of the conditional grants. All of these and many other issues that were raised sharply by the Auditor-General have led to the irregular expenditure which is close to a billion. I must indicate that this is the biggest amongst the entities and, therefore, somebody must take a fall or there must be ways of trying to recover all of those moneys.

Our duty, therefore, is to make sure that we help all of the entities to get back on track in making sure that their financial accountability is improved. As things stand, for as long as there is no action taken, particularly against the accounting authority because they failed to act on the appointed support staff, we do not see any possibility of any improvement, which will undermine the reason of the very existence of the entities in the manner that they do. That will also undermine the objective of building a developmental state.

We, therefore, wish to send a strong message similar to the rest of the Members that consequence management becomes a very critical feature in making sure that there is financial accountability.

On the schedule 3D agency, and I think I have mentioned both of them, we will expect the departments themselves to present concrete reports on how they are going to help the entities to get out of the crisis that they are finding themselves in. With all of the challenges that we are faced with in Limpopo, we cannot afford to continue funding entities that were supposed to be self-sufficient.

There is a great challenge especially in RAL around the contingent liabilities, most of which relates to the state of the roads and this is because the entity itself can no longer execute its mandate given the state of the challenges around the management of the finances. We are therefore saying that there must be ways of making sure that we improve the procurement.

We were looking at the two financial years and in all of the entities, there was no improvement from one financial year to the other in terms of the overall performance and in terms of dealing with many challenges. At the heart of this is the fact that even when people commit wrongdoings, there is nothing that is being done.

We, therefore, call upon the executing authority to act on those and we would be expecting reports in the House every six months. This is because the entities that are there are supposed to provide what is generally referred to as public goods. The public

goods are done by the state, because the market itself will not be able to serve the majority of the people in that given country. Therefore, the entities must be managed in line with all the prescripts in the manner that will seek to strengthen and make sure that the public goods are provided to our people ... [INTERJECTION]

THE SPEAKER

As you conclude.

MR MITILENI

Our duty would be to hold the executive accountable and we will do that with the greatest commitment. I thank you, Hon Speaker.

THE SPEAKER

Thank you, Hon Mitileni. The next item on the agenda is the comments by Members of the Executive Council. Before we call the Members of the Executive Council to comment on the debates made by the honourable Members, we wish to clearly state that we will programme a sitting to afford the Members of the Executive Council to provide progress reports with regard to the implementation of Scopa resolutions. The date of that Sitting will be communicated in advance.

We shall now call upon Members of the Executive Council to comment on the debates made by honourable Members if any. Hon Masemola, your hand is up. You are therefore recognised.

THE MEC FOR PUBLIC WORKS, ROADS AND INFRASTRUCTURE

Thank you very much, Hon Speaker and all the leadership of the Legislature in your various capacities. Hon Premier and Members of the Executive Council present, the Leader of the Opposition and the Chief Whip of the ruling party, thank you for affording me this opportunity to make a comment based on the debates that have ensued in this august House today relating to important observations made by honourable Members particularly on matters which affect my area of responsibility in the Department of Public Works, Roads and Infrastructure, particularly around matters of the entity of Roads Agency Limpopo. I can safely say, at the right time, I will be able to provide a detailed report with regard to those matters which have been alluded to. For now, I can just indicate that upon my arrival here in the department, we have done what I could say is an intense diagnostic analysis of the situation that relates to the actual work of the entity as well as the department. With specific reference to matters of the entity, we have been able to identify ten key areas of risks that require very close attention as part of the stabilisation plan that one has been able to conceive and therefore, share with the rest of the leadership administrative from the department including the leadership of the entity through the board. The stabilisation plan which we have developed talking to those ten key areas is very elaborate. I am quite certain that working together with them, looking at those matters which, I think some of them have been alluded to by honourable Members, are around matters that relate to the need to strengthen leadership provision. In that regard, we have just appointed additional members of the board to try to make sure that governance mandate and responsibility is undertaken with the understanding that there are policy parameters

and frameworks which relate to your King IV report which must be undertaken without any failure. We have agreed as part of stabilisation that continuous training and refresher courses as well as mentorship ought to be undertaken vigorously without any delay so that we continue to be compliant at that level of leadership. Part of those issues is to strengthen oversight as part of the risk identified of the department over the entity both at the level of the leadership and at the level of administrative interface between the department and the entity to make it easier and more possible to prevail over a number of areas of concerns raised by honourable Members as part of those key risks identified through the diagnostic analysis.

As part of dealing with those matters on key issues of conditionality, we have just taken a very firm decision that Provincial Road Maintenance Grant (PRMG), which is a conditional grant for roads maintenance, will no longer be utilised to provide new roads to communities in the province. It must actually be utilised to deal with issues of maintenance of the existing infrastructure although that matter will not necessarily without difficulties and challenges coming from communities. This is because the plans of rolling out the provision of new roads to a large extent previously was also based on the availability of that grant which could be stretched to also cater for that. Confining to the conditionality as articulated in the DoRA would not necessarily result in a comfort coming from communities and this, therefore, then takes us to another important key risk of stakeholder engagements, so that community uprisings on the need of roads and maintenance should be understood within that context.

It is one critical matter which we will be looking at going forward as part of the stabilisation process of engaging various stakeholders and communities and try to explain the state of affairs on how we are going to be working together with them for new roads amidst the serious financial constraints. Equally important, we will ensure that the PRMG is based and confined to actual maintenance of the existing infrastructure within the province. I am awaiting, as part of the stabilisation of the entity and, of course, going forward ensuring serious consequence management. I am awaiting an investigation report on the irregular expenditure incurred over a period of time under review, which honourable Members have alluded to. Once I get that report, and working together with the governance structure of the entity, of course, exercising my executive authority, I will have to act very seriously on whatever recommendations that will come out of that process. I am looking forward to that document so that we can be in a better position to take corrective and appropriative decisions that are in line with the stabilisation process of the entity, and also attending to the concerns which honourable Members have raised at this point in time.

Without necessarily going further, I can safely say those ten key risks we have identified, we will necessarily provide a feedback as expected both to Scopa and to the portfolio committee on how we intend stabilising the entity and ensuring that the entity is able to deal with its primary mandate. We will also ensure that we restore and continue to work together with communities of the province as we march forward in executing our primary mandate, namely: the provision of infrastructure as well as maintenance. I take note of all what has been said seriously, and, of course, we would provide the feedback and we really thank you for lifting those matters which would require our attention going forward. I thank you so much.

THE SPEAKER

Thank you very much, MEC Hon Masemola. I must reiterate that a Sitting will be scheduled to afford all of you for an opportunity to come and respond to all the issues. For now, I am only allowing the comments. Is there any other MEC who wants to comment? You are recognised MEC Hon Ramakhanya.

THE MEC FOR TRANSPORT AND COMMUNITY SAFETY

Thank you, Hon Speaker. Let me take this opportunity to greet you. I also greet the Hon Premier, my colleagues in the Executive and the honourable Members of the House. Let me also greet the chairperson of Scopa, Hon Mitileni, and add up on the congratulations to the new responsibility he has got in terms of the Association of Public Accounts Committee (APAC). Like you have indicated, I want to briefly comment by saying that we take note of all the reports that we are supposed to come back as a department and on behalf of our entity GAAL and do a presentation in the House. You will remember that there are lots of issues that the team has raised. There is a lot of progress. Criminal cases have been opened and we are working together with the police. Suffice to say that when we bring back the report, the House have to be comfortable that we have also moved in terms of the advert. We have noted, Hon Speaker, that historically all our boards in GAAL were just picking up names. One of the things that we have done now is to ensure that we emphasise in terms of qualifications for that type of a board. I just wanted to acknowledge that we were in the House, therefore, we will be ready with the reports as the day comes as you have indicated that you are going to inform us about the date in due course. Thank you very much, Hon Speaker, for the time afforded.

THE SPEAKER

Thank you very much. Honourable Members, is there anyone who wants to speak? I can't see any hand.

8. ANNOUNCEMENTS

Are there any announcements? It looks like we have covered all the main items for today's Sitting.

9. ADJOURNMENT

Honourable Members, this House is adjourned until further notice. Thank you.

[THE HOUSE IS ADJOURNED]