

LIST OF MEMBERS OF THE NATIONAL ASSEMBLY

SPEAKER

Dr T-B Gurirab (Mr)

DEPUTY SPEAKER AND CHAIRPERSON OF THE WHOLE HOUSE COMMITTEE

Ms D Sioka

THE CABINET

MINISTERS

(21 March 2005 – Elected in terms of Article 133 of the Constitution)

Mr N Angula	<i>(Prime Minister)</i>
Dr L Amathila (Ms)	<i>(Deputy Prime Minister)</i>
Dr N Tjiriange (Mr)	<i>(Minister without Portfolio)</i>
Dr A Kawana (Mr)	<i>(Presidential)</i>
Mr P Tsheehama	<i>(Safety and Security)</i>
Mr J Mutorwa	<i>(Youth, National Service, Sport and Culture)</i>
Dr N Iyambo (Mr)	<i>(Agriculture, Water and Forestry)</i>
Mr J Kaapanda	<i>(Works, Transport and Communication)</i>
Rev W Konjore (Mr)	<i>(Environment and Tourism)</i>
Ms S Kuugongelwa-Amadhila	<i>(Finance)</i>
Dr A Iyambo (Mr)	<i>(Fisheries and Marine Resources)</i>
Mr M Hausiku	<i>(Foreign Affairs)</i>
Mr R Kamwi	<i>(Health and Social Services)</i>
Ms R Nghidinwa	<i>(Home Affairs and Immigration)</i>
Mr N Mbumba	<i>(Education)</i>
Mr C Namoloh	<i>(Defence)</i>
Ms N Nandi-Ndaitwah	<i>(Information and Broadcasting)</i>
Ms P Ivula-Ithana	<i>(Justice and Attorney General)</i>
Mr A !Naruseb	<i>(Labour and Social Welfare)</i>
Mr J Ekandjo	<i>(Lands and Resettlement)</i>
Mr E Nghimtina	<i>(Mines and Energy)</i>
Mr J Pandeni	<i>(Regional and Local Government, Housing and Rural Development)</i>
Mr I Ngatjizeko	<i>(Trade and Industry)</i>
Ms M Mungunda	<i>(Gender Equality and Child Welfare)</i>

DEPUTY MINISTERS

(21 March 2005 – Elected in terms of Article 133 of the Constitution)

Mr G Shihepo	<i>(Safety and Security)</i>
Mr P Shifeta	<i>(Youth, National Service and Culture)</i>
Mr P Smit	<i>(Agriculture, Water and Forestry)</i>
Mr L Jooste	<i>(Environment and Tourism)</i>
Mr T Tweya	<i>(Finance)</i>
Ms L Lucas	<i>(Foreign Affairs)</i>
Ms P Haingura	<i>(Health and Social Services)</i>
Ms T Mushelenga	<i>(Home Affairs and Immigration)</i>
Dr R Ndjoze-Ojo (Ms)	<i>(Education)</i>
Mr V Simunja	<i>(Defence)</i>
Mr R Dinyando	<i>(Information and Broadcasting)</i>
Mr U Nujoma	<i>(Justice)</i>
Mr P Iilonga	<i>(Labour and Social Welfare)</i>
Mr I Katali	<i>(Lands and Resettlement)</i>
Mr K Kazenambo	<i>(Regional and Local Government, Housing and Rural Development)</i>
Mr B Esau	<i>(Trade and Industry)</i>
Ms Muharukua	<i>(Gender Equality and Child Welfare)</i>

SECRETARY

Ms I Wellman

DEPUTY SECRETARY

Mr F S Harker

LIST OF MEMBERS AND PARTIES WHICH THEY REPRESENT

CONGRESS OF DEMOCRATS (COD)

Ms E Dienda	
R K Gertze	
Mr T Gurirab	<i>(Deputy Whip)</i>
Ms N Schimming-Chase	<i>(Chief Whip)</i>
Mr B Ulenga	<i>(Party Leader)</i>

DTA OF NAMIBIA

Mr J De Waal	<i>(Chief Whip)</i>
Mr K Kaura	<i>(Party Leader)</i>

Mr P Moongo
Mr M Venaani *(Deputy Whip)*

MONITOR ACTION GROUP

Mr J Viljoen *(Chief Whip)*

**NATIONAL UNITY DEMOCRATIC ORGANISATION OF NAMIBIA
(NUDO)**

Mr A Mbai
Mr K Riruako *(Party Leader)*
Mr A Tjihuiko *(Chief Whip)*

REPUBLICAN PARTY

Mr H Mudge *(Chief Whip and Party Leader)*

SWAPO OF NAMIBIA

Mr B Amathila *(Government Chief Whip)*
Dr L Amathila (Ms) *(Deputy Prime Minister)*
Dr M Amweelo (Mr) *(Prime Minister)*
Mr N Angula
Dr S C Ankama (Mr)
Ms L Basson
Mr H Boois *(Deputy Chairperson of the Whole House
Committee)*
Ms H Christiaan
Mr Dinyando *(Deputy Minister)*
Mr J Ekandjo *(Minister)*
Mr B Esau *(Deputy Minister)*
Dr H Geingob (Mr) *(Speaker)*
Dr T-B Gurirab (Mr) *(Deputy Minister)*
Ms P Haingura
Mr H Hamutenya
Mr M Hausiku *(Minister)*
Mr P Iilonga *(Deputy Minister)*
Ms P Ivula-Ithana *(Minister)*
Dr A Iyambo (Mr) *(Minister)*
Dr N Iyambo (Mr) *(Minister)*
Mr L Jooste *(Deputy Minister)*
Mr J Kaapanda *(Minister)*
Mr Kaiyamo

Mr R Kamwi	<i>(Minister)</i>
Ms L Kasingo	
Mr I Katali	<i>(Deputy Minister)</i>
Dr A Kawana (Mr)	<i>(Minister)</i>
Mr K Kazenambo	<i>(Deputy Minister)</i>
Rev W Konjore (Mr)	<i>(Minister)</i>
Ms S Kuugongelwa – Amadhila	<i>(Minister)</i>
Ms L Lucas	<i>(Deputy Minister)</i>
Mr N Mbumba	<i>(Minister)</i>
Ms A Muharukua	<i>(Deputy Minister)</i>
Ms M Mungunda	<i>(Minister)</i>
Mr P Mushelenga	<i>(Assistant Whip)</i>
Ms T Mushelenga	<i>(Deputy Minister)</i>
Mr J Mutorwa	<i>(Minister)</i>
Mr T Nambahu	
Mr J Nambinga	
Mr A !Naruseb	<i>(Minister)</i>
Ms E !Nawases	
Mr I Ngatjizeko	<i>(Minister)</i>
Ms N Nandi-Ndaitwah	<i>(Minister)</i>
Ms R Nghidinwa	<i>(Minister)</i>
Mr E Nghimtina	<i>(Minister)</i>
Mr U Nujoma	<i>(Deputy Minister)</i>
Mr J Pandeni	<i>(Minister)</i>
Mr P Shifeta	<i>(Deputy Minister)</i>
Mr G Shihepo	<i>(Deputy Minister)</i>
Mr V Simunja	<i>(Deputy Minister)</i>
Ms D Sioka	<i>(Deputy Speaker)</i>
Dr N Tjiriange (Mr)	<i>(Minister)</i>
Mr P Tsheehama	<i>(Minister)</i>
Mr T Tweya	<i>(Deputy Minister)</i>
Mr R /Ui/o/oo	

UNITED DEMOCRATIC FRONT (UDF)

Mr J //Garöeb	<i>(Party Leader)</i>
Mr M Goreseb	
Ms G Tjombe	<i>(Chief Whip)</i>

**APPOINTED BY THE PRESIDENT IN TERMS OF ARTICLE 32(5)(c) OF
THE CONSTITUTION**

Mr R Diergaardt

Ms I Hoffmann

Ms A Manombe-Ncube

Mr C Namoloh

(Minister)

Dr R Ndjoze-Ojo (Ms)

(Deputy Minister)

Mr P Smit

(Deputy Minister)

**NATIONAL ASSEMBLY
ASSEMBLY CHAMBER
WINDHOEK
14 MARCH 2006**

The Assembly met pursuant to the adjournment.

HON SPEAKER: Took the Chair and read Prayers and the Affirmation.

HON SPEAKER: Any Petitions? Any Reports of Standing or Select Committees? Other Reports and Papers? Honourable Minister Mbumba.

**TABLING: REPORT OF EDUCATION
STATISTICS - 2003**

HON MINISTER OF EDUCATION: Honourable Speaker, I lay upon the Table, the Report of Education Statistics for the year 2003, Education Management Information System of the Ministry of Education.

I so Move Honourable Speaker.

HON SPEAKER: Will the Honourable Member please table the Report? Any further reports? Any Notices of Questions? Any Notices of Motions? Any Ministerial Statements? The Notice of a Motion is the one the Honourable Venaani. Does the Honourable Member Move the Motion?

**MOTION ON CURRENT POOR HEALTH ADMINISTRATION IN OUR
COUNTRY**

HON VENAANI: I Move the Motion.

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MOTION - POOR HEALTH ADMINISTRATION
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HON VENAANI: Thank you very much, Honourable Speaker, Honourable Members of this august House.

A fortnight ago I gave Notice to motivate a Motion on the poor health administration in our country Namibia, cognisant of the fact that the impact of a healthy citizens, is supreme for the advancement of human development.

A nation's healthiness remains paramount for the human survival of its citizenry, and currently we as a country give the second largest chunk of our national budget to our health sector. Thus there remains a critical need to examine the millions of dollars that we allocate to this very important sector of our society, to establish whether we get value for money.

Honourable Speaker, as a footnote, I shall motivate this debate in a non-partisan manner and further address the issue at hand with earnest and great understanding. I thus plead and request Honourable Members of this august House, to take this debate as a quest to improve the efficiency and administration of our health system in the country. I further urge the other side of the aisle, not to reject this Motion on the basis of only just defending, because it is government's business to defend its own policies, and to object to everything that minority parties express as their opinions, and later to bring this very important debate on another occasion to the very same House.

Honourable Speaker, for a period of close to two years, I have put in a special effort in closely monitoring with great interest, the performance and management of our health sector in our country. For the past few months of the year, I conducted my research to try to understand the mechanics of this complex ministry. Honourable Speaker, my interest was further greatly sparked, by the manner and fashion that my own late mother had endured and what my family and I had endured.

Honourable Speaker, I want to use this analogy and I crave for your indulgence and understanding. Perhaps my experience is lived out on a minute and hourly basis by many of our citizens as they confront the health centres within our country.

Honourable Members, during the year 2004, April 16, my late mother went to a State Hospital, being a State patient, complaining of dizziness and perhaps flu. She went and saw Dr X who diagnosed her of having just an ordinary flu, and got simple drugs to cure her flu. The following day she persistently complained of headache and an unstable body temperature. I took her to a private Dr Z who diagnosed her of just a severe flu, did all the blood tests and what was necessary to be done.

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The following days her condition just got worse and worse. I took her back to Dr Z who now ascertained her to have contracted a serious malaria condition after doing a second malaria blood test, and she was put in the intensive care unit and was in a coma, never to realise that I shall never again share a joke or a smile with her.

Her condition was not improving for four days and the doctor was contending that had we brought her on the 16th of April, the situation would have been better, currently the malaria was seriously advancing to her brain. My learned friend then never realised that indeed we brought her to the Hospital exactly the same day he was talking about.

Worst of all, Honourable Members, she was twice declared dead while she was alive; by the very same fellow who first, after a very brief check-up, diagnosed her with a flu. The first time the doctor called my father and declared her dead. When we came to the Hospital late evening, around 22:00, she was still breathing normally and when we called in the said doctor, he said that he was terribly sorry, he thought she was dead.

The second time the same fellow called me two days later in the morning, declaring how he did what he could and how sorry he was and that my mother had passed on. Can you imagine the agony and pain which a family has to go through because of one doctor who did not know what he was doing?

I had to call in a specialist who advised that my mother's condition was severe and that she was probably brain dead and nothing could have been done to save her. I further asked her to do a complete check-up and a second opinion to be doubly sure that she was in fact brain dead, but not actually dead as I was kept hostage by my learned friend at the Central State Hospital. The following day both opinions confirmed that, indeed, she was brain dead, and her condition was advancing drastically and that the dialysis that she was put on was not helping at all.

That day, Honourable colleagues, I had to do what shall be recorded in my life memoirs as one of the worst, if not the worst, days of my life to have given instructions for my mother's life to be terminated by stopping the equipment that was helping her breathing.

Honourable Speaker, a few months ago I would not have talked about this, as I constantly blamed myself for having done something wrong to have given an instruction to end a life of a loved one. But such is life.

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I do not hold any grudge with the said doctor who, for unknown reasons, did what he did as best as he could, but I blame the system that approves and allows such inefficiency to be allowed with impunity. I am sure that doctors do not determine a human being's life destiny, but yet can prevent certain conditions by diagnosing patients correctly. I am sure that the said doctor had ample opportunities in the world before calling me and my father about the late mother's condition, to have ascertained his facts correctly before he could make such an announcement to a family drained by a condition of a loved one.

Honourable Members, I am sure my experience is opening memories of many Parliamentarians who survived many mishaps of experiences at the hand of our medical practitioners.

Honourable Speaker, to come to the depth of my motivation and the issue at hand, I want to submit the following:

I am cognisant of the following material facts: That the Ministry of Health's budget has seen a decrease, in its funding since the late 1990's from 15% to close to 9 % currently. I am also further aware that it is not generally correct to assume that all medical practitioners and nursing staff are not doing their work properly, thus generalisation is avoided, but however, for the purpose of this Debate, the Motion seeks to raise the bottleneck areas within the health sector.

Honourable Members, the condition of the majority of our health centres, clinics and hospitals are overall very unhygienic, and many are in a poor condition throughout the country.

The health centres cannot afford to be allowed to be in the abovementioned conditions. They wish to treat patients who might be infected by germs and some of our centres are breeding habitats of cockroaches and other insects brought about by dirt and uncleanness.

Yes, one can accept the poor building structures because of funding, but for the building to be centres of cockroaches remain unacceptable now and forever.

The condition, which the nurses' quarters are in today, represent a negative picture to the existence of any administration that attempts to keep up and control untidiness at these centres. The Nursing Quarters in Windhoek seem to be the main culprits.

Some Hospitals have no hot running water and patients must use cold water to bath themselves, because of the lack of hot water. At instances the geysers are not fixed

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and the Ministry does nothing. All they do is to claim that the Ministry of Works is expected to fix them.

Some rooms and wards have no lights; even the theatre of the Central Hospital at one point in last year for many days did not have a bulb. Even that was expected to be fixed by Works.

The question arises: *“How does one run an emergency agency such as health and await such petty services from another Ministry to deal with these problems?”*

I have further realised that the contribution of uncleanness primarily lies with the lack of management, managing the cleaners and secondary, on the current cleaners' insubordination of one another during the conduct of their work.

The culture of cleaners, generally, found during my research, is to avoid doing work during normal working hours in the week, thus allowing much of their work to pile up and coming in on weekends to claim overtime on work deliberately not done during the weekdays. The current culture of reporting their superiors when they attempt to tell them to do their work is prevalent amongst the cleaning staff complement. The situation seems heavily prevalent in the southern town of Karasburg in the Karas Region.

I recently visited the Central Hospital's maternity wards, just to find mothers and their babies in their wards with doors wide open and the grass outside reaching up to their beds, wondering how doors could be open while mosquitoes are travelling on highway one, getting hold of mothers and babies. The question is: *Who was responsible to cut the grass and why are there no mosquito nets at the door, protecting the babies and their mothers from malaria?*

It is further surprising to see that in general all beds in hospital facilities need an overhaul and at instances, quick fix to get them in working condition, yet there is a department within the Ministry, called a workshop, manned by workmen and handymen to spray and re-spray iron beds in hospitals. It is unknown that 75% of beds throughout the country need a re-spray and nothing is done to that effect. Where does the problem lie? I contend management.

Honourable Speaker, an inherent problem of bedding materials going missing and to be in short supply in our Health Centres exists. Our research concluded that many of the bed sheets and linen, besides being taken to homes illegally, are simply being destroyed because of cleaners avoiding to clean them. They simply burn them or dump them in the refuse. Honourable Members, what I am about to

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explain might seem very unnecessary, but imagine how many thousands of dollars go to waste because of laziness.

During the Pre-independence period and briefly in the early years of our Independence, nurses in wards had a responsibility of cleaning bed sheets dirtied by human faeces or whatever dirt, firstly with spraying them off and then to send the sheets to the laundry for them to be cleaned and ironed. Currently the situation in our main health centres are that this practice has ceased to exist and the laundry staff, realising that the sheets were not sprayed off earlier, send them to the dump.

The next worrisome burning issue that needs serious review is the catering services in our hospitals. Many nurses claimed that they ordered food for their patients according to prescribed dietary requirements, but many caterers would bring the same food for all patients in a ward, whereas their dietary requirements do not conform with the food available and then patients, in many instances, are forced to consume what they in fact should not consume according to their dietary requirements.

We also noticed serious pilferage of food being stolen from the kitchens. Some patients generally complain of meals arriving late. Instead of having lunch at 12:30, you would receive your food at 17:00, a situation that reflects badly on our health administration. This situation must receive urgent attention and tender specifications and conditions must be monitored to ensure that approved caterers conform to the agreed specifications.

Honourable Members, we as a country fail the Nation if all our policies are carved out and are in place, and yet implementation thereof leaves much to be desired. Just as an example, Honourable Speaker, a particular ambulance driver at a certain village we did a spot check on, knows exactly that according to the Ministry's transport policy, the key of any ambulance must be in the hands of a transport officer, but yet this ambulance driver was caught out, having taken his wife to church with an ambulance and patients were waiting for an ambulance urgently. These are some of the impediments that our citizens and patients have to confront on a daily basis.

I briefly want to take the attention of this august House on the long waiting time of patients at our health centres and hospitals. The legal language experts would argue, "*justice delayed is justice denied*". However, medical practitioners, from a layman's language would argue, "*treatment delayed is death process accelerated.*"

Our citizens experience an inherent problem at our State hospitals of waiting long hours because of a variety of reasons, and mostly as they are referred by nurses from

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clinics to see doctors at the State hospitals. Our research conducted revealed that at an average day at the Katutura and Oshakati State hospitals, a patient waits close to five hours and longer in the queue, and mostly without getting any help or referred to another day, to spend more or less the same period the next day in queues in order to see a doctor.

We further established that by 10:00 in the morning, all doctors in the two hospitals would generally have completed their rounds in their wards and would be heading to their private practice commitments. Thus we contend that we further established that there is a serious under-utilisation of State doctors in our country. The current State contracted specialists are exceptions to the rule, since they are a small group of experts that further need private practice.

In the early days State doctors that were allowed to have a private practice were those who were specialists in certain medical fields. Currently nearly every general practitioner who works for the State has a private practice, a situation that seriously affects State patients, since these general practitioners pay more attention to their private practice where they gain more in monetary terms, further crippling the doctor-patient ratio in the country.

Critical solutions and remedies should be found to address these eminent problems.

Honourable Speaker, Honourable Members, a language barrier is further experienced with some Cuban doctors that are in our country, a problem that needs serious and urgent attention of this House. Instances were recorded at Grootfontein where a doctor and a patient failed on two occasions to explain and diagnose the problem, and no particular translator of a language group was available, resulting in the doctor and the patient not understanding what the problem was.

A further serious problem is that many medical systems around the world, and Cuba is not an exception, allow their medical doctors to specialise earlier in certain things before qualifying as general practitioners and thus know and comprehend little of general practitioners' work. So it is not always automatic that if you are a qualified doctor, you can do a general practitioner's work. Therefore, many Cuban doctors that are in the country have claimed to be specialists in certain things and they are given work that they did not study for. They do not complain about the low incentives that they receive from the government and I believe that these colleagues of ours are doing a very great job for our country and our people, and perhaps we as a country should negotiate new incentives as a country to try and make their work and experience in Namibia a liveable one. Furthermore, the evident departure of professional nurses from a country is a clear frustration of our frontline staff's unhappiness with the

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working conditions and management frustrations that exist within our Health Ministry.

The bringing in of Kenyan nurses, announced by the Minister of Health recently, is a commendable effort, but does not entirely address the root problems that affect our nursing profession.

We further realised that even if we argue that the salary scales of our nursing professionals are compatible in the Region, the profession needs a boost of some kind, to retain the hardworking nurses who really stick their heads out for others in need in our country.

We notice a strange behaviour of certain nurses, especially those doing night shift, some of them taking blankets and sleeping gowns to work, for them to take a nap at night, a behaviour that remain low for the work ethics of the profession.

Honourable Speaker, the further truth that we discovered is that close to 23% of our nursing staff complement, might not really be qualified nurses, and in my opinion are rather bogus nurses who abused the system at the advent of Independence. Some who came from abroad as persons who underwent first aid training and some in the country who were mere assistants in the hospitals, got hold of legal certificates through illegal channels, some as comrades and others as friend of a friend who knew a great friend.

Thus great emphasis should be put on in-service training to be able to transform this group of nurses into a competent staff complement and that further review on the job performance must be conducted to measure the nurses' output.

Honourable Speaker, a great bottleneck with the current set-up is the availability of medicine and drugs at various clinics and hospitals in our country. Overall there seems to exist a free-flow channel in acquiring needed drugs from our suppliers, mainly from Egypt, South Africa and India.

The Central Medical Stores seem to dispatch enough drugs to regional centres, if you look at the ratio, however these distribution points seem to fail, either through negligence or to duly transport and dispatch these needed drugs to clinics and health centres in the country. We had the same situation with the rotten food that we have seen throughout the country.

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The Ministry requires these distribution centres to have a surplus or what is known as “*buffer stock*” only for three months, but we further realised that some distribution centres keep stock for more than six months, which delays and denies thousands of our citizenry receiving the needed drugs. This again poses a central question of management. Strong and tight monitoring systems of acquisition of drugs should be put in place through tenders, and tenders should be monitored to lay the fear of corruption and foul play to rest in the Ministry.

The further shocking reality is that half of our patients in our hospitals are suffering from the HIV/AIDS pandemic, and the challenges of rolling out Neverapine and anti-retroviral drugs to all Regions remain urgent. We are cognisant of the safety measures needed to roll out this programme, but delay would underpin our failure in curbing the HIV/AIDS pandemic.

The burden of close to one thousand new persons a month that want ARV treatment and the continuous prevention of mother-to-child transmission present them as serious challenges for the country, and funds seem to be in short supply if all that need these urgent services join the programme. Therefore, further engagements with the donor community should be pursued, and negotiations especially with the Americans, should be launched without delay. I am reliably informed that the Americans only allow drugs that are approved by their Medicine Authorising Authority with brand names, but may not be generic, but this would set a negative pace and we need to explain to our American counterparts, that they need to allow funds to acquire needed treatment elsewhere, so that our citizens can be helped.

Honourable Members, the lack of a contingency plan, to cater for patients suffering of uncommon severe diseases is a matter of great concern. Patients are left at the mercy of the general public to raise money to undergo much needed treatment. Thus it remains unacceptable that the State diverts its commitment to ordinary citizens. We are seeing this now and then whether it is the Kamutjemo child, raising thousands of dollars to undergo surgery or treatment either in Cape Town, Kenya or abroad like Baby Sinvula. As a Ministry, as a country, we should be able to have money somewhere to try to help our citizens that need this urgent treatment.

Mr Speaker Sir, by and large, the Ministry of Health, in my opinion, is the worst run Ministry in terms of service delivery to the citizens of this country. It is my submission that although the Ministry has scientific operations, its challenges are not scientific but pure moral challenges, challenges of leadership, management, control, supervision and execution.

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The situation of crisis lies squarely with management. To further justify my claim is that currently our Health Ministry subsidises many Catholic hospitals and other private hospitals in the country, yet these hospitals that are subsidised by our own money are better run than our own State hospitals. They do not have shortage of linen, they do not have shortages of doctors, they are just better run and it is because they have better management at their disposal.

It must be said that even some of our health centres are places to be proud of and are run better than others and one exception that I realised was our health centre at Usakos and also Walvis Bay. When you enter that place, you see that somebody is in control. It is clean, people care for one another, patients are treated. They also have problems, but the management that exists there has proven that there are people who have taken control.

I, therefore, call upon the Ministry's top management and middle management *to convene a round table retreat to address pertinent bottlenecks in the health sector in depth*. Further, the Minister should institute a performance audit of all management staff and monitor it on a monthly basis.

The Ministry should seek for ways to address the following:

- Save our staff from leaving our clinics;
- Agree on a human resource plan;
- Review remuneration of nurses;
- Urgently upgrade the infrastructure at certain institutions;
- Sharpen the primary health care skills of general practitioners in the private sector and encourage them to work on a seasonal basis in the rural areas;
- Intensify the training of HIV/AIDS at primary health care level where staff are not competent to deal with the epidemic amongst many.

Reform the culture of still managing in the old ways. Global best practices have proved beyond a shadow of doubt, that business public sector operating in this outmoded, highly centralised fashion is bound to fail. Hospital managers cannot order as much as toilet paper without jumping through complicated bureaucratic procedures and a multitude decisions taken by other officials who have nothing to do with the running of the health set-up.

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Honourable Speaker, I found in the Rules of the Public Service Commission Act that it is a must for someone, if you want to be a Permanent Secretary, head of the administration of the health sector in this country, that you need to be a medical doctor. Currently the whole world has proven that to be able to run a health sector, you need a qualified manager, an MBA graduate who will be able to manage the affairs of the hospital just like a business. I therefore do not agree with such provision, saying he or she must be a doctor to be able to manage hospitals in this country.

In conclusion Honourable Speaker, the time is now for our Ministers, and this is a challenge, to move away from being relegated by their own officials, just to become heads of opening workshops, addressing workshops and clinics all over this country. We want Ministers that really coordinate activities of Ministries. We are seeing an inherent problem in this country, where certain Permanent Secretaries have entrenched themselves. (Interjection)

RT HON PRIME MINISTER: Talk about health.

HON VENAANI: It is a very important issue, Honourable Prime Minister. They have entrenched themselves as politicians in certain Ministries and the Minister is only there to go and open this workshop, he has no say and control within the running of the affairs of a certain Ministry. I want our Ministers to rise beyond this level and to take control of running our Ministries.

Honourable Speaker, in conclusion, the high charges charged by private practitioners on government medical aid schemes is a matter of great concern, and safety nets should be implemented to stop the high abuse which costs the State thousands of dollars. Attempts should be made for customers to be assured that they receive value for money. These bloat accounts and our medical aid, just because we are not required to pay immediately, is a matter of great concern and perhaps when the Minister of Health responds, I want him to try to address the issue of how to curb these bloated charges by private practitioners to our medical aid. When you go for treatment, you are doubly charged because you are not paying automatically. You just pay N\$20, but when you see the bill, you were never even close to the hospital, but you are double charged and I am sure this should be draining a lot of money from the coffers of this very important Ministry.

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Honourable Speaker, with these few remarks, I submit my Motion for Debate and I rest my case. I thank you.

HON KAURA: Honourable Speaker, I would like to adjourn the Debate to next week, Wednesday.

HON SPEAKER: I am dragging my feet deliberately because there are consultations between the Prime Minister and the line Minister. Honourable Prime Minister I was saying, that I was dragging my feet, seeing that the Prime Minister was being consulted by the line Minister. But the proposal is that the Debate on this Motion stands adjourned until next week, Wednesday. Any objection? The Debate on this Motion stands adjourned until Wednesday, next week. The Secretary will read the First Order of the Day.

**RESUMPTION OF DEBATE ON THE UNSATISFACTORY STATE OF
AFFAIRS AND LACK OF AFFIRMATIVE ACTION IN BOTH THE PUBLIC
SERVICE AND PRIVATE SECTOR.**

HON SPEAKER: When this Debate was adjourned on Thursday, 9 March 2006, the Question before the Assembly was a Motion by Honourable Ulenga. The Honourable Minister of Finance adjourned the debate and I now give the floor to the Honourable Minister.

HON MINISTER OF FINANCE: Honourable Speaker, Honourable Members of the House, I thank you for this opportunity to also share my thoughts about affirmative action and the situation of the implementation of the Act in our country.

When the Honourable Members who authored our Supreme Law decided to provide in that law for the affirmation of those of our citizens who have been marginalised by the apartheid policies of discrimination, it is because they were convinced that unless we redress the effects of the dark past of our country, our country may not fully realise complete freedom and independence.

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Unfortunately, it would seem that some Namibians have not fully bought into this important policy, and they take every opportunity to discredit the principle of this important policy, which is the Affirmative Action Act.

The unfortunate consequences of this attitude is that the Namibian public may be discouraged to support this important policy, with the result that our country may continue to experience the negative effects of its ugly past for many years into the future, with all the negative consequences attendant thereto.

It is more worrisome when the negative attitude towards the policy is displayed by persons who occupy leadership positions in our society, such as Members of Parliament.

Some colleagues seem anxious to have the Affirmative Action Policy phased out, and are uninterested in whether or not the transformation that we were seeking to achieve with it was achieved or not.

Of course, such persons justify this with allegations of political favouritism in the implementation of the policy. I am not convinced by this argument. Our Public Service reflects the political diversity of our country. As for the private sector and the non-governmental organisation sector, these have their own recruitment policies that are unrelated and by no means influenced by the policies of government and any political party. Some Honourable Members who cast these aspersions are themselves beneficiaries of the affirmative action, and others are former employees of the State under its general employment scheme, never mind the fact that they have never been members of the Ruling Party.

The allegations that public sector employment is a privilege reserved for SWAPO members or any specific ethnic group is therefore false.

It is equally wrong and self-defeating to argue or in any way imply that persons employed on the basis of affirmative action, are generally un- or under-qualified and are therefore unsuitable for the positions into which they are employed.

Our society is replete with examples of previously disadvantaged persons who have distinguished themselves as outstanding performers in their various areas of endeavours.

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Within the public sector itself, although we would all agree that capacity building remains a pressing challenge, we cannot overlook the tremendous achievements made that have resulted in the level of development, that Namibia has achieved since independence. Many of these people who are the driving force behind these successes, are people who, but for this deliberate effort to integrate them through affirmative action, would probably be on the margins of socio-economic activities in this country, because of the biases that continue to linger on in our labour market and in society as a whole.

The current status of affirmative action of the previously disadvantaged persons, could well be a reflection of this general negativity towards the Affirmative Action Policy, especially given the dichotomy in our economy and the divisions between Labour and Capital, which follow racial lines for the most part.

It would thus make sense to ensure that the law provides for adequate enforcement mechanisms, otherwise the Act could remain but an addition to our body of laws.

It would also be necessary that we get a deeper insight into the reasons for the current status of implementation of this important framework. That is why I applaud the review that was conducted on progress with the implementation of the Act. We should conduct a similar review on causes and generate recommendations on how to improve the situation.

It is obvious that training and skills development is a critical aspect of affirming persons, and it is sad that some employers prefer to import labour than to train their own staff.

We could consider to limit the timeframe that an employer may be allowed to rely on expatriate employees every time a work permit is issued and require employers to indicate in concrete terms how the situation that gave rise to the need to import labour will be addressed during the tenure of office of the expatriate workers, and also to have practical counterpart arrangements to ensure skills transfer.

The time has also come for us to implement a training levy, so that all employers can make equitable contributions to the development of skills, which we all benefit from. This may enable us to significantly improve the skills levels and by so doing, boost empowerment efforts.

Finally, we should continue to learn from the experiences of those who have achieved great success with affirmative action. I know, for example, that many people of African descent in the United States of America, managed to achieve excellence in

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various areas as a result of opportunities created by affirmative action, and many more could have done likewise if granted the same opportunity. Unfortunately, that policy seems to have been scrapped in the USA, but its positive effects on African American communities will remain visible and a demonstration of how much we can also achieve with the policy here.

With these few remarks, Honourable Speaker, Honourable Members, I want to share my support for the referral of the Motion to a Committee.

I hope the public will actively participate in the discussions on this Motion and propose practical and objective ideas for strengthening the implementation and the realisation of the objectives of the Act.

Finally, I wish to congratulate those beneficiaries who have made optimal use of the opportunities created by the Act to improve both themselves and contribute to the welfare of their individual institutions and our country in general.

Similarly, I salute those employers who have boldly and genuinely embraced the policy and made the best of it. Namibia will be a better place with more people like them. I congratulate all of them and I urge them to continue to be an example for others.

I thank you.

HON MINISTER OF JUSTICE AND ATTORNEY GENERAL: Comrade Speaker, if there is nobody who would like to take the floor on the issue, I am seeking the indulgence of the House, since I am going to be away, to adjourn this debate until the 29th of this month.

HON SPEAKER: The consideration of this Motion stands adjourned until 29th March 2006. Any objections? So decided. The Secretary will read the Second Order of the Day.

**DEBATE ON THE DISASTER CAUSED BY FLOODS IN THE NORTH AND
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HON SPEAKER: When this Debate was adjourned on Thursday, 9th March 2006, the Question before the Assembly was a Motion by the Honourable Mudge. The Honourable Dr Tjiriange adjourned the debate and I now give him the floor.

HON MINISTER WITHOUT PORTFOLIO: Comrade Speaker, I would like to ask your indulgence that I would like to speak after the line Minister has spoken, that is Comrade Nickey Iyambo. I will speak immediately after him. I just want him to speak before me.

HON SPEAKER: Yes, I received communication that the Minister wants to deliver his contribution through a Ministerial statement, but he did not arrive in the House before we moved on to the Order Paper prepared for the day. But if the Minister is now in a position to do so, I give him the floor.

HON MINISTER OF AGRICULTURE, WATER AND FORESTRY: Thank you very much, Honourable Speaker, Honourable Members.

The floods that occurred at Mariental from 24 to 26 February 2006 made headlines in the last three weeks or so. There has been wide coverage in both electronic and printed media. A number of people and organisation have also commented on the subject matter. Currently there is a Motion by Honourable Mudge on the floor of this House. In my capacity as the Minister responsible for water, I felt it imperative that I give some historical facts about occurrences of floods in the town of Mariental. I will do so, being aware of the fact that people have speculated about what could have been done, to prevent the floods. My reason for making this statement and in taking part in the Motion on the floor, is not to point a finger at anybody, but rather to point out why such a flood could not have been prevented, under the conditions and circumstances prevailing at the time and to inform Honourable Members of the National Assembly and members of the public at large. I also want to inform you on the steps being taken by the Government in response to the floods at Mariental.

It is important to point out some historical facts about flooding in Mariental.

In 1923, 1934, 1949, 1950, 1956 and so on, floods occurred with an intensity of 1 990 m³ per second and flooded the town up to window height on the 1st Street of

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Mariental. On 7 November 1956, the Townships Board requested permission to develop west of the railway line, but the then Director of Works responded that the area west of 1st Street is not suitable for development, because it is prone to floods.

On 5th December 1961, the dam was under construction and at that time the Townships Board again requested permission to develop Erf 347. It is a large erf, but on the 15th of December 1961 the Director of Works responded that the designed flood outlet of the dam was above 6 000 cubic metres of water per second and that no development other than for agricultural purposes should take place west of the railway line. A footnote was written that another Klein Windhoek disaster should be avoided, because infrastructure was washed away in Klein Windhoek in 1933. On the 16th November 1963 the Hardap Dam was completed and inaugurated. On 23rd July 1965, in response to a further request from the Division Local Government to develop Erf 347, the Director of Water Affairs wrote to the local government and referred to a letter dated 11 April 1959 from the Township's Board to the Chief Executive Officer of Mariental in which the Board said that Erf 347 (large Erf between railway line and road) is a subject of possible flooding and it must not be developed. The Administrator of South West Africa then, wrote a footnote that no subdivision of land would be allowed west of the railway line, and that no relaxation to the conditions for development in that area would be entertained.

In both 1972 and 1991, it was reported, that Mr Selck addressed an audience in Mariental, and informed them that: *"the surface beds of both the Fish and Aub rivers had risen due to the growth of reeds in them. The slow rise in the elevation of the riverbed level as the root system of the reeds gradually silted up. Therefore poisoning the reeds was not the solution, since it did not kill the roots of the reeds, and the chemical used to do so are detrimental on other plants in the surrounding areas and in the farming plots and thus can harm the maize and wheat fields."*

I am not mentioning these things as an effort to blame those who approved or constructed buildings or houses in an area, which should not have been built at all. It is rather to reflect on what had happened in the past.

The safety of operation of the Dam of Mariental

Dam safety may never be compromised, because the dam is irreplaceable and the town of Mariental will be wiped off the map if the dam breaks.

Maintaining the level of the dam at $\pm 80\%$ is necessary to ensure an adequate supply of irrigation water for at least 2 years if, even if it does not rain.

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Maintaining the dam at a lower level will not help if floods like the one that happened in 2000 or the one in 2006 occur. When Namwater was established in 1997, the then Department of Water Affairs retained field personnel, in order to assist Namwater with monitoring actions.

Gated Dam Flood Management Meetings were held every year in the month of November, to ensure operational safety and readiness.

Annual Flood Control and Information Management Meetings were held in December to mobilise civil defence structures, and the Town Council and farming community. Those meetings were also held this year.

The infrastructure on the dam wall was improved, to facilitate efficient operation of personnel.

Namwater developed a Flood Management Strategy with an Operation Manual, containing detailed procedures for flood management.

After the flood in 2000, Telemetry Data Recording and Transmitting Equipment was installed in the part of the catchment area, and could give an indication of the amount of water coming from the near catchment area, and flowing into the dam itself. For the rest of the catchment far away from the dam, information is collected from the farmers.

Farmers in the catchment area are equipped with 2-way radios, to improve telecommunication during flood events.

During the beginning of the current rain season when we also received generous inflows into the dam, it was decided in consultation with the Town Council of Mariental to draw down, and to operate dam at $\pm 80\%$ of its full supply capacity. This was done with the aim to create space to accommodate more floods within the dam basin without increasing the flood risk.

At the time when it started raining in the catchment area of the dam on the morning of the 24 February 2006, the dam was 82% full and the sluices were opened to discharge at a rate of 500m³ of water per second. Previous discharge event proved that flows of 500m³ of water per second in the river at Mariental were capable of causing flood damage in the low lying areas of the town in the past, but not anymore at present.

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During the night of the 25th of February 2006, heavy rain in the region of 130 millimetres was experienced, and the inflow into the dam peaked at 3000m³ of water per second and maintained levels of between 2500m³ per second and 3000m³ per second for a period of fourteen hours. This resulted into Namwater having to increase the discharge rate gradually at the regular intervals throughout the night, at a rate that reached a peak of 3000m³ of water per second on the morning of the 25th of February 2006.

At this stage the dam level had risen to 110% of its full supply capacity and the discharge rate had to be increased to match the inflow to stabilise dam stress and to protect the structural integrity of the dam and to minimise risks of the dam failure. It is of paramount importance here to be cognisant of the catastrophic practical and economic consequences that would have resulted from the dam failure. Dam failure will result in Mariental being completely destroyed with the consequences of loss of life and more property of our citizens there.

Throughout the day of the 25th February 2006 inflow into the dam failed to subside, following more rainfall in the catchment area, and the discharge rate from the dam had to be maintained at a 3000m³ of water per second level. Inflow remained above 3000m³ of water per second for a period of 10 hours. During the night of 25 February 2006, the inflow into the dam furthermore peaked at 4000m³ of water per second, and the discharge rate had to be increased to 3500m³ per second. Due to the proactive earlier increased releases of Namwater, the Dam level had reduced somewhat at that time allowing the discharge rate again being reduced from 3500m³ of water per second to 3000m³ of water per second after a period of only five hours. The additional 500m³ of water per second discharge at that stage, in any case caused negligible additional damage in town to what had already been experienced.

The discharge rate was maintained at 3000m³ of water per second throughout Sunday of the 26th of February 2006 whilst a steady inflow of 1800m³ of water per second was still being experienced. Inflow started subsiding from Sunday evening and this enabled a gradual reduction in the dam level from in excess of 100% the previous day to 80% in the early morning hours of Monday the 27 February. By 05:00 in the morning on Monday morning the gates were finally closed, allowing the gradual reduction of the discharge rate throughout the night.

During the entire event under discussion, a total amount of water, plus minus 500 million m³ of water per second from the dam was discharged from the dam. This is equal to one and three quarters of the dam capacity over the period of three days.

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This gives one an idea of the volumes of water, which had to be managed, and the impossibility under the circumstances to prevent the extensive and much regretted flooding of Mariental.

Namwater made calculations to assess, with hindsight, whether it could have acted more proactively. By hindsight I mean that we know, 24 hours before how much it was going to rain, the duration thereof, and what was going to happen in the catchment area but all these, ladies and gentlemen, happened during the darkness of the night, and it was so fast. The calculations show that had we opened the sluices at 2000m³ of water per second right away, this would have been indeed catastrophic. The dam level would, in any case would have peaked at 120% of full capacity in any case. By now we also know that such discharge rate would have in any case resulted in an extensive flooding of the entire western part of town.

Warning issued

The Director of Resource Management in the Directorate of Water Affairs issued a warning to the developer of the petrol station west of the tarred road, that the area was subject to be flooded and further development should not be undertaken.

The Chief Hydrologist of Namwater also issued a warning to the management of the pig farm that the development of the pig farm is within the flood plain of the Fish River, and it should not be undertaken. I understand somehow now that the management has now agreed and are looking forward to move somewhere else.

The Emergency Management Committee and the Flood Management Committee are made up of the Town Council, Regional Council and other stakeholders such as farmers, businessmen and residents, who meet regularly and have the mandate to inform the town inhabitants when the sluices gate will have to be opened.

On the morning of the 24 February 2006 at 08:00, these Committees were informed that the sluice gate would be opened at 10:00 am. This gave them approximately 4 to 5 hours before the water reached the town and most probably valuables and movable properties could actually have been moved. All this information is available on the logbooks of Namwater at the Hardap Dam side.

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Government Action To Date

On the 6th of March 2006, His Excellency the President, through the Office of the Prime Minister, directed the Ministry of Agriculture, Water and Forestry to assemble a Task Force of engineers, and other professionals to conduct a professional assessment of the situation at Mariental, and determine the aftermath of the flood that occurred from 24th to 26th February 2006.

The Task Force was to make an assessment of the situation at Mariental, to investigate the causes of the flood, the cost implications and to make recommendations about measures to prevent or mitigate future floods.

The experts are drawn from the:

- Directorate for Rural Water Supply;
- Division of Hydrology;
- Division of Planning;
- Division for Agricultural Engineering;
- The Roads Authority;
- The Namibia Agricultural Union;
- Windhoek Consulting Engineering as the main civil engineering company for the consultancy;
- Namwater Expertise;
- The Ministry of Local and Regional Government, Housing and Rural Development;
- The Emergency Management Unit in the Office of the Prime Minister and;
- The Ministry of Agriculture, Water and Forestry, with Mr Piet Heyns (Professional Engineer) an Under Secretary in the Ministry with many years of experience as the Chairperson of the Task Force.

The Terms of Reference of the task force is to evaluate the following issues:

- The flood monitoring measures upstream of the Hardap Dam;
- The flood control measures at the dam;
- The safety of the dam;
- The effect of the flooding on the irrigation area;
- The effect of the reeds in the river;
- The relocation of permanent infrastructure out of the floodplain;

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- The damage to the bulk water supply infrastructure and irrigation systems;
- The damage to crops;
- The erosion of the irrigated land;
- The possible changes in the course of the river to be affected;
- The possible relocation of the trunk road B1;
- The possible construction of a levee to protect Mariental from floods;
- The protection of essential services such as power supply, water supply and sewerage disposal, as well as sanitation, to take care of the unnecessary outbreak of disease and health aspects;
- The evacuation of people and the provision of humanitarian relief;
- The socio-economic impact of the floods and the contribution of the Hardap Irrigation Scheme to the economy of the country and the food security of our people and;
- The assessment of the events before, during and after the flood to determine the competency of the actions taken by the authorities involved, and to identify if any human error was made.

To conclude Honourable Speaker, Honourable Members, Government has made N\$10 million available that must be used to rehabilitate the infrastructure such as roads, electricity supply, sewerage lines and other emergency services. These are addressed currently and many of them indeed are operational.

Finally, let us all work together in sympathy with our citizens in Mariental.

Thank you.

HON MINISTER WITHOUT PORTFOLIO: Comrade Speaker, I prepared my speech before the Minister had said what he has said, and I was correct to say let him speak first, because he had said almost everything.

Under the circumstances, I am not sure whether the Motion of Honourable Mudge has not been overtaken by events. As the Honourable Minister said, the Government has already acted on the issue. The Deputy Prime Minister was urgently sent to the Region.

She reported back the same day thus proving that the Government is taking this matter very seriously.

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The Governor of the Region was always seized with the issue, so are the Town and the Regional Councils.

The President of the country, His Excellency President Hifikepunye Pohamba, personally went to the area, accompanied by a high level delegation to assess the situation for himself. As it has already been said, immediately upon his return a decision was taken to release N\$10 million Namibian Dollars, to assist the people of Mariental by way of normalising the situation in town.

Scientists and experts in many relevant fields were sent to the area to look at short-term and long-term solutions to the problem, with the view to prevent this tragedy from happening again.

These people are still there, and will continue to be there until we are satisfied that they have solved the problem. Therefore it is just fair to request the Honourable Mudge, to give time to the Government to finish the job. Hence I think that this particular Motion has been overtaken by events.

Thank you very much.

HON P MUSHELENGA: Honourable Speaker, Doctor Tjiriange and I agreed last week that we were going to tackle this issue, but as of now we have all concurred that the Honourable Minister has given the necessary information that the Government is addressing the plight of these people.

I think this information is enough for Honourable Mudge, to realise that the Government is not entrusted in there, but maybe more that I appeal ask that the Honourable Minister did not touch on that that I would want to touch.

First of all I would like to say that when we discuss important and sensitive issues like this one, we should be very careful. The people in Mariental are in a very unfortunate situation and we must refrain from unnecessarily and controversially address the distressful plight. This issue should be address in good faith, and with utmost sensitivity.

What I would want to point out is that the Honourable Minister gave a history of the floods before the dam was constructed, but that I would want to inform Honourable Mudge through you, Honourable Speaker is that the flood of 2006 is the second

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highest peak in-flow in the history of the floods in Mariental, second only to the one that took place in 1972.

The Honourable Minister corrected Honourable Mudge because something that I also wanted to address is that when we introduced Motions in this very House, we must be very careful that the information that we are giving here goes outside and we must be very precise and accurate with our information. For example Honourable Mudge was saying that by the time the dam was opened it was already at 87% and that is not true. The dam was at 82% and the Minister has just corrected that.

I actually do not think that by this time the difference is 5%. I am just saying that correct and accurate information should be given. What I would want to say Honourable Speaker is that at this time in point it is not constructive to start apportioning blame as to who is responsible, as Honourable Mudge was doing when he was tabling the Motion. Actually the rainfall is something beyond human intervention and flood is a natural disaster, and it is not always easy to arrest the situation. We must be very careful and desist from opportunistic statements, like to say that the flood was caused by human error.

Honourable Mudge stated that the Government should take full responsibility of the situation. Legally speaking, Honourable Mudge is implying that Government is fully responsible for what happened. I however think the Honourable Member has gone too far, and his allegations are wild to say the least, because we must look at the process that are at play in situations like this one, and these are natural process. To blame an institution will not be a solution to the problem, but as Honourable Mudge is saying and as the Honourable Minister has said, the solution is to look forward and put up mechanisms to prevent this disaster from happening in the future. That is the issue that we must address and we must be very careful about the statements that we make on what I think is a very sensitive state of affairs and be careful not to gamble with the emotions of the people.

Honourable Mudge thanked indeed certain companies that reacted immediately after the flood and who provided much needed aid. I would also want to add my compliments to those companies, but at the same time I would also want to put it on record that the Government is genuinely concerned and is preoccupied with the situation at Mariental. The Honourable Minister has said that Government has availed N\$10 million for that purpose. I would also want to state here that since the day of the flood our service men and women have been at Mariental to assist with evacuations and so was the Emergency Management Unit.

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Government has provided the following items to the people of Mariental. 1471 bags of maize meal, 500 bags of salt, 109 kg of toilet paper, 34 tents, 2600 blankets, 166 boxes of cooking oil containing 2000 bottles, 666 boxes of tinned beef containing 4000 tins, 200 mattresses with 40 mattresses yet to be delivered. The Ministry of Information and Broadcasting has donated 1560 T-shirts, and the Ministry of Gender Equality and Child Welfare has donated 1500 blankets to the community of Mariental. Assistance has also been given to the community of Omuntele Constituency in the Oshikoto Region, which was equally affected by the heavy rainfall. So I therefore really think that the issues that Honourable Mudge is trying to address has been overtaken by events.

Honourable Speaker, before I conclude, I would also like to mention that as we have discussed this important Motion, my heart goes out to the family at Oshigambo which are equally affected by the flood and I would like to appeal to the Right Honourable Prime Minister and the Office of the Emergency Management Unit to at least expedite the process of extending assistance to this family. I am aware of the technical team that was put up and went there, but looking at the time that the technical team went there and up to now, the people that had been provided with some basic necessities, the time is rather too long. I am saying this because I had an opportunity of travelling to Oshigambo to assess the situation of the flood on my own and to visit the family that was affected whose house actually collapsed and their vehicles destroyed, losing goods worth about a million.

And on a serious note up to date, these people depend solely on the assistance from the community, which provides them with foodstuffs and accommodation and these people would need tents and food just like the people of Mariental and other areas that have been affected.

So with these few words Honourable Speaker, I put my case to rest.

HON DR AMWEELO:

I thank you very much, Comrade Speaker. Firstly I would like to thank Comrade Nicky Iyambo for giving us the historical background, and technical information on these events. As I agree with Comrade Tjirirange that most of the things are already mentioned by Comrade Nicky Iyambo, even so I just want to remind Honourable Mudge of some issues to consider, because it is as if he is not much aware of these.

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Comrade Speaker, in global terms the most frequent kinds of natural disasters are floods, earthquakes, cyclones and droughts. Flooding is not an unusual event both in industrialised and developing countries. However such events (Intervention)

HON SCHIMMING-CHASE: Honourable Speaker, I really apologise to intervene in the thought of the Honourable Member. I am just asking for advice. Having listened very attentively to the Honourable Minister, is it perhaps not advisable that we, as the Minister has suggested for now wait until we receive the results of the specialists who have been sent and then we can resume the Debate if the need arises, because if we keep on speaking everybody would want to speak and really the Minister took a lot of time and explanation to make us understand what is needed now.

HON SPEAKER: I must confess, Honourable Member, I do not disagree with you, but I want the Honourable Members themselves to exercise the consideration.

HON DR AMWEELO: Thank you very much, I agree with the Honourable Member, but I am saying that I want to remind the Honourable Member, that the flood we are talking about is a natural disaster. Therefore these factors affecting the risk of population density is one of the factors which is of course affecting the risk. And the building constructions and of course how long they even lasts? How sudden and unexpected the event is? And how often such events occur and the number of incident which preceded also contribute to this risk.

Honourable Speaker, as the Honourable Mudge mentioned in his speech that this flood was due to human error. But I think natural a disaster cannot be caused by a human error. It is an event, which occurs due to unpreventable conditions. You cannot prevent wind and rain. You cannot prevent the monsoon, those things just come automatically. These are conditions you cannot prevent. Flood disaster attribute as an uncontrolled event. It is an unexpected event, an unintended event and an unwanted event, which nobody wants. You have to take note of these.

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Comrade Speaker, I do not want to waste time because so many things have already been said, I would like to propose something because this is a national problem. We need proper planning as Doctor Nicky Iyambo mentioned already. This would avoid that the Honourable Member blames the Ruling Party and that these events remain a problem of the Ruling Party. This is a national problem, you cannot blame anybody, it is our problem therefore we all really need to consider and come up with a proposal, coordination and cooperation so that we in future could prevent this unwanted event.

Comrade Speaker in conclusion, I would like to propose here that there might be various other agents such as University of Namibia and the Polytechnic of Namibia and other research institutions who could also be requested to work out mitigation and measures in specific areas as risk management.

With these few words I just want to concur with Comrade Nicky Iyambo that it will be good to wait until the group of experts come up with the recommendations then maybe we can continue. But for now there is no need to discuss this because there is a group of engineering experts who are already working on this.

I thank you, Comrade Speaker.

HON MOONGO: Thank you, Mr Speaker. I did not want to participate, but I was provoked by the Minister's speech, because those engineers and those expert teams were already in Namibia before we became independent.

It was avoided by the previous Government, because they knew that the new Government will come, and therefore the problem was ignored. The present Government stayed for 14 years and there were no meetings to find a lasting solution. Now we heard we first want to see the damage to be told how much was damaged? The point is this, the problems here is that some Parastatals do not want to spend the money to find a last solution.

The Government also does not want to spend money to find a lasting solution. I therefore think it is wise enough to find out whether the Government and Namwater are determined to spend money in order to prevent the flooding in Mariental. Not only in Mariental, in Oshigambo, in Oshakati but also in Windhoek here. Who is going to spend the money? Is it Namwater or is it the Government? This is the tricky part, the Government is supposed to be accountable, because it must see to it

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people live healthily, and towns are well-planned and not to allow the situation to be like that. I therefore appeal to the Government to control some companies. Some Ministries like the Environment Ministry, with those animals, when we have the buffalos, destroy crops; nobody wants to spend money to compensate for losses suffered. (Intervention)

HON MINISTER OF ENVIRONMENT AND TOURISM: Honourable Speaker, I am very sorry to interrupt the Honourable Member but when he points at me saying this animal, I object, thank you.

HON MOONGO: Even Transnamib, when they destroy livestock, they do not want to pay. This is the attitude of the Government, they do not compel companies to pay for what they damage (Intervention)

HON SPEAKER: Point of Order. The Honourable Minister wants the Honourable Member to identify those animals.

HON MOONGO: I withdraw that, yes. I appeal to the Government to take responsibility to control companies, which do not want to spent money if they damage properties. (Intervention)

HON NAMBINGA: Comrade Speaker, may I ask the Honourable Member a question? Honourable Moongo, are you saying Honourable Mudge was supposed to address this question to the previous Government?

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Because you are saying these engineers avoided doing something before we came to power, meaning that your own Government had experienced this problem, and you were not able to do something? Is that what you are saying?

HON MOONGO: I say no. The DTA Government will come and no town or city will suffer the same way people are suffering now, and the Government of DTA will come and see to it nobody will be flooded in Namibia.

HON MINISTER WITHOUT PORTFOLIO: Point of Order, Comrade Speaker. I think my Colleague there had appealed to let us not add unnecessary emotion to this issue, it is the life of the people. It is not true to insinuate that the Government has done nothing in the process of trying to solve this problem. The Minister has said it all, and if you want to I can as a Point of Order, tell you just a few things that have been done in order to dismiss what you are claiming that the Government has done nothing. (Interjection)

HON MOONGO: Is that a speech or a question?

HON MINISTER WITHOUT PORTFOLIO: No. It is a question because it is a Point of Order you are misleading the public. You are saying that we have done nothing. But if you want I will take still another point of order if you still continue with that misinformation. Thank you.

HON MOONGO: Thank you. I hope Mr Speaker, if TB is controlled by the Government and we are fighting HIV/AIDS, we will find mechanisms and methods to reduce the deadly disease. What about the problems in Mariental? What about in

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Oshigambo, what about in Windhoek? Why do we not find a way to prevent them? You are ignoring the Government.

HON SPEAKER: Honourable Moongo, you were here when the line Minister read out a lengthy statement informing the House about the actions taken by the Government in respect of the situation in Mariental about which the Motion is. Are you addressing the statement that the Minister made or matters other than what the Minister said?

HON MOONGO: No. I am addressing the prolonged flooding of human people in Namibia, which I cannot tolerate. I cannot tolerate to wait for the report after the people suffered for many years. This is intolerable. You must come up with a solution. Thank you.

HON SPEAKER: The Honourable Member is done. Honourable Mungunda? Let us please not repeat what the Minister has said. All of us here heard what the Minister said. He is the responsible Minister; let us not repeat what the Minister said. If there are additional things that the Minister has left out we add those. But let us not repeat what the Minister has already said.

HON MINISTER OF GENDER EQUALITY AND CHILD WELFARE: No, definitely not Comrade Speaker, because I did prepare my speech before the Minister's statement and I will cut out.

Comrade Speaker, Honourable Members after the statement by the Minister responsible for Water Affairs and the Secretary General. Because Mr Henk Mudge who brought the Motion here he is Afrikaans speaking, I will say "*as die gety verander dan moet jy die bakens versit*".

So that is exactly what I am going to do now. (Intervention)

HON SPEAKER: In Damara, what does it mean?

HON MINISTER OF GENDER EQUALITY AND CHILD WELFARE: “*as die gety verander dan moet jy die bakens versit.*” As a child born and bred in Mariental and as a resident of Mariental. I want to say that Mariental is a blessed town, which was always referred by our forefathers and mothers and saluted as “*!Nai!o !as Sions !as*”. Meaning this is a town of grace and this is just like Zion this is full of blessings and good fortune. I will therefore, fail in my duty if I do not rise to this occasion. Some people are using our pain and suffering. I am talking as an affected person here today – and are trying to make it a political game and really trying to confuse our people.

Comrade Speaker, the recent flood that devastated the town of Mariental, “*Tsaraxa-eibes, Asbakie*”, came as a shock for the entire country. The flood resulted in a substantial loss to property, livelihood and income apart from displacement and the possibility of the spread of communicable diseases and food poisoning. The pulse of a town and a Region vanished just in a few hours of horror. In the aftermath of this disaster, what is called for is a well-coordinated national response, which should be aimed at normalising the situation and assisting us, the residents, the business community and the farmers to return to normal lives.

Because they say action speaks louder than words, and these actions were done, the talk was walked by the Father of the Nation, the Government, the Churches, the business community, captains of industries and the civil society. Now is not the time to assign blame. The usual prophets of doom in our midst, who are out on gaining political capital out of the suffering of the residents of Mariental, must instead help to find the urgently needed assistance to the displaced families.

Comrade Speaker, as I mentioned before I am a resident or an inhabitant of the town of Mariental, “*Tsaraxa-eibes, stof bakkies*”. Immediately following the disaster, the Mariental Municipality and the Hardap Regional Council under the able leadership of Governor Katrina Hanse, activated the relevant structures to minimise the potential loss of lives and the damage to property and infrastructure. Some people are trying to condemn our Governor Katrina, she is not the Katrina of New York, she is Katrina also a child born in Mariental and the female Governor of the Hardap Region. Let me say to these people because I am going to stand up for her as a Marientaller like myself and as a woman in leadership with high qualities, who some people try to

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condemn, I would like to tell them this. If you call me a dog and I do not bark it is tough luck. (Intervention)

HON VENAANI: Honourable Speaker, on a Point of Information? It is a standard convention that we do not really tackle non-Members of this House in this House. Let us not use this platform to try to defend our colleagues or protect them in this House, because when you open that Debate other people might say something that is not in the interest.

HON MINISTER OF GENDER EQUALITY AND CHILD WELFARE: It was mentioned by the mover of the Motion “*not a Katrina from New York but the Katrina of Mariental*”. That is why I feel it is my duty and I will do it. The Governor took control of the crisis and alerted the Emergency Unit in the Office of the Prime Minister. This was followed by an immediate rapid assessment conducted the same day. The Governor and the Mayor of the Mariental Town, Comrade Katwalene, risked their own lives by using boats to rescue people who were left stranded.

Once again through the able leadership of the Government of Hardap Region, Comrade Katrina Hanse, the Hardap Regional Council provided food and transportation to the affected areas. A helicopter was also provided by the Ministry of Safety and Security for rescue operations.

I was out of the country but I was in contact with my people like Comrade Iyambo in his absence and Comrade Gabes Shihepo, they were there. When I called I was informed that you were there. This is what we call not opening workshops but really to walk the talk.

I am proud of the manner in which the Government, the Hardap Regional Council and the Mariental Municipality, dealt with the crisis. I am one of the survivors speaking, immediate needs were prioritised, but obviously long-term solutions have to be explored to prevent some or more disastrous effects due to the flood. That is why the Government has commissioned an Assessment Team comprised of relevant experts. Therefore, we must all await the recommendations of the said Team, before we jump to conclusions and call for enquiries. As I said earlier, now is not the time for the blame game, it is the time of mobilising all available National Resources, in order to mitigate the hardship caused by the flood and to avoid any future flooding, it is the

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time to restore the life of the Mariental people and the town, not time to open wounds and confuse already traumatised people.

I thank you.

HON SPEAKER: I thank the Honourable Minister. Any further discussion? Does Honourable Mudge wish to reply?

HON MUDGE: I will reply on Thursday, 16 March 2006.

HON SPEAKER: The Debate on this Motion stands adjourned until 16 March 2006. Honourable Members, that brings us to the end of business for today. There are no items for tomorrow on the Order Paper, and on that note I now ask the Right Honourable Prime Minister to adjourn the House and resume Thursday, 16 March 2006 an important day.

RT HON PRIME MINISTER: Thank you Honourable Speaker. May we adjourn for today, and return here 14:30 Thursday, 16 March 2006, and listen to a sweet speech which will give hope and wealth to everybody.

I so propose.

THE HOUSE IS ADJOURNED AT 16:35 UNTIL THURSDAY 2006.03.17

**NATIONAL ASSEMBLY
ASSEMBLY CHAMBER
WINDHOEK
16 MARCH 2006**

The Assembly met pursuant to the adjournment.

HON SPEAKER: Took the Chair and read Prayers and the Affirmation.

ANNOUNCEMENT

HON SPEAKER: I have a few brief announcements to make to the Members to assist us in our planning and decision-making.

I would like to announce that after consultation with the Members, the House is going to stand adjourned until Tuesday, 28th March 2006. The reason for this is to allow sufficient time for Honourable Members to familiarize themselves with, and prepare for, the Budget Debate - familiarise themselves with the massive documentation and to prepare for the Budget Debate. In that context, the Motion of Honourable Venaani that was adjourned on Tuesday this week by Honourable Kaura to Wednesday, 22nd March 2006, will now automatically stand deferred to Tuesday, 28th March 2006.

The 2006/07 Draft Budget Programme has been made available today to the Party offices. A Draft Budget Programme has also been sent to all Permanent Secretaries so that they can look at the dates selected for the introduction and discussion of their Ministries' Votes.

Honourable Members, a further announcement: I would like to extend an invitation to all the Members of the National Assembly to attend a 'Budget Analysis Workshop' on Monday, 27th March 2006, to be conducted in Room C.1 of the National Assembly from 8:30 to 13:00. Please forward your names to the Office of the Acting Secretary of the National Assembly to indicate your participation. It is of great benefit both to the experts in the budget process and, certainly, to newcomers. As a matter of fact, I would like all Members to attend and take advantage of this opportunity.

Lastly, for the last two years, on the day of the tabling of the National Budget, *PriceWaterhouse-Coopers* have hosted a small reception for Members of Parliament. This time they have invited the Members again for a similar reception to take place in

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the courtyard. Small tokens that would be useful to the Members' daily activities would also be presented to the Honourable Members.

So much for the announcements.

Any Petitions? Any Reports of Standing or Select Committees? Honourable De Waal.

**TABLING: REPORTS OF STANDING
COMMITTEE ON PUBLIC ACCOUNTS**

HON DE WAAL: Thank you, Honourable Speaker. I lay upon the Table the following two Reports: Report of the Parliament Standing Committee on Public Accounts on:

1. The Review of the Performance Audit Report of the Auditor-General on the Ministry of Home Affairs Identity Documents; and
2. The Review of the Performance Audit Report of the Auditor-General on the Department of Works in the Ministry of Works, Transport and Communication, specifically on Government quarters.

I so Move, Honourable Speaker.

HON SPEAKER: Will the Honourable Member please Table the Reports? Any further Reports of Standing or Select Committees? Other Reports and Papers? Any Notices of Questions? Any Notices of Motions? None. Any Ministerial Statements? Minister of Justice and Attorney-General?

MINISTERIAL STATEMENT

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**MINISTERIAL STATEMENT
HON IIVULA-ITHANA**

HON MINISTER OF JUSTICE AND ATTORNEY-GENERAL: Thank you, Honourable Speaker. Honourable Comrade Speaker, I take the floor to address and respond to an article, which was carried in *The Namibian* newspaper of Friday, March 10th, 2006.

The article was titled, “US Concerned About Namibia Courts’ Backlog”, quoting from a US State Department’s country Report on Namibia’s human rights practices and I want to concentrate on it in as far as it concerns activities that my Ministry is responsible for.

Firstly, as Minister of Justice and Attorney-General, I am aware that there is a delay in the finalisation of matters before the Courts. As a matter of fact, there is a host of problems and considerations, which continue to cause delays. The administration of justice anchors on both the Police Force, on the Court officials and the delay in finalizing cases also depends on how quick those officials conclude either their investigations or the trial.

Sometimes it is a matter of police investigations not being complete or incomplete, some other times it is an issue of the prosecution not being able to proceed without a witness. In other instances legal aid is being considered, or the accused is not represented and requests representation, or counsel withdraws themselves, and so forth.

It could also be that the matter is a complex matter and the court requires sufficient time to complete such a matter. However, it is also a matter of lack of sufficient judicial officials to preside upon matters. This is a problem we have tried to address in the now ending financial year.

In that respect, we had advertised positions locally, and eventually did so internationally, so that we may deplete the backlog, while we concentrate continuously on training staff to perform a better and efficient service to the public. However, the costs to do as we have planned are very prohibitive of the pace at which we intend to carry out our plans.

I am sure that the Honourable Members will recall how in this Honourable House I have made an intervention during the budget debate of the now ending financial year. I pleaded with the Honourable Minister of Finance that the allocation of the Ministry of Justice, taking into account the many and growing responsibilities, including that of revenue collection for the Fiscus, be increased. Yet, we all understand the

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**MINISTERIAL STATEMENT
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tightening budget and its implications to our activities as Government. With that in mind we are actively seeking assistance from our developmental partners.

Not only are we aware of the problem but we are also doing something about it, and we are striving to keep up with the many challenges presented to our system and our professionals.

Government considers justice and its administration as being central to the progression of our democracy and organisation in our society. Unfortunately it is not as tangible as copper and other minerals, sometimes making it a victim when it comes to the apportionment of contribution in the process of nation building. That being so, my view on the developmental partners is similar with my view on investors. There must be genuine partners interested in contributing towards a course. Pretentious and disingenuous investors will always not be suitable for Africa and the future of Africa. They are part of our dark past. (Interjections)

HON SPEAKER: Order! Order!

HON MINISTER OF JUSTICE AND ATTORNEY-GENERAL: The future should be built upon trust and frankness and humility to accept when one is in the wrong and, hopefully, rectify such.

We are not voluntarily in the wrong. In fact, we find ourselves with a problem and it is incumbent on us to make amends with those who are compassionately making their contribution honestly and genuinely. Such partners we welcome and hold them dear.

With that I thank the House for their attention.

HON SPEAKER: I thank the Minister of Justice and Attorney-General for her Ministerial Statement. Honourable Members, today is Thursday when the business of the House commences with questions, but given the precariously rising high blood pressure of the Nation as a whole in expectation of the introduction of the Budget, I seek the pleasure of the House that we set aside the questions.

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APPROPRIATION BILL

The first Notice of a Motion is the one of the Honourable Minister of Finance. Does the Honourable Minister Move that the Bill be now introduced?

**APPROPRIATION BILL
INTRODUCTION AND FIRST READING**

HON MINISTER OF FINANCE: I so Move, Honourable Speaker.

HON SPEAKER: Who seconds the Motion? Is there any objection? Then it is agreed to. Will the Honourable Minister please table the Bill? The Secretary will now read the Bill a First Time.

APPROPRIATION BILL

HON SPEAKER: Does the Honourable Minister of Finance Move that the Bill be now read a Second Time?

APPROPRIATION BILL: SECOND READING

HON MINISTER OF FINANCE: I Move so, Honourable Speaker.

HON SPEAKER: Any objection? Who seconds the Motion? Agreed to. I now give the floor to the Honourable Minister of Finance.

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**INTRODUCTION APPROPRIATION BILL
HON KUUGONGELWA-AMADHILA**

HON MINISTER OF FINANCE: Thank you, Honourable Speaker. Honourable Speaker, Honourable Members, the last Budget focused on prudent fiscal management and the need to contain public debt within sustainable and affordable levels. This emphasis had to be made as a result of significant shortfalls in revenue, which in turn were brought about by the significant strengthening of the Namibian Dollar. We had to focus on policies aimed at bringing down budget deficits and the total debt stock.

These policy interventions yielded the desired results. We managed to bring down the deficit from an all-time high of 7.2% to 3.6% and the total debt stock stabilised.

At the same time, we significantly improved revenue collection and experienced increased earnings from the SACU Revenue Pool. On the expenditure side, we managed a slowdown, albeit not significant. The demand for resources did not diminish and pressure on public resources remains high. The current situation, therefore, determines that we have to continue with fiscal prudence, but that we must at the same time engage in activities that grow the economy.

Last year I also introduced a Programme Budget. This was the first time that we made use of such a format which focused on programmes, the specific activities within programmes and their outcomes. We had some teething problems with it. I, however, remain confident that this approach is more transparent as it shows how public resources are allocated to priorities and how much expenditures impact on outcomes.

This year the Programme Budget has been consolidated further, but the process must be further refined.

Honourable Speaker, Honourable Members, in the SWAPO Party Election Manifesto we have committed ourselves to poverty reduction and job creation through accelerated economic growth and a more equitable distribution of income. To achieve this we maintained education, health, social welfare, infrastructure and productive sectors as priorities.

The choices and trade-offs that had to be made, again showed that Namibia is still in a position where the needs for resources are much higher than what becomes available from own resources. This forces us to reach a consensus about priorities and I am satisfied that we have, indeed, achieved such a consensus.

Firstly, this Budget places emphasis on economic growth, which is pro-poor. High priority is given to the development of the rural areas where most of the poor reside.

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**INTRODUCTION APPROPRIATION BILL
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Growth is promoted through improved resource allocations for the development of infrastructure, such as roads and railways, schools, health facilities, water and electricity. This will improve the living standards of communities in these rural areas through the creation of jobs during construction and access to markets and services needed for economic advancement. We are also allocating more resources to welfare programmes that target the most vulnerable.

Secondly, this Budget is set within macro-economic benchmarks, which ensure stability. The SWAPO Party Election Manifesto pledges our commitment to low debt levels, both domestic and foreign, without reducing investment. This is to be achieved by promoting investments in the productive sector and supporting interventions that will create wealth and employment.

This Medium-Term Expenditure Framework in the proposed Budget for the coming financial year therefore strikes a balance between the two priorities, which is improved fiscal consolidation, on the one hand, and increased investment for economic growth, on the other.

My introduction will, as is customary, set out the fiscal and economic background and will explain the resource allocations using programme budgeting and medium-term plans. I shall also highlight the main drivers for the pro-growth, pro-poor approach.

Fiscal Policy:

The National Budget is the main fiscal policy tool for Government to accomplish its development goals. In doing so, Government needs to address urgent needs and at the same time exercise care in drawing resources from the economy through the tax system.

Our efforts to address imbalances and at the same time keep public debt at low levels are paying off. Our good track record on fiscal consolidation, to which I shall refer again in a moment, is the confirmation of our balanced fiscal policy.

The investments undertaken by the private sector, both from Namibia and from abroad, are also evidence that Government's macro-economic policies have been successful.

Economic Growth and Poverty Reduction:

The National Budget is more than just a system of numbers and graphs. Behind the figures that I will be presenting today is a strong fiscal statement. This Budget is a pro-poor, pro-growth Budget. National consensus reached at Cabinet's Retreat in Swakopmund at the end of 2005 is well entrenched in this budget.

Through transfer systems and safety nets we shall ensure that the vulnerable in our society, such as orphaned children and the elderly, have a secured income. Through the provision of services in the areas of health and education we provide Namibians with the necessary services to develop their human capital to full potential.

Through investments in infrastructure and productive sectors we create opportunities for economic growth and new jobs. Through the tax system we raise resources for financing public programmes and set the incentives to encourage economic activity in the country that will lead to job creation and economic growth.

Privatisation and Sustainability:

Optimal utilisation of the Nation's finances requires the setting of priorities. Prioritisation means tough decisions. We do not have access to unlimited resources. The main determination of the resource envelope in which Government operates is the revenue collection, which draws from a narrow revenue base.

While Government may consider borrowing additional funds to invest in projects that will yield returns in the future, one should remain cautious about falling in a debt trap and bear in mind the burden that debt puts on future generations. Our daughters, sons and grandchildren will feel the effect of the increasing debt burden that we are placing upon them. Responsibility must, therefore, guide our design of fiscal policy.

Fiscal Consolidation – Outturn of the Financial Year 2004/05 and Projection for 2005/06:

The fiscal outturn for the current and the previous two financial years is a part of fiscal consolidation. The financial year 2003/2004 will go down as the year of a great shock to public revenue. That year recorded the highest-ever budget deficit of 7.2% of GDP.

The Ministry of Finance did not watch this development quietly. Expenditure cuts across the board were implemented in that year and strict limits on expenditure

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growth were imposed in the following financial years of 2004/05 and 2005/06. A set of measures to improve revenue collection was also agreed upon and implemented. Together these efforts have paved the way for fiscal consolidation.

The Financial Year 2004/05 recorded a budget deficit of 3.6% of GDP. This is a reduction by half from the 7.2% recorded in the year before. Still, this figure is above the outcome that we envisaged in the Main Budget. While expenditure was within limits of the Appropriation Act of that year, the revenue collection did not fully recover, as the currency further appreciated.

The Financial Year 2005/06 will, according to current projection, mark a further step on the path of fiscal consolidation. Pending the closure of the financial year, it is estimated that the budget deficit is on target, in absolute terms, as foreseen in last year's budget and will reach 1.1% of GDP. This is the result of strict expenditure control, a real improvement in revenue collection and an upward revision in GDP projections.

In 2004/2005 we projected a strong recovery from the previous year's drop in revenue and had foreseen an increase in total revenue collection by a staggering 23% or N\$2.3 billion. This was an ambitious goal. The actual outturn for that year was an additional N\$1.7 billion. Two revenue components were mainly responsible for this shortfall – Value Added Tax and non-tax revenue. Although this outturn was a shortfall from the budget projection, it was still a significant improvement of 17% over the outturn of the previous year.

The revenue projection for 2005/06 foresees a total increase in collection by 8.1%. This is mainly driven by an increase in domestic tax collection, which is said to increase by 22% or N\$1.4 billion. This was achieved without any major adjustments to tax rates, but mainly through revenue collection improvement and through broadening the tax base.

Among the most effective measures in increasing domestic tax collection is the clamping down on tax evaders. So far, a large-scale tax audit was conducted in the Northern Regions. This exercise not only had the effect that a few “big fish” were discovered who have not been paying taxes, but the audits also sent a strong signal to companies about the obligation to pay taxes and the consequences of not complying with tax laws.

Border-round-tripping has also been discovered to be a major source of tax fraud. The investigations have revealed that some public officials have participated in fraudulent activities and both disciplinary and criminal proceedings are underway.

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These measures have boosted the collection of Income Tax and Value Added Tax.

The Value Added Tax collection, for example, has increased by nearly N\$600 million until the end of January 2006 as compared to the same period in the previous Financial Year.

Expenditure increases from 2003/2004 to 2005/2006 were strictly limited to the most pressing issues. As such, total expenditure has only increased by a total of 6% over the past three years.

In summary, the last Financial Year has seen a remarkable consolidation of public finances. The budget deficit has been reduced sharply and this has caused public debt to stabilize at its current levels.

Fiscal consolidation is the first step towards a lower debt stock. By simple arithmetic, the debt stock can only be reduced if revenue exceeds expenditure. As we are approaching balanced budgets, the level of public debt has stabilized at around 33% of GDP.

A sound fiscal policy stance has received international recognition. One example is the independent evaluation of Namibia's creditworthiness through the first sovereign credit rating we have obtained last year. *Fitch Ratings* has assigned Namibia an investment grade, thereby putting Namibia in the small circle of countries in the region that have not been considered of speculative but of investment grade quality. The rating outcome is driven by the sound macro-economic policies prevalent in the country.

The recent Article IV consultations by the International Monetary Fund also commended Namibia for its fiscal prudence. The temptation to borrow, for short-term gains, at levels where the ability to service and redeem such debt is wanting, must be resisted.

The classification of Namibia as a middle-income country creates serious challenges in assessing concessional funding. The fact that this classification relies exclusively on income per capita ignores one of the most important yardsticks for development and that is income disparity.

Further, the policy to limit Official Development Assistance to low middle-income countries appears to punish countries, which have implemented sound economic policies. In addition, it cannot be right to give low middle-income countries, such as Namibia, the same terms for borrowing as are available to large developed countries.

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A compromised set of terms and conditions for this group of countries could bring us closer to an agreeable solution.

Achievement through Expenditure:

While the 2005/06 Budget is on target in terms of numbers, in terms of outcomes the following achievements had been reached, amongst others:

- 273 classrooms were built and renovated under the Basic Education upgrading and renovation of education facilities programme;
- Over 315 locations in rural areas have been supplied with electricity through the Rural Electrification Programme;
- 20 clinics have been built in rural areas in different regions;
- Several water pipeline projects have been completed, including the Ombalantu, Oshivelo-Okankolo, Endola East, Katima Mulilo-Linyanti and Waterberg-Okakarara;
- 123 kilometres of roads were built through labour-intensive methods;
- Phase 1 of the Northern Railway Extension has been completed;
- A new transmitter network for the National Broadcaster was established at Tsumkwe;
- Awareness campaigns for HIV/AIDS are showing effects and the current trend is that the rate of infection amongst pregnant women decreased from 22% in 2002 to 19.7% in 2004;
- Industrial parks at Opuwo, Omuthiya, Khorixas and Ovitoto were completed and successfully launched.

This list shows that we are making progress towards achieving our development target in terms of outcomes. These outcomes not only improved living conditions, they also contributed to the expansion of economic activities in our country.

Economic Review and Output:

The Namibian economy recorded a robust growth in 2004. Real GDP expanded by about 6%. On average, the economy grew by 4.6% during the period from 2001 to 2004, which is slightly above the target of 4.3% set under the NDP2. The prospect for the Domestic economy is positive; real GDP is expected to grow by 3.2% in 2005 and by 3.9% in 2006. The forecasted growth rate for 2007 and 2008 is 4% and 3.3%, respectively.

However, the base of the Namibian economy remains narrow and the dependence on exports of raw products continues to persist. Efforts to diversify the economy must, therefore, be pursued with renewed vigour in order to achieve the targets of Vision 2030.

Monetary Environment:

Following the launch of the Namibian Consumer Price Index by the Central Bureau of Statistics last year, inflation figures for Namibia now cover the whole country. In 2005 inflation was estimated to be 2.2%. While increasing fuel prices are expected to exert upward pressure on the inflation rate, these effects will be mitigated by a strong currency.

Export Sector and Current Account:

Namibia's Current Account has recorded a solid surplus in the past years. In 2004 the Current Account was backed by a surplus in the trade and services balance, which followed a contraction of imports. The high SACU receipts also supported the current account balance. This development is, however, mirrored by the capital and financial account, which has recorded sustained deficits in the past. Capital outflows remain high, thus depriving the country of much needed resources and hindering the build-up of foreign reserves. Banks, pension funds and insurance companies continue to invest heavily in foreign markets, mainly in South Africa. The agreed amendments to Regulation 28 are aimed at slowing down capital outflows and improving the reserve situation.

Global Economy:

The positive domestic economic performance in 2004 was partly driven by a globally favourable economic performance. The major trading partners of Namibia, namely Europe, Japan, the United States of America, and Member States of SADC, performed well on average. Global output has expanded by 5.1% in 2004, up from

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3.9% in the previous year. The SADC economies have recorded an average growth rate of about 4%. South Africa, which is the biggest economy in the region, achieved a growth rate of 3.7%.

Notwithstanding these positive growth projections for the Region and the world economy, there are downside risks. Global imbalances in trade and capital flows suggest serious risk that major adjustments of exchange rates could occur. A sharp fall in the US Dollar against major currencies would not only affect trade flows with the US, but it would also affect the prices of commodities traded in that currency - oil and minerals being among them. Rising interest rates in the industrialised countries may affect global capital markets and negatively affect the currently favourable liquidity situation in emerging markets. Rising oil prices pose a threat to inflation and consumer demand in the world.

SADC, SACU, the Free Trade Agreement and the Common Monetary Area:

The commitment of Namibia to regional integration through the Common Monetary Area, the Southern African Customs Union and the Southern African Development Community is an important aspect of pro-growth development and risk mitigation.

Namibia, as a member of SACU, is involved in a number of free trade negotiations and there is progress to report. A Preferential Trade Agreement between SACU and MERCUSUR has been reached and signed. We are now continuing the negotiations to improve market access.

The SACU/European Free Trade Area negotiations have been concluded and the proposed Agreement is to be considered by the SACU Council. Thereafter it can be presented for signature.

SACU and India have agreed in principle to engage in negotiations for a free trade agreement. The first steps, namely to agree on the terms of reference and the negotiation agenda, have been taken.

SACU has also agreed to pursue negotiations for a free trade agreement with China. Both China and India are economies, which will play an increasingly important role in the world economy, and there are huge markets that could be accessed profitably by our industries. Once the ongoing negotiations with USA and EU have been concluded, negotiations with China and India will proceed.

The SACU/USA free trade negotiations are ongoing. The USA, as the biggest economy in the world, would be a trade partner of great significance and therefore we

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are hopeful that such an agreement would soon be concluded and implemented. The AGOA Agreement we have with the USA, which grants free access for a number of products to the US market, is also an important factor for our export industry. This concessional arrangement has been extended to 2008 and Namibia is currently benefiting mainly by exporting textiles. Namibia, as a member of SACU and SADC is part of the important negotiations with the European Union, aimed at reaching a free trade agreement between SADC and the EU. These negotiations are ongoing and it is envisaged that they will be concluded by the end of next year.

Namibia's membership in the CMA has helped in maintaining macro-economic stability. The promotion of trade, financial development and free flows of capital with CMA members has boosted our local economy. At the same time, as a consequence of the arrangement, the Bank of Namibia's monetary policy follows closely the inflation-targeting framework of the South African Reserve Bank. We are committed to the further deepening of the monetary integration, so as to shape the CMA into an arrangement from which Namibia not only benefits, but which it can actually influence through meaningful participation.

The CMA has relaxed exchange control regulations. In line with the long standing policy of promoting foreign investment by Namibian residents the foreign capital allowance per emigrating family unit will be increased from the current N\$1,5 million to N\$4 million. Similarly, the foreign capital allowance available to a single person is increased from N\$750 000 to N\$2 million, while offshore investments by private individuals will equally be increased from N\$750 000 to N\$2 million per person. Institutional investors, such as long-term insurers, pension funds and unit trusts, through unit trust management companies, will be allowed to invest offshore up to a maximum of 20% of their total assets.

I have, in my previous Budget speeches, referred to the progress made in establishing the SACU Secretariat. I am pleased to inform that all professional positions have now been taken up in the Secretariat, business plans and financial statements have been approved by the SACU Council of Ministers, and the Draft Headquarters Agreement has been agreed to. Some institutions, such as the SACU Tariff Board, National Bodies and the *ad hoc* Tribunal, however, still need to be established.

The future management of the SACU Common Revenue Pool requires further negotiation. Last year I have referred to the agreement whereby South Africa's International Trade Administration Commission (ITAC) will, for a transitional period, continue to administer the Common External Tariff of SACU. This is to be done in consultation with the other Member States. The arrangement relates mainly to

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customs duties, whilst common excise duties are being set jointly by SACU's Ministers of Finance.

The regional integration is an important aspect of our policies, and a crucial factor in promoting macro-economic stability and growth. Trade and financial integration are driving factors of economic growth. God knows we cannot afford a drought; that is why He is sending down the rain.

The Budget 2006/2007:

Expenditure Priorities in this year's Budget:

As I have said, we should resist the temptation to be complacent because of the overall satisfactory performance of our economy. While economic growth is essential for the development of our country, on its own it is not sufficient to ensure poverty reduction. Poverty, persisting disparities and high unemployment continue to be pressing challenges that need to be addressed.

Honourable Speaker, Honourable Members, let me present to this House how the proposed resource allocation will help to improve the living conditions of all Namibians.

- We are increasing the grant for elderly persons from the current N\$300 to N\$370 per month. This will result in an additional allocation of N\$395 million over the MTEF period, of which N\$124 million are foreseen for this budget year.
- An allocation is made to the registration of Orphans and Vulnerable Children. This will enable Government to properly identify the orphans and vulnerable children and ensure that assistance is extended to all the needy children.
- To address the urgent need to improve the quality of education, we are increasing the allocation to this sector over the MTEF period by N\$1,3 billion, of which N\$388 million will be allocated in the financial year 2006/07. Part of this additional allocation is to provide funding for the Education Training Sector Improvement Programme, (ETSIP).
- Anti-retroviral treatment coverage will be expanded and the quality and reach of regional and district health services will be improved. In addition, to address the urgent needs in patients' care, we have provided funding for 105 expatriate nurses who will be working in Namibia for the next two years. For all this, the allocation to Health and Social Services has been increased by N\$190 million over the

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MTEF period, of which N\$61 million will be for next year. In addition to this, an external loan subsidised by the Finnish Government has been sourced to finance the procurement of medical equipment for our various health centres. With this funding, our cardiac unit could, I am informed by my colleagues at the Ministry, become operational.

In summary, social sectors will be receiving the bulk of expenditure over the MTEF period, with 47 percent of Government expenditure directed to these sectors.

Increasing social grants and expanding the safety net and improving the quality of Education and Health Services will surely improve living conditions. However, this is not enough and we need to address the causes of income poverty and inequities by tackling unemployment. Therefore, improvements of infrastructure and job creation are priority areas of this MTEF.

- Essential infrastructure development projects, namely the extension of the northern railway and the Aus-Lüderitz railway will receive additional funds. This will not only speed up the completion of these important transport links, but it will also create employment through the use of labour intensive methods. Upon completion, market access through Namibia for other SACU and SADC member states will also be improved, and Namibia is to become a regional transport hub, as the transport corridors develop their full potential. To this end, the Ministry of Works, Transport and Communication received an additional allocation of N\$387 million over the MTEF period.
- We shall also provide resources for the capitalization of the Development Bank of Namibia. In total, we will provide an additional N\$120 million over the MTEF. This will enable entrepreneurs to access finances for the establishment of businesses. The transfer of NDC assets to the Bank will further strengthen the capital base of the Development Bank.
- We are committing a total of N\$750 million over the MTEF period for the development of the Kudu Gas Field. Ensuring a reliable electricity supply is not only an obligation towards our citizens, but it is also essential for maintaining Namibia's favourable investment climate.
- The productive sectors of Mining, Fishing and Agriculture are receiving substantial financial resources under the current MTEF. Together, they receive N\$2.6 billion. The Green Scheme and aquaculture activities will be important

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stimulants for the economy. The AgriBank Act has been amended to broaden the Bank's mandate to include aquaculture.

- The MTEF is committing N\$475 million towards developing Namibia as a popular tourist destination, which will help to develop new job opportunities in the tourism sector and related industries. Within this allocation, some resources have been made available towards improving the National Parks' infrastructure. For the Namibia Wildlife Resorts, a turnaround strategy is implemented for which financing has been sourced from the private sector.

In summary, 20% of the Government's expenditure over the MTEF period will be directed to the productive and infrastructure sectors.

Equally important for addressing the immediate needs of the poor is the creation of an environment that is conducive for private investment, an environment where Namibian entrepreneurship can flourish, an environment where jobs are created.

- An allocation of N\$13.5 million for the Anti-Corruption Commission for this MTEF period is considered. The understanding is that the Commission is still developing its institutional framework. Once this is completed, further funding would be considered.
- To strengthen public accountability, an additional allocation of N\$5.8 million to the Auditor-General's Office is proposed.
- The Office of the President will receive an additional N\$44 million for the completion of the State House. A quick completion of this project will prevent further cost escalation and will free up resources for other development projects on the budget.
- For the economy to grow, we need to provide the basis for peace and stability. Crime, be it physical abuse or white-collar offences, needs to be fought and the sovereignty of our country defended. The rule of law must be upheld and protected. Therefore, an additional allocation of N\$383 million over the MTEF period for combating crime and the safe custody of prisoners is made.
- Additional allocation of N\$75 million for the MTEF period will enable the Ministry of Justice to complete the High Court at Oshakati and to recruit new magistrates.

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In summary, we will spend 33% of total Government expenditure in the areas of Public Safety and Administration.

Honourable Speaker, Honourable Members, these are the spending priorities of the 2006/07 Budget and the remaining MTEF period.

Fiscal Sustainability Maintained:

Our commitment to prudent fiscal policies remains steadfast. We are not striving to achieve our fiscal targets for the sake of fulfilling targets and reporting numbers. It is, in fact, essential to adhere to fiscal discipline if we want to remain independent in the design of our policies and retain fiscal sovereignty.

That is why I am pleased to announce that, despite the additional expenditure that I announced earlier, we shall, as projected in the previous year's budget, have a budget surplus in 2006/07. The additional expenditure is offset by favourable developments on the revenue side, as a result of improved collections and higher earnings from the SACU pool. For 2007/08 and 2008/09, however, revenue is projected to lag behind expenditure, generating budget deficits. This is mainly a result of a reduction in SACU receipts, compared to the high levels for 2006/07.

The 2006/07 Budget in numbers:

I would now like to present the MTEF in numbers:

Revenue:

Starting from the revenue, over the MTEF period, total revenue and grants are estimated to total N\$43.7 billion, which is broken down as follows:

- 2006/07: N\$16.3 billion
- 2007/08: N\$14.0 billion
- 2008/09: N\$14.4 billion

The proportions between tax and non-tax revenue for this period are projected to be as follows:

- 2006/07: tax revenue N\$14.3 billion, non-tax revenue N\$935 million
- 2007/08: tax revenue N\$13 billion, non-tax revenue N\$953 million

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- 2008/09: tax revenue N\$13.3 billion, non-tax revenue N\$1 billion.

The total revenue is influenced by the outturn of the revenue from the SACU pool, which depends on the performance of the pool. This is likely to cause revisions of the figures for 2007/08 and 2008/09.

Total revenue as a proportion of GDP will average 31.8%. Our efforts to increase revenue through improved compliance shall persist and additional revenues from domestic tax hold the best prospects.

Expenditure:

Total expenditure over the MTEF period is estimated to reach N\$45.4 billion. Of this, the operational expenditure will take up N\$35.8 billion, or 79%. Expenditure through the Development Budget will total N\$5 billion, or 11%, while statutory expenditure, mostly interest payments, are estimated to total N\$4.6 billion, or 10%. The total expenditure for the MTEF is broken down as follows:

- 2006/07: N\$15.2 billion
- 2007/08: N\$14.7 billion
- 2008/09: N\$15.5 billion

As a percentage of GDP, total expenditure during MTEF is expected to be around 33%.

Budget Deficit and Debt:

Despite the increase in expenditure, a budget surplus of N\$114 million, or 0.3% of GDP, is envisaged for 2006/07. For 2007/08, as I have said, a budget deficit of N\$758 million, or 1.7% of GDP, and for 2008/09 a deficit of N\$1.2 billion, or 2.3% of GDP, is projected. The average budget deficit over the MTEF period will, therefore, amount to 1.2%, well within our fiscal target of not exceeding 3% of GDP.

This situation will help to stem the increase of public debt. In effect, we estimate a debt stock of 33.7% of GDP for the end of 2006/07, 33.3% at the end of 2007/08 and a reduction to 32.4% in 2008/09.

Policies underlying the Budget:

Revenue:

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2005/06 has seen significant improvements in revenue collection. As I mentioned earlier, the clampdown on tax evaders has resulted in increased collection and we shall continue doing so. The upcoming financial year will see forensic tax audits move into other regions of the country, starting with the capital in the next month. The close monitoring of border activities will continue so as to put an end to the illegal tax evasion practices.

I had announced last year a series of proposed amendments to the existing tax legislation. The areas under consideration are: ring-fencing of assessed losses; collection of outstanding debt; implementation of withholding tax on interest; deemed VAT input; Luxury VAT rate; environmental tax; tax on unit trusts; transfer duty amendments; and reduction of tax deductible allowances.

The initial consultations with the private sector partners have been conducted and we were informed that there would be some practical issues, such as the adjustment of the financial IT systems of the banks, which have to be implemented to effect this tax amendment. These matters are now under consideration and will hopefully be concluded during this Financial Year.

Tax incentives could be a meaningful tool of industrial policy. It must, however, be ensured that the returns of such an incentive policy generate net gains for the country. The existing incentive schemes are currently under review. A good tax incentive scheme is one where socio-economic benefits outweigh its financial costs. The outcome of our incentives review will determine which way we shall proceed in this regard.

Excise duties within SACU are being jointly determined by SACU Finance Ministers. Amendments were announced by the South African Minister of Finance, Honourable Trevor Manuel, in his Budget Proposals on the 15th February 2006. These increases are for the benefit of the SACU Common Revenue Pool. In pursuance of our commitments under the SACU Agreement, the following nominal percentage increases in excise duties have been implemented as from the 16th February this year.

• Malt beer	9.5%
• Traditional African beer	0%
• Unfortified wine	12.5%
• Fortified wine	10%
• Sparkling wine	20%
• Ciders and alcoholic fruit beverages	9%
• Spirits	9.5%

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• Cigarettes	10%
• Cigarette tobacco	5%
• Pipe tobacco	8%
• Cigars	5%

Donor Support:

Donor support is declining. The only budgetary support in this MTEF period amounts to N\$146 million and is pledged by the European Union and SIDA for the education sector, the rural development and the public finance management reforms. Additional support is, however, received off budget mainly for development projects in the form of soft loans and grants.

While donor support is continuing its declining trend, there are new opportunities with the “*Millennium Challenge Account of the United States of America Government*” and “*Innovative Financing for Development Initiatives*,” as proposed by France, Brazil and Chile. The modalities for accessing important new resources are still being worked out.

Expenditure Control:

The implementation of an Integrated Financial Management System (IFMS) has made progress. The required hardware components have been successfully deployed in all the Ministries, Offices and Agencies and the required software has been developed. This enabled us to go live with the IFMS with four Votes, namely the Ministries of Finance, Defence, Agriculture and Forestry and the Auditor-General. After some minor corrections, further testing and adjustments, we are envisaging rolling out the system to the remaining Votes at the beginning of April this year. This new integrated system will provide us with the required modern technology through which public expenditure could be managed more efficiently. Unauthorised expenditure could be curbed and with that our scarce resources would be deployed more effectively.

As I have indicated, personnel expenditure continues to be the major item of Government. Previous attempts to contain the growth in the civil service have only had limited success. The number of civil servants had increased by almost 6% per year in the last three years. In Namibia about 4.3% of the population is employed in the civil service, compared to an average of 2.1% in Africa and 1.6% in Southern Africa. This has financial implications.

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In 2004/05, Namibia has spent 14.8% of GDP on personnel, compared to an average of 7.2% in Africa and just 6.1% in South Africa. These figures indicate that our situation is unsustainable. It must also be noted that growth of the recurrent budget precludes any significant growth of the development budget. For the MTEF period under consideration we are projecting spending 41.2% of the total budget on personnel expenditure, while the development budget equals only 14%.

Therefore, it has become urgent that Government addresses increasing personnel expenditure. This does not have to involve any laying off of civil servants, but it could be achieved through controlling the filling of vacancies by limiting it to only very essential ones. If we set ourselves a target to reduce the wage bill by, say, just 10% during this MTEF, we could free significant resources that could then be utilized for pro-growth interventions through the development budget.

With respect to Public Procurement, our emphasis on local companies and especially small and medium enterprises will remain. This will ensure that resources generated by the Namibian economy do not leave the country, but are re-invested here and this will give rise to new business opportunities for Namibian companies. Further, this policy could improve local consumption, our own tax revenue and with that our ability to fund pro-poor growth.

In the past year the Office of the Auditor-General has successfully managed to eliminate the accumulated backlog in audited accounts of the Central Government. An integrated audit report for Central Government was recently introduced and I submitted it in this House. The additional resource allocation to this office has rendered the required return and sufficient resources will be availed to this office in this budget to eliminate the remaining backlog of other public entities.

Debt Management:

The improved fiscal position, no doubt, has had an effect on the borrowing requirement of the Government. Already this financial year has seen a marked slowdown in the net issuance of Government's debt compared to previous years. The Ministry of Finance has been active in refinancing maturing short-term debt with longer-term maturities. This will continue in the next years. The future will also see the issuance of debt instruments from parastatals, thus offering investors new investment opportunities amid decreasing borrowing needs of the Government.

The borrowing requirement for the upcoming financial year will also cater for the redemption of the Government Bond GC07 in July 2007. Additional borrowing will have to be undertaken to set aside funds that will be used to redeem this debt.

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Our debt levels and the management of the public debt stock are an important determinant of the creditworthiness of Namibia, and they were important in determining the outcome of the credit rating. We have, therefore, to direct all our efforts towards maintaining and improving this rating. Our country as a whole – not only the financial sector – can reap the benefits from it. The rating has already caused a decrease in borrowing rates for Government. Increased interest in Government investment opportunities from abroad and improved funding possibilities for Government and Namibian companies are other channels through which the rating outcome will be felt.

As one concrete example, the European Investment Bank has decided to issue a Namibian Dollar denominated bond. This first step signals the increased attention that Namibia is receiving on international capital markets. This will further create possibilities for Namibia Dollar denominated loans and for further development of the domestic financial market.

The European Investment Bank has also extended a loan to the MIDINA Development Fund under the Old Mutual Company. This loan, which is not covered by any Government guarantee but is an initiative originating from the private sector alone, will further support efforts to improve access to financing for Namibian companies.

**Institutional Reform:
State-Owned Enterprises:**

This year has seen important developments in the area of the governance of State-Owned Enterprises. The State-Owned Enterprises Bill was recently approved by both Houses of Parliament and I look forward to the final version of the Bill. It is my strong belief that Government, as the sole shareholder in most of the state-owned enterprises, has not only the right but also the obligation to exercise tighter control and better supervision. If Government deems that a state-owned enterprise is failing to perform, it must urgently intervene to ensure the return to prudent management. As part of the improved supervision, the Ministry of Finance, in conjunction with the State-Owned Enterprises Governance Council, will push for the adoption of investment, procurement and dividend policies to ensure that the State's interests are firmly secured in all the parastatals.

In the event that equity participation of the private sector in some of the parastatals is considered, Government should not lose its ability to determine policy and obtain a market-related price for its assets, or even a premium - in exceptional cases. Any proceeds from the sale of Government assets, be it shares or infrastructure, may not

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be used to balance the operational budget, but must be earmarked for strategic purposes, like the redemption of public debt.

This year we have introduced the policy of targeted subsidies. In future State-Owned Enterprises will no longer receive general support from Government; the subsidies will be targeted and conditional on specific outcomes to be presented by the respective State-Owned Enterprises.

The specialized institutions, such as *AgriBank*, the *Development Bank of Namibia* and the *National Housing Enterprise* are fulfilling an important role in our economy. We need to ensure that they operate on commercial business principles and increase their efficiency. For example, the ratio between their annual budget and the outcome produced – for example, the number of houses completed by the NHE with their annual budget – needs to be improved. Another example is the *Development Bank of Namibia*, which needs to lend substantially more per year to remain profitable. This requires further capitalisation of the Bank and an increased volume of loans extended. One way of achieving this may be through Public-Private Partnerships.

Air Namibia:

Air Namibia remains a concern as its financial situation continues to deteriorate. As a small operator *Air Namibia* needs to enter into strategic alliances to benefit from economies of scale. I believe that *Air Namibia* has an important role to play in our economy, especially in the tourism market. But we realise that the company needs to transform itself to be better able to face the challenges of the highly competitive industry in which it operates.

AgriBank:

The *AgriBank* is an important vehicle for promoting agriculture and land reform in our country. The Affirmative Action Loan Scheme, under which currently 512 individuals are benefiting, makes available to disadvantaged Namibians affordable loans to acquire farmland. The current financial year has been a difficult year for *AgriBank*, but fortunately the situation is improving steadily. The institution's main challenge is to raise adequate resources to fulfil its mandate, and I am confident that with the new management and Board of *AgriBank*, we shall be able to realize our objectives of sustainable land acquisition.

Development Bank:

Government is currently the only shareholder in the *Development Bank of Namibia*.

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To date, Government's paid-up capital to the Bank amounts to N\$388 million. With further funding envisaged under the MTEF and the transfer of assets from the National Development Corporation to the Bank, the Bank's capitalisation will further be increased.

Through its extensive partnership arrangements that resulted in dedicated co-financing agreements, the Bank was able to generate N\$3 for every N\$1 it invested in projects, thus expanding the resources availed to it by Government considerably.

Thus far the Bank had received a total of 94 loan applications with total project costs of N\$2.6 billion, of which N\$1.7 billion was funding required from the Bank. The *Development Bank of Namibia* aims to advance a further N\$120 million during 2006, of which N\$60 to N\$70 million is to be committed during the first part of the year.

The Bank has approved loans with a combined total value of N\$111 million in 2005. The loans were extended to a local authority, involving N\$20 million; public entities N\$30 million and private sector companies N\$60 million. These projects cover electricity distribution, information technology, manufacturing, mining and poultry production. They include both start-up projects and expansion of existing activities.

Taken as a whole, the projects supported by the Development Bank of Namibia will potentially create 909 jobs and retain 952 direct jobs, and 1 000 indirect jobs. The projects also stand to boost export earnings, support operational efficiency in key productive economic sectors and contribute to efficient delivery of electricity to consumers.

The Bank's small and medium enterprise window, the Special Development Fund, commenced activities on 23 August last year with the signing of a partnership agreement with *Bank Windhoek* to administer the disbursement of state-owned enterprise loans. Loans amounting to almost N\$4 Million were extended through the partnership until February of this year. These projects are being implemented in three regions and have led to the creation of 121 jobs. The partnership makes provision for state-owned enterprise development through the extension of mentoring programmes aimed at enhancing their chance of success.

Energy Policy:

The rising oil prices and the increasing electricity demand in the SADC Region are two challenges that Namibia will face in the near future, and we have to be prepared to manage the risks. The recent power supply interruptions in South Africa will necessitate Namibia to increase its own power generation capacity. In the short term,

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I can only underscore the calls for responsible energy consumption. Let us save electricity wherever possible and explore the possibilities of alternative power generation. In the medium and long term we have to ensure that the energy needs of our country are met through stable and reliable supplies. While alternative energy generation possibilities have a future in Namibia, we will continue to rely on traditional power generation.

At this point I wish to share with this House that NamPower, in consultation with Government, is developing a comprehensive financing plan for the Kudu Gas Power Plant. Such a plan entails not only the costing and financing of the project, but also projected revenue streams and profitability models for the life span of the project.

The financing requirements for the development of the Kudu Gas Field are immense. This project is set to be profitable, especially in the context of the SADC power-poor. As indicated, in this budget Government is making a budgetary provision of N\$750 million during this MTEF, with N\$250 million allocated under next year's budget. These large investments towards the development of the Kudu Gas Power Project are required to avert the imminent power crisis which is induced due to the overall power shortage in our region. This comment, even though it covers only a fraction of the total financing needs, shows Government's commitment to the Kudu project.

Further, the favourable credit rating both for the country and NamPower, puts the project in a position to obtain large funds from the local capital market and international investors. Although modalities are still to be worked out, this will no doubt offer attractive domestic investment opportunities.

Global oil and fuel prices continued to rise over the past year. For Namibia, most of the effects of the international oil price hike were cushioned by the Slate Account of the National Energy Fund. This resulted in accumulated deficits in the National Energy Fund. The current budget, therefore, makes a budgetary provision in order to offset the Fund's accumulated losses of N\$206 million. Our hope is, however, that the National Energy Fund will revert back to the operational mode as envisaged in the governing legislation which requires the Fund to be self-sustainable.

Public Finance Reforms:

In 2005/06 we have made progress in the implementation of the Public Finance Reforms. 2005/06 has been the first year of full programme budgeting. While there were almost inevitably teething problems, these have been solved largely and the Ministry of Finance has undertaken a programme of familiarisation in line Ministries.

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The quality of the Medium Term Plans contained in the MTEF that underpin the move to programme budgeting, has improved.

I encourage the Members of this House to familiarise themselves with the programmes outlined in the MTEF book that will be distributed soon. I wish that the discussions will centre on activities and outcomes achieved by each Vote and not on line items. I further wish that in the future all motivations for expenditure be presented to the Ministry of Finance following this route, as we have moved towards a perspective in which we see what we get for our money.

Financial Intelligence Centre Bill and other Bills:

Laundrying of proceeds from crime have spread internationally and has become a worldwide threat to stability and the security of financial resources. In its commitment to fight such activities, Government has joined efforts with other governments to strengthen the capacity to prevent, control and investigate serious crimes related to money laundering by enacting respective legislation.

I introduced this Bill very recently, but the discussion had to be postponed due to several issues, which needed to be further clarified. Once these clarifications have been made the Bill will be reintroduced in this House.

This Bill, once enacted, will enable the Bank of Namibia to create a Financial Intelligence Centre, and provisions totalling some N\$4.7 million had been made to this end.

The work on the amendment of the State Finance Act has reached an advanced stage. The Amendment Bill was presented to the Cabinet Committee on Legislation. However, further adjustments to the Bill are deemed inappropriate. For one, the State Finance Bill and the Audit Bill have now been separated to enhance the autonomy of the Office of the Auditor-General and bring it in line with international best practices. A workshop is also planned for next month to scrutinize the State Finance Bill and finalize the two Bills.

We have good reasons to be satisfied with our financial system. An assessment of the financial sector through international financial institutions has confirmed that Namibia's financial sector is among the most developed on the continent. It has, however, pointed to the need for strengthening the financial supervision by *Namfisa*, especially of the non-banking institutions, and for improving access to finance for the population. These issues will receive our attention in the coming years.

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Namibia, for a developing country, is in the fortunate situation to have significant domestic savings. It is, however, uncharacteristic for a country with large developmental needs to export some 65% of such savings. By and large, these domestic savings constitute contractual savings from pension schemes and the like. The challenge that we face is to safeguard the interests of the pensioners and at the same time direct national savings towards national investments.

If pension funds do not satisfy the needs of pensioners, obviously the State, through direct budget interventions, is obliged to exclusively fund the social safety net directly, which is very expensive and unaffordable. On the other hand, if we are failing to redirect domestic savings into our own economy, the very safety net could be threatened by perpetual poverty. A balanced approach, which does not introduce undue risk to pensioners on the one hand, but which stimulates economic growth on the other, is therefore required.

Financial Charter:

In responding to the call I made in my last Budget Speech for a Financial Charter, the financial sector has agreed to formulate such a document that will address national and socio-economic concerns. Progress in this regard is, however, slow. In order to speed up the process, Government has formed an Inter-Agency Committee, comprising of the Ministry of Finance, the Bank of Namibia and NAMFISA, to work out guidelines for the formulation of the Charter by this sector. The salient features of the guidelines are:

- Principles pertaining to increased access to financial services and affordability thereof;
- Shareholding activism aimed at increasing the participation of formerly disadvantaged groups in terms of management and ownership of financial institutions;
- A commitment to the reduction of capital outflow through increased investment in the domestic economy with the purpose of diversifying and expanding economic activities in our country;
- Human resource development aimed at developing skills in scarce and specialized areas within the financial sector, as this would enable the previously disadvantaged employees to increase their participation in

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- management in these institutions and for the sector to handle locally complex financing schemes for which capacity is currently lacking.
- Provisions for consumer protection.

The Charter will also include an assessment mechanism that provides targets or benchmarks, monitoring and evaluation strategies and clear definitions of concepts. A proposal in this regard is currently being discussed with the industry and we expect an initial report by the end of June 2006, and the Charter by the end of the year.

Closing Remarks:

Honourable Speaker, Honourable Members, in my concluding remarks I wish to focus our attention again on the need to prioritise our activities and our resource allocations towards interventions that bring about a better life for the less privileged members of our society. Politically, as well as financially, we cannot afford perpetual inefficiencies, be they within the civil service or within State-Owned Enterprises. May I appeal to you, therefore, Honourable Members, to support our efforts to promote optimal utilisation of scarce resources so as to achieve desired results. We owe it to our people.

May I also take this opportunity to thank His Excellency, President Pohamba, and the Right Honourable Prime Minister, for their support? Equally, my Cabinet Colleagues have shown much understanding for the difficult choices we had to make. My thanks must also go to all the officials who assisted me in preparing and compiling the MTEF and they are at the Ministry of Finance, the National Planning Commission and in the line Ministries.

I am very alert to the fact that our needs surpass available resources and the pains that such a situation bring with it, but irresponsible short-term generosity will only bring more intense pain for everybody. I am confident that the policy of the SWAPO Party that the need to focus on pro-poor, pro-growth while maintaining a prudent fiscal policy, is the only way to prosperity as envisaged in VISION 2030.

Honourable Speaker, Honourable Members. It is now my pleasure to table the Appropriation Bill for 2006-2007 and the Medium Expenditure Framework for the financial years 2006-2007 to 2008-2009 before this august House for its consideration and approval.

I thank you.

16 March 2006

HON SPEAKER: The Honourable Minister's voice has been echoed in the heavens above with more rains and that is a blessing and good news, indeed. The ball is now in the court of all the Honourable Members to pursue justice and do the right thing for the good of all our people. I congratulate and thank the Minister. Any further discussion? Honourable Gurirab?

HON T GURIRAB: Honourable Speaker, though we have not yet seen a copy of the Bill yet. I Move in line with your Ruling earlier that the Debate be adjourned to Tuesday 28th when I shall be returning the favour to the Honourable Minister by responding. But we have not seen the Bill.

HON SPEAKER: I do not imagine any objection to that. With that I call upon the Right Honourable Prime Minister to adjourn the House until 28th March 2006, at 14:30.

RT HON PRIME MINISTER: Thank you Honourable Speaker. We will adjourn for a week to go and familiarize ourselves with the Budget.

HON SPEAKER: The Speaker misspoke a bit. There is one more item before we get to that and we will dispose of it, I believe, quickly. The Secretary will read the First Order of the Day.

**RESUMPTION OF DEBATE ON THE DISASTER CAUSED BY FLOODS IN
THE NORTH AND AT MARIENTAL.**

16 March 2006

HON SPEAKER: When this Debate was adjourned on 14 March 2006, the question before the Assembly was a Motion by Honourable Mudge. The Honourable Mudge adjourned the Debate for his reply and I give him the floor now.

HON MUDGE: Honourable Speaker, Honourable Members, I feel this is the Budget Day and not any other discussion day. I also do not want to say or do anything that will take the attention away from the Minister's speech. But I want to say that as far as that Debate is concerned, there was a Committee appointed. I have full confidence in the Chairman of that Committee and the Members present to investigate the matter at Mariental, should it be necessary, it can be debated again after that.

So thank you for that.

HON SPEAKER: The reply on this Motion is deferred indefinitely. Now, Right Honourable Prime Minister.

RT HON PRIME MINISTER: Can I propose that we adjourn this august House and return on the 28th of March 2006, at 14:30? By the time we come back, you should have read these documents. Do not come and talk irrelevant things.

HON SPEAKER: The House therefore stands adjourned. Minister of Finance?

HON MINISTER OF FINANCE: Honourable Speaker, thank you. I rise to announce with regret that I have received a message from the company that is printing our documents that they are experiencing some technical problems and they are not able to finish printing the documents today and in time for the Members to get their copies. They will be able to finalise the printing by tomorrow morning. The copies will be made available to the Chambers so that the Honourable Members can be provided with them. I appreciate your understanding. Thank you.

16 March 2006

HON SPEAKER: These things happen sometimes. The House stands adjourned until 28th March 2006, at 14:30.

ASSEMBLY STANDS ADJOURNED AT 16:10 UNTIL 2006.03.28 AT 14:30

**NATIONAL ASSEMBLY
ASSEMBLY CHAMBER
WINDHOEK
28 MARCH 2006**

The Assembly met pursuant to the adjournment.

HON SPEAKER: Took the Chair and read Prayers and the Affirmation.

HON SPEAKER: Any Petitions? Any Reports of Standing or Select Committees? Other Reports and Papers? Deputy Minister of Finance.

TABLING: REPORTS OF AUDITOR GENERAL

HON DEPUTY MINISTER OF FINANCE: I lay upon the Table the Report of the Auditor General on the Accounts of the following:

- (a) Development Brigade Corporation for the Financial Year ended 31 March 2004;
- (b) Municipality of Okahandja for the Financial Year ended 30 June 2004;
- (c) Town Council of Rehoboth for the Financial Year ended 30 June 2004;
- (d) The Vocational Training Fund for the Financial Year ended 31 March 2005.

I so Move, Honourable Speaker.

NOTICES OF QUESTIONS

**TABLING: ANNUAL REPORT OF
SOCIAL SECURITY COMMISSION**

28 March 2006

**NOTICES OF QUESTIONS
HON MOONGO**

HON DEPUTY MINISTER OF LABOUR AND SOCIAL WELFARE: Thank you, Comrade Speaker. I lay upon the Table the Annual Report of the Social Security Commission as from the year 2002 to year 2003.

HON SPEAKER: Will the Honourable Deputy Minister table the Report? Any further Reports and Papers? Any Notices of Questions? Honourable Moongo.

NOTICES OF QUESTIONS

QUESTION 38:

HON MOONGO: Honourable Speaker, I give Notice that on Thursday, the 6th of April 2006, I shall ask the Honourable Minister of Environment and Tourism the following:

1. Is the Minister of Environment and Tourism aware that Oshivelo Community Farm was turned into wildlife game farm illegally?
 2. Can the Minister confirm or deny that a half dozen lions were deliberately allowed to live where humans and livestock live, for more than three weeks?
 3. Is it true that more than five cattle and more than five horses and unaccountable small livestock were killed?
 4. When will the Ministry compensate the abovementioned damage? When will the lions be removed from the community areas?
-

HON SPEAKER: Will the Honourable Member table the question? Any further Notices of Questions? Any Notices of Motions? Honourable Venaani?

**MOTION TO WITHDRAW ITEM
FROM ORDER PAPER**

28 March 2006

**NOTICES OF MOTION
HON VENAANI**

HON VENAANI: Honourable Speaker, I Move without Notice, that the Motion on the state of the land crisis currently on the Order Paper of the House be withdrawn according to Rule 33(b) of the Standing Rules and Orders to allow more debate on the Appropriation Bill under discussion and to reintroduce this Motion at another appropriate time. I so move Honourable Speaker.

HON SPEAKER: The House appreciates the kind gesture, Honourable Venaani. Any further Notices of Motions? Any Ministerial Statements? None. The Secretary will read the First Order of the Day.

**DEBATE ON SECOND READING:
APPROPRIATION BILL**

HON SPEAKER: When this Debate was adjourned on Thursday, 16 March 2006, the Question before the Assembly was a Motion by the Minister of Finance that the Bill be now read a Second Time. The Honourable Mr Gurirab adjourned the Debate and he now has the floor.

HON GURIRAB: Honourable Speaker, Honourable Members, in the absence of Comrade Paulus Ilonga Kapia, I suppose I am not required to thank the SWAPO Youth League for anything I am going to say. But having dispensed with that, Honourable Speaker, let me start my contribution to the budget by congratulating Jafet Utoni who has secured Namibia's sole gold medal at the recently concluded Commonwealth Games at Melbourne, Australia.

Honourable Speaker, Jafet's victory in these Games sends, to my mind, at least two messages for us in this Budget Debate. Firstly, that if we invest our limited resources wisely and correctly, we stand to reap the fruits of our labour. I think there is a lesson in this for all of us, that is, what choices we make in our investment decisions as a Nation. Whether, for example, we elect as a Nation to follow the path of European countries in the sixteenth and seventeenth centuries. For example the English Industrial Revolution based on sweatshops or whether, as a Nation, we elect to follow the path of smart knowledge-based models, as illustrated by Singapore.

The second lesson to my mind, is that as a small Nation, provided we do the right thing, we can punch above our weight, if you will, again in the fashion of Singapore and others. So much for Jafet Utoni. Congratulations and we wish him a speedy recovery. Honourable Speaker, let me also congratulate the Honourable Minister of Finance for having run a tight ship, which ensured that we have not seen an Additional Budget for the last two Financial Years.

Additional Budgets, Honourable Speaker, by their definition and by their nature, represent the ugly face of fiscal indiscipline and uncontrolled profligacy. I believe our Parliament still holds the record with a Minister of Finance returning to Parliament three times in ten months to request funds to finance government programmes. That was the situation back in fiscal 2000/2001. I hope that that will remain history.

Speaker, the presentation of the Budget annually represents an important policy statement from the side of the Government, for it details to what extent and from which sources Government was able to draw resources and how it proposes to expend the same in the common interest of all.

In a country where Government has set out long and medium-term plans it is axiomatic that its annual expenditure plans will be judged in the context of Government's own stated long-term and medium-term priorities.

To be sure, Honourable Speaker, the Government of the day has the unfettered mandate to tax and spend, but since we are not Robinson **Croesoe**, not only the global village, but critically the actions of the countries in our neighbourhood represent examples of our future. Depending how we carry out this responsibility, i.e. the responsibility to tax and spend, we can either have positive growth and macro-economic stability. But again, depending on which course we opt to follow, we can have growth where all economic indicators point to the south, except the trinity of inflation, unemployment and public debt reaching public skies.

The secret of success, we submit, Honourable Speaker, all these lies in good governance.

Our country recently had quite a public debate on corporate governance, occasioned by the badly drafted Bill submitted to this Honourable House.

But to be sure, our country has also experienced unacceptable instances of poor governance across the entire spectrum of government, and I use here government in its broader sense of the word.

This poor governance starts from the highest echelons, indeed from this very august House. In an effort to ensure transparent and ethical government, this very House enacted in 1996, ten years ago, an Act of Parliament to assure the public at large that, indeed, their elected representatives will at all times act in the best interest of the electorate. The sad truth, however, is that this first and noble attempt at good governance has been honoured more in breach than in adherence.

The Act I am referring to requires of elected officials to declare their interest annually to assure the public that when we act, it is not in advancing of the self, but that we are acting in the legitimate interest of the greatest number of the public. In its tenth year, this Act was only enforced once, dusted off in the year 2000 when CoD Members of Parliament voluntarily declared their assets publicly upon taking up public office.

I make mention of this, Honourable Speaker, because our own culpability reduces the good government threshold and renders us impotent in the face of daily abuse of public office. For year in and year out the constitutional watchdogs on good governance, namely the Auditor General and the Ombudsman report to this House and Government on a litany of mis-governance. They report on administrative miscarriage of justice, about frauds, about nepotism, about corruption. They report on unauthorised expenditure by government departments, regional governments and local authorities. The media join them in reporting on maize meal, rice and governors making curtains or illegally occupying government houses or government cars, and the Government of the day merrily continues business as usual. Surely, there must be some sanction for misconduct, for abuse of public assets which otherwise could have been available for the budget.

Honourable Speaker, the idea that a public official will not use or is it misuse information which comes her way for self-interest is a basic tenet of good governance. In our Government, it would appear as if this is the first rule you have to do to earn your space.

It is the resources that are diverted by these unworthy public officials through mis-governance, which reduce the public cake.

Honourable Speaker, allow me to say a little bit more on corporate governance and State-Owned Enterprises.

True the State-Owned Enterprises control a significant amount of state resources and it is right that we must be concerned whether we get the real value for our Namibian Dollar. I believe that we need to take a second look, in the light of the public debate,

at the State-Owned Enterprises Bill if governance indeed is the very reason of this Bill.

For, in order to address this governance issue, the Bill that was presented to us seeks to establish what is called a “*Governance Council*”. In other words, an additional buffer between board, management and the shareholder. At closer examination, the Council is nothing but a government department of politicians presided over by the Prime Minister.

The pertinent question is whether or why this will enhance governance of the State-Owned Enterprises.

The classical separation of powers in corporate governance is one where the three principal stakeholders have its remit clearly defined, namely firstly, the owners or the shareholders who are equity holders, secondly, those entrusted with the care of these assets, namely the directors and thirdly, the management and the staff hired to run the business of the enterprise on a day-to-day basis.

This is the classic organisation of a corporate entity with various variations.

In this scenario those who manage the assets or investments of the owners are granted the degree of freedom to manage the enterprise and report on a periodic but structured manner to the owners – usually once a year at the Annual General Meeting and/or in the form of an annual report.

In the model being proposed by this Bill, there is a collapse of the place of the owners directors and management. Additionally, reporting lines are confusing or unnecessarily being complicated in a tried and tested manner of bureaucracies which business hates like a pest.

In the model being proposed by this Bill, for example the management communicates via the Board, via the Council to the portfolio Minister. This sounds like an uninspiring, if un-businesslike management akin to a department responsible for the registration of births, deaths and marriages and certainly unlike business. The cliché that time is money is true in the case of business and the model being proposed will not enhance business practice.

Honourable Speaker, the jury is still out on whether we need an additional buffer of State-Owned Enterprises Governance Council – be it in the form that is being proposed, essentially as a club of Ministers or in a more independent fashion. As I have already pointed out, exemplifying this confusion is the fact that all the Bill does

in its present form will only manage to chip away bits and pieces of the traditional function of executive management and board and pretend that it adds any value.

To me, therefore, we do not need a Central Governance Council at all, but a set of governance rules which will be mandatory written into every statute of a State-Owned Enterprises, if you will, a kind of “*Companies Act*”, because all these things are already covered for the private enterprises in the Companies Act in any case – a kind of shadow “*Companies Act*” where governance rules are already clearly set out in the Act. This will spare us the effort of reinventing a second-class wheel.

Honourable Speaker, a balanced Budget or one with surplus over immediate needs is not an every day occurrence, but I am not sure whether the Minister deserves a feather in her cap.

The main drivers of the projected surplus in the Minister’s budget are three. The first one, which everybody has spoken about, is the **windfall from SACU**. The second one is from the **tax audits**, which were carried out largely in the North of the country. The third and most important one is the **unspent allocations, mainly of capital budget projects in the Financial Year, which is ending**.

Most commentaries so far have emphasised only the SACU windfall, legitimate as that may be, but I believe that the other two are equally or perhaps even more important. For example, a surplus indicated by under-expenditure of last year’s Development Budget is a negative rather than a positive. The Budget presented to us, of course, does not give us the final outturn for the last Financial Year, but by November last year, expenditure on the capital budget was around 30% and it will be a miracle if government achieves to spend 75% of the development budget, which by its own criteria would be the minimum expenditure target.

So the Minister’s surplus of N\$114 million came from the budget that was appropriated here last year, which has not been spent. That is what I am saying.

The tax audits have brought in money in excess of N\$600 million. That is good, that is welcome money. But again, this is an area where the Honourable Minister and I have annual duels. I submit, as I have in the past, that strengthening of the Receiver’s Office, even if it means an independent agency, will ensure that Caesar, in the form of the Minister here, will continue to receive her fair and legitimate due. The revenue received for this year may be a one-off, but we should not continue to depend on *ad hoc*, as the Minister has done, to get the N\$600 million. What I am saying to the Minister is, why do we not strengthen the Receiver’s Office? Instead of employing clerical staff who are hardly literate to complete their tax returns, why do we not

employ professionals to get the N\$600 million and more, instead of the Minister going out once to collect the N\$600 million.

The SACU windfall is one, but that is not the whole story. The story is to strengthen the Receiver's Office and to spend the money that was budgeted last year. The money was not spent, by November we had only spent 30% of the Budget and there is no way that over Christmas they would have spent the money that was allocated.

Honourable Speaker, if one looks at different Votes and Allocations in the Budget that have been presented, there is nothing to suggest that expenditure has contracted. The allocations to different subdivisions have not changed, they have, of course, increased. So, for this the much vaunted surplus, to the extent that the outcomes are not a function of deliberate policies of the government, I shall not put the feather in the Minister's cap.

Honourable Speaker, early this year we had a debate in this Honourable House based on what passed for a briefing by the Right Honourable Prime Minister on the Cabinet Retreat of December last year. I am returning to this because the Budget document makes mention of this and so does the Honourable Minister in her motivation to this House. The Honourable Minister told us that the Budget presented to this House is one she elected to title "*pro-poor, pro-growth*." The Minister was going to tell us that this is because of a national consensus that was the Minister's language "*national consensus reached at the Cabinet Retreat of December 2005*".

I did, Honourable Speaker, during the Debate on the scanty report from the Retreat refer to a "*credibility gap*" – a gap between Government's pronouncements and its actions. I also made reference to the undertakings made at a similar Retreat five years ago and the actual outturn.

The Retreat of five years ago premised its poverty reduction programme on and I quote from that "*on a breakthrough in land reform*" and then it went on to say that, "*Therefore, economic development of Namibia rests squarely on equitable distribution of land.*" That Retreat, therefore, decided to acquire it did not say only nine million, it went into the last detail it said 9 552 072 hectares of land for redistribution and resettlement and when they announced this decision, government further committed itself to allocate N\$100 Million on an annual basis to implement that decision.

I can share with this Honourable House a little secret, and that is actually that the Government did not do this. For the last couple of years Government was allocating N\$50 million for land acquisition and land resettlement, which N\$50 million has also

not been spent. It has been under-utilised last year, it has been under-utilised the year before and the year before that.

I raise this, Honourable Speaker, because Government, through the Minister, reports a national consensus and that she does this because the Cabinet Retreat of December 2005 has enjoined her to do so.

But even if you do not want to be sceptical and be positive like we are, you ask yourself, where is the evidence for this pro-poor, pro-growth elements of the Budget?

Honourable Speaker, we welcome the increased allocation of N\$70 for old-age pensions. She is not here, but we hope Minister Mungunda also does.

To Honourable Kaura's credit, he ensures that we have an annual debate on the old-age pensions in this House. The issues raised annually in these debates affect the welfare of our people directly and it has, Honourable Speaker, often been said that *"an important measure of civilisation is how society treats its weak and most vulnerable."*

In a similar Debate on the Budget on the old-age pensions in October 2003, I pointed out to this Honourable House that the Council of Churches were already demanding an increase in old-age pensions to the amount of N\$600 in 1998. In the same debate I also cited a study by NEPRU, entitled *"Reform Fiscal Consequences of Pension"*, August 2001, which suggested that in real terms - real terms means how much you are able to buy with the dollar. That dollar in 1992 and in 2006 is not the same dollar. What they were saying already in 2001 is that in real terms the old-age pension of N\$200 was less than the N\$92 which was being paid in 1990.

In that Debate, Government gave the undertaking to inflation-index the pension. But as we can expect, of course, from the Government, it was not done and the Minister has not told us in her Budget whether there is any intention to do so.

Speaker, we welcome the additional rolling out of the ARV, but must make the observation that bulk of the resources committed to combat the HIV/AIDS pandemic, reproductive health and malaria comes from our donors. We owe our donors, Honourable Speaker, a debt of gratitude. But we must commend the Ministry of Health and Social Services for the sterling work which they are doing in the area of education on HIV/AIDS, which has seen positive results by this pandemic being stabilised and actually showing a small drop.

Honourable Speaker, we also welcome the resources committed to registration of OVC's and urge the Ministry to work closely with community leaders, NGO's and CBO's in carrying this responsibility.

Honourable Speaker, it is true that education has received the bulk of our resources, yet our education system is very wasteful and inefficient. Ours is a system, which throws out more than 50% of pupils after ten years of mis-education and with very little skills to fend for themselves in the real world. Only 1 to 2% of a cohort who starts Grade 1 completes Grade 12. This is an economic and social waste, a travesty and I do not know how anyone of us here can support it.

Government's macro-economic projections are so off the track that it serves little to engage them. In fact, its targets and strategies amount to actions of a group of drunks in a saloon, ordering not drinks of their choice, but they sit there, they tot up their pennies and they buy anything depending on what the sum of their pennies can afford. So that is Government's budgeting. It has no strategy, and there is no logic in it.

Its growth projections, levels of public debt and size of Government are way out of projected figures, with the risk that one opens oneself up for lynching by talking about Vision 2030 or any such.

Debt stock has stubbornly increased from less than 2% in 1989/90 to about 33%, yet the Minister uses "s" words when talking about debt. The Minister talks about "*debt stabilising*" whilst announcing in the same breath that in this Fiscal Year alone it will increase to 33.7%. Government's own target, is a ceiling of 25%.

Honourable Speaker, the civil service happily expands as the Minister also acknowledges in her motivation. A decade ago, something called WASCOM already proposed a two-pronged strategy: One, trim the numbers of civil servants and two, remunerate better those who remain. That was a Government decision a decade ago.

On education, - I was going to say that we need to change what we are doing in our education rapidly, because our present practice amounts little more than piling up in two piles at both ends of Independence and have a bon-fire. That is what we are doing in the area of education. We must change this and change this for good and for that reason we welcome and support the N\$380 million that is being committed for ETSIP.

Honourable Speaker, we believe that investments in the productive sector and infrastructure lay the basis for future growth. And for this reason we welcome the envisaged expenditure for the Kudu Gas Project as well as the Green Scheme. We are

happy that the Green Scheme finally comes on stream, because in terms of returns on investment and numbers of people who are going to be employed, it beats many times over buying marginal farms in Aranos and Ariamsvlei to resettle people.

Honourable Speaker, we also welcome the appropriations made to strengthen our criminal justice system. Both the Prosecutor-General, appearing before the Parliamentary Committee on Legal Affairs last year and the Judge President in the First Session of the High Court this year, spoke unambiguously, if in measured terms as behoved judicial officers, about the imminent collapse of our administration of justice. We were, however, struck by the number of vacancies if you look at the votes of the Ministry of Justice, both at Lower Courts as well as High and Supreme Courts. Not only are there vacancies of more than 50% in both cases, but our surprise was that we are not giving any money in this year also to fill those vacancies. We believe, Honourable Speaker, that this is an unacceptable situation.

A similar situation of unfunded positions appear in the Police Vote. In the Crime Prevention subdivision alone, out of a total posts of 6 360, only 3 866 are funded in the current Financial Year and the Minister is only making money available for forty-four new posts. More than 50% or close to 50% of Police posts to combat crime, we are told this year they will not fund. Honourable Speaker, this situation we believe is to be regretted.

As we have stated, Honourable Speaker, in this House and elsewhere over and again, we believe that the sovereignty, and the defence and security of our country are sacrosanct and non-negotiable. While that remains the case, we shall continue to differ on the best means to maintain our sovereignty and defend the lives and properties of our people.

For this reason, we believe if you compare what we are proposing to spend on Defence and Intelligence Services, and compare that with the law enforcement function, we must all ask ourselves whether we are allocating our resources appropriately.

In the area of Defence alone, we are proposing to build thirteen new bases in this year.

Let me conclude, Honourable Speaker. Despite the December 2005 Retreat, deciding on reallocating resources in relating to development, nothing has changed. But the Minister, plays God or at least she attempts. God said, "*let there be light*" and there was light. The Minister cannot say the budget is pro-poor or pro-growth and by that very action it becomes one. Unfortunately it does not work that way. In the case of

the Minister, if she wants the Budget to be pro-poor and pro-growth, she will have to allocate the resources to that end.

Honourable Speaker, it is common cause that growth has been sluggish for the last couple of years in our economy. Our people are poorer than they have been. As a country we have slipped in the Human Development Index last year on account of HIV/AIDS. The international agencies now report that our country is the country with the highest Gini-coefficient. Ours is the country with the largest disparity between the rich and the poor. That is common cause. The growth we will see in this year will largely come from the traditional sources. They will come from investments in resources, i.e. mining. They will not be induced by any policies that have been taken by this Government, at least, this year.

So the Budget unfortunately has nothing. The N\$70 is welcomed, what is being done for HIV/AIDS is welcome, but apart from that there is very little the Budget has for the common human on the street.

Our prosperity in the long term will come from empowering our people and I am not aware of this empowerment out there on the street. I am talking about empowerment with two legs. The one leg is to invest and invest and invest in skills, skills appropriate for driving our economy. I am not talking about diplomas and degrees in Public Administration which we are giving at the Polytechnic and the University, but skills to drive our economy to be Singapore. So that is the one leg.

The second leg, Honourable Speaker, is what used to be called “*primitive accumulation of capital*.” Our people are poor because they have no assets. We must enable our people to be owners of capital. I brought this along. I am not going to pass this to the Minister in the same manner that the Attorney General did with her copy of the Constitution to my Colleague Schimming-Chase, but I have here a book by one Hernando Soto. The book is titled “*The Mystery of Capital*”. I have ordered one for the Minister of Finance. It will be in her birthday sock. We must invest in appropriate skills to enable our people to have capital to drive our economy. Thank you.

HON VENAANI: Thank you very much, Honourable Speaker, Honourable Members of this august House.

Honourable Speaker, a National Budget, in my opinion, is an embodiment of the values and aspiration of a nation in which their needs and demands must be addressed. Thus, an occasion of debating a budget is a very important one to us, the elected representatives of our people to critically examine how shares of our resources are distributed to the benefit of our society and the nation collectively.

Honourable Speaker, from the onset, let me quote Catherine the Great who once said: *"I praise loudly and blame softly."*

Honourable Members, I want to use this opportunity from the onset to thank the Honourable Minister of Finance for having achieved her one promise of a surplus Budget during this Financial Year, thanks to the unexpected SACU pool windfall.

The Ministry further needs commendation on its revenue collection effort through the forensic audit exercises that have allowed an increase of revenue from company profit tax on non-mining companies that is set to just rise from N\$1 billion in 2005/06 to N\$1,25 billion in 2006/07.

It is further pleasing to note that the Ministry is further targeting the Khomas Mega Region and efforts are under way to open regional offices in Otjiwarongo and Keetmanshoop, respectively. It is also a positive sign that this achievement was accomplished without major adjustments to tax rates, but a mere broadening of the tax base. It is my opinion that with the forensic audit effort in the Khomas Region, many companies, especially South African companies, would be closely reviewed and monitored and greater efforts of tax collection would be achieved.

I further note a positive trend of transparency in the cooperation of foreign loans used to finance specific projects. The detailed breakdown of these loans on Page 13 of the MTEF is a positive sign too, Honourable Minister.

Honourable Members, a positive sign in the Budget is the health allocation that has increased. That has seen a decline in many years and we hope for a speedy roll-out of the anti-retroviral drugs to the needy communities in our country.

Regarding education, one cannot judge ETSIP at this point in time. Hence, the Minister of Education refused to call a national conference on education. He rather called a round table to which none of us were invited and we are the elected, people's representatives.

There is a rumour, the Minister of Finance can just lay this rumour to rest, that ETSIP is funded by the World Bank. Is it true or not?

Honourable Speaker, on the score of pension increases, it is a positive sign, even if we are told and know that if you compare the inflation rate, the pensioners must in fact received more. But it is a positive sign in the Budget.

Honourable Members, setting targets is a useful exercise if a serious attempt is made to achieve them. If not, all that happens is that credibility is lost. Our Government has set out expenditure targets that seem not achievable. Our current expenditure level is at 35.6%, nearly 6% beyond the target benchmark of 30%. Our stock of public debt stands at 33.5% beyond the 25% benchmark. The stock of public debts exclude government loan guarantees which are forecast to reach over 10% of GDP.

It was further projected in the 2004/05 Medium Term Expenditure Framework that for the last Fiscal Year the public debt would have shown a decrease of 1.6% of the GDP, whereas it stood at 2.4% of the GDP then. These results of unmet targets are standing in its fifth consecutive year of the Medium Term Expenditure Framework.

Every year the Minister predicts that total revenue is expected to decline over the three-year Medium Term Expenditure Framework period, but such a fall has consistently failed to materialise. This year revenue is set to reach 35.9% of the GDP, its highest level since 1991/92, thanks to a substantial windfall from SACU. Actual budget deficits look to be higher than forecasted for 2001/02, lower than forecasted for 2002/03, much higher than forecasted for 2003/04 and 2004/05 but lower for 2005/06.

Public debt in the last fiscal year was viewed by the Minister, as per her statement during last year's Budget, that we are below international benchmark projections. However, and this is my contention, if we borrow to spend on an item that does not generate growth, I argue that the country is in much greater danger than we can ever imagine. I believe that the red lights are on and we cannot afford to borrow if we do not want our country to be an indebted country.

I further disagree with the Minister's statement of recent when she said, "*we will have the funds, let us spend it*". Greater effort should be geared towards reducing public debt. Our country has created a tendency where we spend and incur debt by spending on projects that would not immediately generate revenue.

28 March 2006

**DEBATE SECOND READING APPROPRIATION BILL
HON VENAANI**

We cannot afford this trend if we want to diversify our economy. In my argument, the building a State House at a cost of N\$500 million or more would not generate any revenue, nor jobs, since it is using Chinese builders to construct it. Therefore, the construction of a State House in a country is not a bad idea, we are not opposed to the fact that the President of this country or the country needs a new State House, but it is the timing, and that we spend so much capital on such a project. (Interjections). No, if you had created enough jobs, if you have spent N\$500 million on the Green Scheme, you would have created the thirty thousand jobs that you have targeted in your political party manifesto and have not achieved up to this moment.

If you have spent N\$500 million on education, it would have generated better results, rather than building a State House now.

It is the same argument that I want to advance with the building of the Northern Railway line, and I would during the last Debate on the Retreat of the Cabinet that the Prime Minister introduced in this House. It was my contention that it is not a bad idea to build a railway line but the building of a railway line ten years ahead if the markets that you want to penetrate are not at that level to optimally use the railway line. We are talking about tapping the Angolan market. Currently some of us are business people. Oshikango has proven to be a problematic area. Many of the Angolan business people are now trading much better with Rundu because it is closer to them to come to Rundu rather than Oshikango. Many businesses are suffering today in Oshikango.

Yet you are putting a lot of money, massive amounts of money that was not even planned in the VISION 2030, trying to tap that market without making sure that those markets have really reached that level. In town. The other time I accused the Government of our Republic that it plans by impulse. Can one leader stand up and say that he wants to see a Cape Frio before assessing the whole idea. We see Politicians in the streets campaigning saying we are going to build Cape Frio. It is a new project coming up without really assessing. (Intervention)

HOUSE ADJOURNS AT 15:40

HOUSE RESUMES AT 16:10 PERSUANT TO ADJOURNMENT

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HON VENAANI**

HON VENAANI: Honourable Speaker, I was advised to calm down.
(Intervention)

HON MINISTER WITHOUT PORTFOLIO: Honourable Venaani, I have really listened to you carefully. You have advanced the argument about this railway that we have. The atmosphere is not yet ready for building such a railway and the industry will not be responsive to this. But do you not think that there is another side of the coin? That if you build proper infrastructure it will also encourage would-be investors particularly foreign investors to invest in the country because the infrastructure has been created that will attract them to invest their money since it will have to take them to the markets or the infrastructure is conducive to invest in a country like ours. When you say that creating an infrastructure is a very good thing for attracting the investors.

HON VENAANI: Honourable Minister Without Work, you see here you have an investor investing in what? If there was a mine in the North of the country, a diamond mine or a copper mine, you find some oil there, and there are investors who were interested in investing in an oil refinery or whatever or a mine there you can endeavour building such an infrastructure.

For example you are a farmer. You have converted your farm into a hunting farm, and perhaps one of the greatest entrepreneurs Donald Trump wants to visit your farm. He only comes once in five years and because he's a millionaire and he comes with friends he wants to have a landing strip there. Now it is simple economics if Donald comes to your farm only two, three times a year, you will not be able to build a landing strip for him, because the income that he will bring into company will not be sufficient. It will not be equal to the cost of creating that landing strip.

Now what is currently happening in the North? I am not objecting to create an infrastructure. I know Botswana is one country that has failed in building infrastructure and they were hoping and having a lot of surplus money in the Bank, and today they are suffering from creating infrastructure because of inflation.

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HON VENAANI**

What I am talking about is the business demand that is currently in the Northern Region and Southern Angola is not developed at that level to what they currently really need and to fully optimise a railway line. That is a fact and you know it. (Intervention)

HON MINISTER OF WORKS, TRANSPORT AND COMMUNICATION:

Honourable Speaker, just a Point of Information. The Honourable Member has a wrong notion and perception about the railway line from Tsumeb via Ondangwa to Oshikango. He alleged that there is no big economic sense for such infrastructure to be put up.

It has an enormous economic potential. Let me tell you. Walvis Bay Harbour can be very crucial for import and export; this is for southern Angola and Huila Province. It is known that the Angolan infrastructure cannot be compared with our infrastructures, and Angola can do viable business by using our harbour. The linkage could be the railway line to transport goods or services to southern Angola up to Huila Province. As you well know, reconstruction in Angola is now taking off. But it is taking off at a slow pace because communication facilities which are in poor condition. You have to capitalise on that now.

HON VENAANI: Honourable Minister of Transport, Works and Communication. You are fooling yourself. (Intervention)

HON RIRUAKO: Talk with respect. Infrastructure is not something that you can develop within a few days once you receive any acknowledgement of investment to come to this country. The railway line that is going to Angola is profitable rather than money that can be eaten by an individual and put in his pocket. We cannot just say that and we cannot change that. I am not here to talk for the sake of talking. If you want to know what is an infrastructure, you must base it on the foundation that everybody of this country can be happy about it.

HON VENAANI: It starts an argument. Uganda today is one of Africa's greatest destinations of foreign direct investment. Tell me about the infrastructure in Uganda. When you market a country the velocity of marketing it is your market that you have. And on the basis of what you have, you build the infrastructure. What is currently happening in the Northern Regions in Namibia? (Intervention)

HON DR AMWEELO: I thank you. Comrade Speaker, the Economist says time, value or money. It means N\$1 000-00 today after 10 years will be worth N\$10-00. My question is, Honourable Venaani, why do you think does the Government consider building the infrastructures? When do you think is it the appropriate time? If we are saying that today N\$1 000-00 after 10 years is worth N\$10-00, do you think that after everything it would happen that all three branches in the Government will consider building the infrastructure and when do you think will it be the appropriate time for the Government to consider to build the infrastructure?

HON VENAANI: Honourable Amweelo, I will answer your question as follows:

You are a former Minister of Transport and feasibility study, the feasibility study that was done on the railway line, tabled in this House. We can continue discussing the viability. There is a railway line that is being build between Aus and Luderitz. I am not objecting to that railway line. I do not have anything against the infrastructure because I know in Luderitz there is economic potential and that railway line would be optimally utilised by Rosh Pinah and other mines there.

Now on the question of the would-be economics that you are discussing. That is Voodoo economics arguing about (Intervention)

HON SPEAKER: Which economics?

HON VENAANI: Voodoo economics. The Honourable Colleague is asking about economics (Intervention)

HON SPEAKER: I think you can use some other terminology, would you?

HON VENAANI: I withdraw that. Honourable Former Minister, if you come and present that Windhoek needs an underground train railway services - is Windhoek ready? It is infrastructure. Is Windhoek ready to have an underground train service? The Municipal busses from Katutura to here are not even optimally used. We are running bankrupt. So what I am trying to say is that (Intervention)

HON RIRUAKO: Let me put the question this way. You cannot put incomparable issues together it is not really thinking. You can talk about railway line in Namibia and Angola or any other country but not underground. That is out.

HON SPEAKER: In the future we will build subways.

HON VENAANI: Yes subways. Johannesburg is the only city now in Africa perhaps which has the capacity to do that because of the economic (Intervention)

HON TJIHUIKO: Honourable Speaker, can I ask the Honourable Member a question please? Is the Honourable Member trying to tell us that Namibia at the present moment does not need a construction of infrastructure? Being a small economy as we are? Are you now saying that it is uncalled for, for Government to construct a road to a huge market like Angola through Botswana to Harare? Is that an unforeseeable idea to construct infrastructure in order for Namibia to benefit from what we have?

HON VENAANI: We need infrastructure, but the infrastructure that we need should go hand in hand with the economic viabilities of projects in this country. Even when southern Angola today is trading with DRC. Do you know that they go via Zambia to go to DRC and they are not even building a railway line and that is how

they are trading with the rest of the world? They take their markets into their harbours. Therefore I do not feel that it is such an intimated thing that if we leave this railway line today, Angola would be able to optimally use Walvis Bay. Did you know that Angolan business people today are not exporting through Walvis Bay they are exporting through Luanda? That is quarterly reviewed.

The over expenditure of many of our Ministries is a matter of great concern, Honourable Speaker and more must be done to change the situation. When the Minister of Finance seems to remark only at budget occasions of more prudent financial management, after that nothing seems to be done.

The last fiscal year of 2004/2005 the Honourable Minister remarked in her Budget speech. *“That this trend of overall expenditure should be reversed if Government expenditure is to remain sustainable”* in 2005/2006 she remarked that *“Strict fiscal discipline will be required to produce sustainable levels of expenditure, which will require Ministries to spend within their budget ceilings”* and again last week she remarked, *“on the expenditure side we managed a slowdown albeit not significant.”*

Honourable Minister expectation is for you to announce drastic measures to save cost. It is our submission that the Minister has not spelt out firmer and practical ways of how to do that what she proposed.

The Ministry’s effort to introduce the rewards and penalties for Line Ministries to encourage them to make greater efforts to collect revenues that are due should be tight to a timeframe work as to when this would happen. Since in this fiscal year non-tax revenues are set to rise by more than 10%. Thus delaying the implementation of this effort would be counter productive.

Honourable Speaker, I also want to bring to the attention of this House, how we need to reform the Tender Board of our country. There have been complaints from people who are submitting tenders document in this country. Sometimes they are denied a tender just because they did not complete or sign all the documents. Some of these issues should be really reformed so that a person can be able to be called in and just come and sign instead of losing a tender that could have created wealth for disadvantaged Namibians in this country. I, therefore, believe that there is a need to reform some of the regulations of the Tender Board.

CORRUPTION AND INTERNATIONAL RATINGS

Our nation’s competitiveness according to the 2004 World Economic Forum Africa Competitiveness Report, slipped from position four to five. An analyst noted that a

culture of corruption, which was rooting itself in Local Authorities and Parastatals, was chief among the reasons for Namibia's drop.

Namibia again slipped from position forty-one to fifty-four on the Corruption Percentage Index (CPI) thus tainting the image of the country according to Transparency International an international corruption watchdog. All these indicators are not favourable for our nation and the image of the country to investors are worrisome factors.

The allocation of Vote 30 to the Anti Corruption Commission of N\$6.5 million is a positive sign for our quest to curb these serious pandemic in our country. The MTEF is pointing positively on the maintenance of funding in the coming three years. However, I believe, we as legislature must make sure that would further enacts laws that would give tooth to this eminent body.

STATE OWNED ENTERPRISES

Honourable Speaker, Honourable Members. Although we have seen an increase of N\$41 million from N\$33 million from the last fiscal year from parastatals, it remains poor and shocking that many of our parastatals close to 49 or more exists, six of them provide just under N\$41 million in revenue in this Fiscal Year.

Furthermore to what extend are State-Owned Enterprises required to raise revenue collection for the central Government in this way? May the Minister answer this question during her reply?

The underperformance of many parastatals has become a matter of great concern. Of late State-Owned Enterprises have been caught up in the drama of mismanagement. We hear every morning of an establishment of Commission of Enquiries, while our people are prejudiced of their hard earned cash. These inquiries bear testimony to the disgraceful state of these entities and can be linked to the collapse of corporate governance.

This in my view is due to many Boards of Directors that are not competent and lack what it takes to lead the businesses to success within a set of commercial principles, especially not if the competition environment is strong.

Continuously State-Owned Enterprises persistently inundate Government for more cough ups, while millions of Dollars are lost to financial embezzlement.

The appointment of some poor senior executives has led to this state of affairs at these very important entities. We need to re look at the question of competency of senior corporate leaders at parastatals.

Honourable Speaker allow me to quote Edgar Allan Poe once said, *“those who dream by day are cognizant of many things which escape those who dream only by night”*. We as a country need to start changing in the patterns of our dreams and must start seeing things by the way they are, rather than during the night while in our dreams.

We can be proud of owing certain parastatals, but our pride would not rescue us from eminent collapse they are facing and irrevocable reforms must be initiated.

The Honourable Minister stated last year that Air Namibia *“Reform efforts were generating results”* but the financial statement presented in the MTEF showed an operating loss actually rose to N\$163.1 million in 2004. Which reform was generating results Honourable Minister then? I asked during the second reading last year. While Air Namibia received a further N\$116 million Dollars under Main Division 12 of the same year.

This year the Minister seems to have changed her view on the golden reform of Air Namibia. She seems to have joined the club of daydreamers that are cognisant of many things than those who dreams at night and stated the following this year. *“Air Namibia needs to enter into Strategic alliances to benefit from economy of scale.”* Well Madam Minister we told you so long ago and thanks to your boldness in realising this after spending another N\$153 million under Main Division 12 Asset, Cash and Debt Management. Many Chief Executive Officers and Senior Corporate Leaders must be held accountable to their turn around strategies.

Currently Namibia Wildlife Resorts have come again to Government, to have reform strategies that they are going to improve. But I think it should be the task of the Chief Executive Officer of an institution, to make sure that if he believes in the turn-around strategy, he must attach his own benefits that he receives from that company to that turn-around strategy. You see an effort in this country, people borrow consultants, come and get consultants present the reform strategy, ask Government and yet those reforms are not producing result and they continue with receiving all these huge benefits and they do not even believe in this turn around strategies which they present to Ministers. I think performance contracts must be initiated to address some of these negligent behaviours.

Honourable Speaker, Honourable Members the time is now in my opinion to start a serious effort of diversifying and expanding our economy by carefully and cautiously implementing a privatisation process through strategic alliances with private partners. Government should critically study the process of privatisation and identify which resources or albeit State-Owned Enterprises should be privatised. It is my submission that Air Namibia and the Wildlife Resort should dispose at least 75% of the ownership without delay. We can use this opportunity to accelerate the implementation of the Financial Charter. To accelerate the implementation of the Financial Charter and to use privatisation to absorb some of our large bloated civil service personnel to retire and buy shares in these companies as safety nets for job losses.

Many countries in the world especially Asian countries have gone this route and achieved great economic performances and many African states have failed because they believed in bloated state controlled institutions. One example is Taiwan and South Korea who are today what they are because they speedily privatised State-Owned Enterprises for more efficient use of natural resources. I am aware that not all enterprises can be privatised immediately, some can go into 50 to 50 partnerships and with this exercise we can accelerate black economic empowerment.

Today our neighbours namely Botswana and South Africa have seen a second and third license on their mobile telecommunications operator and South Africa has seen a second fixed line operator with an emphasis on Black Economic Empowerment. We are lagging behind in this regard.

Honourable Members, Thomas Jefferson once said, **“that government is best which governs the least, because its people discipline themselves.”**

We notice an allocation of N\$101 million to pay Country Club Resort. The following questions arise;

1. How did this debt arise from around N\$33 million up to one N\$100 million, an increase of almost 300%?
2. Was there no responsibility to service this principal debt and who failed to service this debt?
3. Why should we allow Government to run a hotel?

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**DEBATE SECOND READING APPROPRIATION BILL
HON VENAANI**

The current loan guarantees that Government gives is getting out of hand. We notice a massive N\$70 million loan guarantee to a private company Ongopolo Mining, how can you justify this kind of State behaviour?

Honourable Members, I want to touch on the International Monetary Fund IV Consultation Report.

I have persistently inundated the Minister in tabling this Report to this House in various Budget speeches and questions to her as a courtesy of good governance, but to no avail. I was pleased last year that a summary of this Report was included at the back of the MTEF, but nothing of it in this Financial Year. Is there a reason for that?

Honourable Speaker, the Minister terms her Budget Pro-Poor, Pro-Growth but she in my opinion failed to critically address the questions of tackling direct poverty and activities that would make the economy grow. The development of the Kudu Gas Field is a positive sign. The current taxation, the current taxation on retirement funds should be reviewed, because it is costing many people to stay in their jobs even if they want to retire or go to do something else. Many of our citizen's quests to use this hard earned cash to develop a country through investment and other business ventures, but this taxation is hampering them from retiring. The tax that is levied from a pension if you are retired in this country is so high and it is a problematic issue in this country.

We have people in the Civil Service who really want to spend their money somewhere else or build or buy shares in a small company just be there and when he goes to the GIPF and is told 25 to 35% of your money belongs to the State, then he would opt to stay within a job because he fears this heavy taxation.

In my opinion in an effort to reduce poverty in this country let us really review the taxation on retirement funds. Honourable Speaker, lowering taxes for our people remains a concern. We need to lower some taxes as pointed out during our recent round of discussions with the Prime Minister of Grenada in Washington. He, while addressing a very important topic took us through the process his country went through in lowering taxes. They have gained economically by lowering taxes because the argument is that if a person is left with money in the pocket he will do more to invest in the country. Therefore we have to review our taxation in this country.

The Government has set itself a target of creating at least thirty thousand jobs by this year but yet not half of the target is met. Poverty can be fought vehemently when we create more jobs for our citizens and if our markets are receiving incentives to perform. Currently SME's have not received any significant boost or incentive to

accelerate the job intakes. We see a program under Vote 19 of developing of products, yet the implementation is so slow. Currently products made in Namibia must be approved and labelled and bar-coded in South Africa yet we approved legislation to create our own bureau of standards. How can we develop products with this unnecessary hiccup?

During the 2004/2005 Financial Year, Vote 19 of Trade and Industry, Industrial Incentives were cut from 3 million to 2.5 million while training re-imbursement for export processing zones were cut from 4 million to 2.5 million. Again in this Financial Year the same Vote, Industrial Incentive increased with only 100 000 from 2.5 million to 2.6 million, training and re-imbursement of EPZ stayed at 2.6 million. It is further worrisome that Vote 19 fails to provide financial statements for the NDC and ODC. Where are the financial statements of these two important companies and what happened to the investment?

Yet we further spent a whopping 15.6 million on the grandiose film, "*Where others wavered*", Pro-Poor, Pro-Growth Madam Minister. We spent 5.2 million on industrial incentives in two years and 65 million on a film project, Pro-Poor, Pro-Growth...

Land Reform

Honourable Speaker the budget of spending N\$50 million on land acquisition and having a packet of settling 27 families per year is costing each family around N\$500 000. It is not manageable now and it must be reviewed.

I share great emotional and empathetic view on the concept of a fast and efficient redistribution process of land; however, it is my submission that the current resettlement policy is not achieving anything substantial.

The problem in this country, and I want some Ministers in Cabinet to hear me out, is that we have a criteria of resettling people on a farm and give them a 99 years leasehold. We are not giving them any assistance to acquire cattle. Now whether this farmer gets 1000 hectares, has 7 or 30 heads of cattle, whether he improves on his cattle or not is immaterial, as long as the Government says that it has provided land. I am of the opinion that no Government, not the SWAPO Government not any other Government that will ever rule this country will ever be able to achieve the demand of 300 000 landless families in this country.

In my proposal Honourable Speaker it is important for the State to buy land to be used as incubation centres. On this State land a particular farmer is brought there, given a loan of perhaps 60 to 80 cattle, given a period of 6 years to stay on that farm and

repay the loan and after 6 or 7 years get out of that land and go buy your own farm. If you just continue resettling people, sometimes poor people, and you do not assist them in providing them with additional stock to be able to become productive it is a serious problem. You see a trend that is very negative Honourable Ministers, but currently the State is rushing to buy land more than the Affirmative Action Loan Scheme.

The Affirmative Action Loan Scheme, because that person is given a loan that he would repay, should have more emphasis on land reform, should have more emphasis on assisting Affirmative Action farmers and perhaps the Government could even introduce some legally fenced-off areas in the communal areas. Commercialise these areas so that people can have collateral and be able to gain access to this land.

Tourism Sector

Concerning the tourism sector, our country lacks a proper branding and advertising strategy to market itself as a destination for tourism. When one travels around the globe, we see Botswana and all these other countries advertising themselves, there are Countries not doing enough in that regard. In on the face that it remains unacceptable now and forever, for us to spend 8.8% of our revenue is on Defence and I thank you.

HON MINISTER OF FISHERIES AND MARINE RESOURCES: Honourable Speaker and Honourable Members of Parliament it is Budget time and a time to talk about anything under the sun.

I would like to say that I do have a lot of respect for Honourable Venaani, of course being younger than myself, but I was seriously worried about the slip of his tongue when he referred to Honourable Chief Riruako as being short sighted. Respecting the elderly and Chiefs I would hope the Honourable Venaani would very quietly apologise to the Chief. The children are listening, your peers are listening and we are building a Nation.

Last year when this august House considered the 2005/2006 National Budget I observed the following and I quote, “*I salute the Honourable Minister of Finance for a well thought budget. This budget is pro-poor, pro-jobs, pro-food, pro-poverty alleviation, pro-health and pro-economic growth*”.

This time I have equally perused the 2006/2007 Budget documents with a fine toothcomb and this year the Honourable Minister of Finance presented the Budget

with confidence and bold as brass. The heavens opened up as her voice echoed in this Chamber. The message was clear as crystal, the figures are flesh on the bone. It is purely and simply a good Budget and a real ray of sunshine. You do not have to be a rock scientist to understand this Budget, therefore hats off to the Honourable Minister.

Without doubt the Budget is truly a long-term pro-poor, pro-growth equitable distribution of income, pro-rural development and pro-public safety, of course there are no quick fixes. The artistry and wizardry and the allocation of scarce resources were at play. The Budget is pro-poor because 47% of the lions share went to social sectors: education, health and old-age grants and rural development, thus calling this Budget non pro-poor is a bit steep and unjust.

Concerning the old-age pension adjustment, the Government has stuck to its promises of gradually increasing the grant. The SWAPO Party does not speak with a forked tongue, but delivers the goods. This Government therefore is as good as its word. We meet our elderly although some hale and hearty still contribute to economic development.

The Budget is pro-poor and pro-growth, because 20% went to infrastructure development and productive sectors for example the Green Scheme, aqua-culture, Aus-Luderitz railway, the Development Bank of Namibia, Kudu Gas Project and the fixing-up of tourism parks. Further the Budget is pro-public safety, because 23% went to public safety and administration and this will assist in the fight of nauseating crimes and ensure the rule of law in the country.

I agree that not everything in the garden is rosy, it does not help of course to throw stones and point fingers as we previously did during the last budgets. There are of course economic issues that we should seriously look at together as a nation, and these include the Program Budget Concept, the abysmal rate of investment, debt and deficit, the unfavourable budget balance of trade, revenue generation, tax rate levels and structures, custom duty and income tax as well as loan guarantees and economic growth.

I lament that although the economy is projected to grow, growth will still be below the level of 7% as envisaged in 2030. Therefore efforts have to be stepped up to draw the economy otherwise Vision 2030 will be an unachievable dream. We should therefore address the multiplicity of gripping and bedevilling ills such as poverty, grave diseases, scouring unemployment and inadequate housing. This list is no picnic we should put our best feet forward, use our ingenuity and work together as a nation. It can pay to think big.

Be dedicated to economic growth, body and soul, build bridges and go full steam ahead to draw the economy. The past of course is the past, it cannot be obliterated but let bygones be bygones and let us bury the hatchet. Yes, the leopard does not change its spots, however, I think that we should change our mindsets for the sake of unity.

Honourable Minister you have the courage of your conviction to allocate the scarce resources expediently. There were doubting Thomases as well as hopeful Thomases, the false prophets and of course those generally concerned about the state of the economy. The analysis of the Budget is also sublime to the most ridiculous, I hope that the discussion on this Budget in the Chamber will not become a political football, we can not play Russian roulette with the economic well being of a Nation, but find a solution.

I therefore pray as we say when we start the sitting, *"I pray thee that we shall find solutions for issues and problems facing us, Amen"*. The following development matters deserve our consideration and I will go through them one by one.

The Development Budget

The implementation at the moment is not satisfactory. The tendering process is tedious, cumbersome and too bureaucratic. At times funds are returned just when the project is to kick off. There is therefore a need to re-look at this situation of the status of the development budget versus operational budget. There is also a need to continue targeting certain industries with more potential.

Mines and Energy

Mining is and will continue to be the heartbeat of our economy. We should continue to promote the intensive exploration of minerals and consider incentives for this activity. Our metals will surely find ready markets in many bigger economies such as China. There is however, a serious shortage of specialised skills for the mining industry. In terms of energy Namibia's economic development will be retarded by insufficient energy. Therefore the Honourable Minister of Finance should be applauded for allocating resources for the Kudu Gas Project. All alternative sources of energy should be explored.

Construction of housing or shelter

Namibia currently experiences a huge housing shortage. Houseless people are many and the houses few and far between. More money should be spent on housing, this

will create significant employment and will help to firmly establish the cement factory which is in the process of being set up.

Tourism sector

The Gospel truth is that this sector has a lot of potential. We should consider providing incentives to this sector. NTB should continue to fire on all cylinders and market the country for this sector to grow in leaps and bounds. Investment and timely production of tourism statistics is essential. It is therefore gratifying that resources have been made available to give a face-lift to roads in National Parks. I am, however, worried that there are so many loose canons hell-bent to depict our country and its leadership in a negative way. The pen is mightier than the sword.

Transport

The development and maintenance of the transport infrastructure is a mammoth task and costly. We could just wave a magic wand and the infrastructures are developed and maintained, but we cannot, and money is needed. We should investigate and pull out all the stops in establishing a re-link along the Trans Kalahari and Trans Caprivi routes. The expansion of the port of Walvis Bay is an excellent development. The Airport and Port of Luderitz also deserve urgent attention as business in the South is growing exponentially.

With respect to the railway, I want to say that no country goes without infrastructure hence the rail to the North or to any part of the country is late. Development of infrastructure will always lead to development. It does not mean that you develop when the rail development leads to development.

Agriculture

I want to say that come hell or high water we are condemned to produce our own food. The Government has taken a long view and hard look at this situation. We need to ensure international recognition and status of the Northern Regions. The final result of this exercise would entail the removal of the red line and opening up the exporting of meat from this area, as you sow, so shall you reap. The Agronomic Board should with intensity collect market information of our crops as well as plants.

Negotiations with the EU

The aim to increase the grape quota in order to rescue the sector from the high tariffs should be intensified. Discussions with the USA Government on compliance with the animal and health requirements under AGOA for the agricultural products should also be solidified.

Fisheries and Aquaculture

The fisheries sector is going through some economic turbulence spanning from exorbitant oil prices and favourable markets and the notorious ebb and flow of exchange rates. For this factor to remain a cash cow there is a need for investment incentives. We should also concentrate on value addition, market research and increased productivity. I recently announced specific measures to protect the abundance of small hake fish. The hake juveniles have grown between last year and now by 50%, the best increase of juvenile fish for nearly 12 years. Thus these messages are vital or these measures are vital, you cannot make an omelette without breaking eggs.

Aquaculture has the potential to address food security, poverty alleviation, reduce unemployment and generate state revenue. Painfully there are no investment incentives and there is a lack of capital from financial institutions. Despite these difficulties we continue and I will continue to attend to aquaculture advancement with plenty of fire in my belly. In the fullness of time aquaculture will bear fruits. Farm fish and vegetables sell like hot cakes. Both capture fisheries and aquaculture fisheries deserve immediate investment incentives. Maybe incentives are seen as evil but I say if so, they are a necessary effort.

Skills Development.

Skills are the crystallised foundation upon which the prosperity of our nation will be favoured. Continue moving heaven and earth navigating to the ends of the earth to ensure skills development. Huge investment projects need skills to manage them. If we take a swot analysis it will be evident that Namibia is experiencing a dearth of technical expertise and entrepreneurial skills at managerial level. Our institutions of higher learning should continue teaching the nuts and bolts of applied sciences, management and business. Since 1990 the country has invested heavily on education. I am proud that much has and continues to be achieved. Despite these noble efforts the level of specialised skills in the country remains inadequate. For example the African Competitive Report of 2000/2001 indicated that among the main Sub-Saharan African countries, Namibia unfortunately ranked the second worst regarding the

availability of skills after Mozambique. It therefore just makes sense that we continue making education a national priority; there is more than one way to skin a cat. We should not shy away from important skills for the country developing sufficient skills. This requires a human resource audit to determine the skills deficit. Immigration laws should be made flexible for the importation of necessary skills. Training levies could be introduced to encourage employers to further train their employees. There is a need to strengthen research and the development for the application of science, information and communication technology. The appearance of vocational training centres in every Region to impart skills and prepare the labour force for a developed economy is a must.

Economic Data

The availability of timely, accurate, reliable and comprehensive economic data is a *sin qua-non* for proper economic management analysis. We cannot wait until kingdom comes to receive such data. With the introduction of the new revenue sharing formula for SACU data coming from member countries has increased tremendously.

Manufacturing and Value Addition

We should continue with the promotion of manufacturing and value addition to resource based and competitive industries. For this we need investment incentives that should involve the revision of some of our laws, to make them pro-investment. Value addition means jobs; we should increase import substitution to ensure growth and therefore reduce the deficit, the public service and productivity. We should work out a strategy of how to improve our grounded productivity. We have too many luxury holidays that should be cut. All Ministries, Agencies and Offices, as well as State-Owned Enterprises should be subjected to productive audits. There is a need to separate the wheat from the chaff. There seems to be too many Chiefs and not enough Indians. We need a bit of get up and go. We should get up and go and ensure productivity and quality service of Civil Servants, Parliamentarians and able bodies in this country.

Productivity in the private sector is at a low ebb. There are too many absentee lords and fewer doers. Therefore an antidote of energy, diligence and enthusiasm is needed. I hasten to say that we have some of the best Civil Servants, the cream of the crop delivering quality service and making Namibia proud.

A kind word to some colleagues in the opposition

Building a Nation is not a bed of roses, our cast iron promise is to serve the Nation. There are those who still live in denial, that the SWAPO Party Government has not done anything. I say seeing is believing therefore come on folks wake up and open your eyes. At times I get sick at heart and at my back teeth when what is called black sheep sound racist with their neck stuck in the apartheid mud. Let me say that racism and apartheid are dead and buried. The funeral was well attended and it took place at the Independence Stadium on the 21st March 1990. Now National Reconciliation is Holy. Some parties just came back from the dead, but are apparently dicing with death and are at the verge of signing their death warrants. To my former Colleagues from SWAPO, SWAPO prepared you thoroughly either academically or militarily. You used to be jolly good folks until you mutated. Give SWAPO some respect even just a median of it. Do not become the Frankenstein monsters.

HON MUSHELENGA: Honourable Speaker, I seek your indulgence that if there is nobody contributing to the Debate I want to adjourn it until tomorrow.

HON SPEAKER: Any objections? The postponement of the Debate is on the Budget is until tomorrow 29 March 2006. The Second Order of the day has now been deferred. The Secretary will read the Second Order of the day.

**RESUMPTION OF DEBATE ON THE CURRENT POOR HEALTH
ADMINISTRATION IN THE COUNTRY**

HON SPEAKER: When this Debate was adjourned on Tuesday 14 March 2006 the question before the Assembly was a Motion by the Honourable Venaani and Honourable Kaura adjourned the Debate and he now has the floor.

HON KAURA: Honourable Speaker I beg your indulgence, I would like to adjourn my contribution to Thursday this week.

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**CONSIDERATION OF PUBLIC ACCOUNTS REPORT
ON THE MINISTRY OF HOME AFFAIRS
HON DE WAAL**

HON SPEAKER: Any objection? The Debate on this Motion stands adjourned until Thursday. The Secretary will read the Third Order of the day.

**CONSIDERATION OF THE REPORT OF THE STANDING COMMITTEE
OF PUBLIC ACCOUNTS IN THE MINISTRY OF HOME AFFAIRS AND ID
DOCUMENTS**

HON SPEAKER: Does the Honourable De Waal Move that the Report on the Standing Committee on Public Accounts be considered?

HON DE WAAL: I so Move Honourable Speaker. Thank you Honourable Speaker. Honourable Members as you are aware the functions of the Public Accounts Committee of this august House are amongst others, to examine, consider and report on all the Reports of the Auditor General. It is therefore my honour on behalf of our Committee to present the Report on our review on the performance audit ordered by the Ministry of Home Affairs dealing with ID documents. It is not my intention to delve into the details of the Report, which is before us today. I expect that the Honourable Members have had an opportunity to peruse the Report and will therefore be able to discuss the Report in some detail. Allow me, however, to highlight some of the most important points that the Committee raised in considering the Report of the Auditor-General.

First of all I wish to comment on the way some Accounting Officers deal with Reports of the Auditor-General. There is a tendency that some Permanent Secretaries and Accounting Officers do not even bother to read through the Reports of the Auditor-General. It is tabled here in Parliament, it is sent to the Ministry and they never open it, it is just put in a file and they do not care about it. Three years later when the Public Accounts Committee looks at the Report, that is the first time that they start to search for an audit report. As a result the Reports of the Auditor-General are just gathering dust somewhere in offices in the Ministry and recommendations remain unimplemented.

The Committee in this case, Home Affairs, is not convinced that the previous Permanent Secretaries of the Ministry of Home Affairs who served the Ministry after this Report of the Auditor-General was finalised during 2000, took any notice of these Reports. This House appropriates millions of dollars every year to the Office of the

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**CONSIDERATION OF PUBLIC ACCOUNTS REPORT
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Auditor-General to, among others, conduct audits and finalise Reports. This situation cannot be tolerated to continue any more as the Reports of the Auditor-General are there to caution, guide and advise public officials on how public funds and resources should be utilised. The Reports of the Auditor-General should therefore be treated with the seriousness that it deserves.

The Home Affairs Ministry in many countries is the first reflection of that country, just like the receptionist is the first person to make contact with the public within an institution or company. This means that this person portrays the first image of that company or institution. As the saying goes first impressions last, should therefore not be taken for granted. If Home Affairs officials are portraying unprofessional behaviour, and have poor work ethics then it creates a bad impression of our Government and our country.

What I would like to mention here is that there are instances where staff, especially front office staff at the Ministry's Head Office, reflected very unprofessional behaviour when providing service to customers. We have evidence where these people are either eating breakfast while serving the public or talking in a language, which is not understandable to tourists. There is plenty evidence of this type of behaviour and it reflects badly on our country and our Government.

The Committee therefore made a very strong request to the Honourable Deputy Minister and the Permanent Secretary to immediately address the work ethics of staff at the Ministry of Home Affairs and to shake up the Ministry including all its Regional Officers. I want this august House to support the Committee in reinforcing this request.

During the review process, which included visits to some offices of the Ministry, we observed a number of concerns including evidence of alleged corrupt practices. As far as the evidence of alleged corrupt practice is concerned, the Committee reported these cases to the Minister of Justice and the Attorney-General for further action where possible, so it is now in the hands of the Attorney-General.

A case, where it was alleged that a foreigner was issued a permanent residence permit through dubious circumstances, was referred to the Honourable Minister of Home Affairs for the necessary action. We have the file of this case and we gave it to the Minister and she promised us that they would get hold of this person because the address is known and she will take it further and we hope that we will receive feedback soon.

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The Committee called on the Honourable Minister of Justice and Attorney-General as well as the Honourable Minister of Home Affairs to deal with these allegations as soon as possible. I also want this august House to support the Committee in its plea as we are all tasked to eradicate corruption.

I want to come to the issue of ID documents in particular. As elected representatives we all know what difficulties many of the citizens of this country encounter to receive an ID card, long cues and so on. People have therefore become tired of all these problems and many of them have opted to apply for a passport to be used not for travel, but as an ID document. This in turn has put unnecessary pressure on the issuing of passports creating another problem. We must accept that people need some form of identification and if they cannot get it through the normal channel we are actually forcing them to make their own plans whether those plans are legal or not.

As a Committee we were therefore relieved to be informed by the current Permanent Secretary and the Minister and Deputy Minister that a number of new developments are under way. After April 2006 it will now take the Ministry only 24 working days to issue an ID and this is indeed good news. I have seen in the meantime that the Ministry in a local newspaper dated the 23rd of March 2006 advertised that applicants who have applied for their passports up until the 13th of March 2006 should collect their passports. This means that passports of people who applied up to the 13th of March 2006 are now ready for collection and this is indeed a very welcome development and the Committee would like to commend the Ministry on this achievement.

The Committee hopes that the Ministry will therefore soon have a complete transformation as contemplated in the strategic plan, which is attached to the report before this august House. This includes a radical change in the performance of staff working with the public.

We also want to call on the relevant Standing Committees of this House responsible for the Ministry of Home Affairs and Immigration to monitor this transformation process and to ensure that it is successfully implemented. We as a Public Accounts Committee cannot get involved. That is for the Standing Committee responsible for that Ministry.

In conclusion, the Honourable Members and I would like to express our gratitude for your invaluable guidance throughout our sessions and we also wish to express our gratitude to the Honourable Minister, Deputy Minister, the Permanent Secretary and

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the senior officials of the Ministry for meeting with the Committee, and offering an opportunity to discuss issues frankly and openly.

I also wish to thank my colleagues in the Public Accounts Committee for their dedication and hard work throughout our deliberations. We also want to thank the Auditor-General, Deputy Auditor-General staff as well as the staff of the Directorate of Treasury, for their excellent service and advice rendered to the Committee throughout our sessions. The Secretariat of the Committee finally needs to be commended for the tireless service that they have rendered to the Committee during this process.

I thank you Honourable Speaker.

HON SPEAKER: Very thoughtful and constructive, I thank Honourable De Waal. Any further discussion? None, rights and reply, we are running out of time, any further discussions? Does Honourable de Waal wish to reply?

HON DE WAAL: Honourable Speaker I would like to say the following, I accept that the Honourable members have in fact read the Report because we tabled it before last week and I want to thank all the Honourable Members for supporting this Report. I must say that the impression that the Committee got from the Minister, Deputy Minister and the new Permanent Secretary is that they are very serious to sort out the problems of that Ministry and we would really like to commend them for that, it is an excellent job that they are doing at the moment.

I thank all the Honourable Members for their support and I thank you, Sir.

HON SPEAKER: Honourable Members the Report is still the property of the Assembly and the Ministries, Agencies, Departments and personalities that are affected will be handled by the Court who will see to it that corrective measures are taken. I now put the question that the Report be adopted. Are there any objections? Then it is agreed. The Motion of Honourable Venaani was withdrawn and that brings us to the end of the business scheduled for today, I now ask the Honourable Minister without Portfolio to adjourn the House until tomorrow 29 March 2006.

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HON MINISTER WITHOUT PORTFOLIO: I would like to propose that this House stands adjourned until tomorrow 14:30 hours.

THE HOUSE IS ADJOURNED AT 17:45 UNTIL WEDNESDAY 2006.03.29

**NATIONAL ASSEMBLY
ASSEMBLY CHAMBER
WINDHOEK
29 MARCH 2006**

The Assembly met pursuant to the adjournment.

HON SPEAKER Took the Chair and read Prayers and the Affirmation.

HON SPEAKER: Before Petitions: The revised Draft Programme has been distributed again to all the Members. Members are reminded that from next week, the Assembly will sit on Mondays to Thursdays from 14:30 and on Fridays from 9:00 until the Third Reading of the Budget has been completed. Members are therefore requested to take these sitting days into account.

HON SPEAKER: Any Petitions? Any Reports of Standing or Select Committees? Honourable Booy's.

HON BOOYS: Thank you, Honourable Speaker. I lay upon the Table, the Report of the Commonwealth Parliamentary Association (Namibian Branch) on the 36th CPA Conference (Africa Region), held in Yaoundè Cameroon from the 28th July to 6th August 2005.

I so Move, Honourable Speaker.

HON SPEAKER: Will the Honourable Member table the Report? Any further Reports of Standing or Select Committees? Other Reports and Papers? None. Any Notices of Questions?

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**NOTICES OF QUESTIONS
HON DE WAAL**

QUESTION 40:

HON DE WAAL: Thank you, Honourable Speaker. I give notice that on Thursday, the 6th of April 2006, I shall ask the Honourable Minister of Finance the following:

1. Can the Honourable Minister please lay upon the Table of the National Assembly the Annual Financial Statements, as well as the Management Letter, issued by the External Auditors of Air Namibia for the Financial Year ending 31 March 2005?
2. Can the Honourable Minister please also lay upon the Table of the National Assembly the Management Letters issued by the External Auditors of Air Namibia for the Financial Years ending 31 March 2003 and 2004?
3. Can the Honourable Minister also give a detailed description of the property and equipment that are reflected in the Profit and Loss or Income and Expenditure Account of Air Namibia for the Financial Years ending on the 31st of March 2003, 2004 and 2005?

QUESTION 39:

HON DE WAAL: Honourable Speaker, I also give Notice that on the same day, Thursday, 6 April 2006, I shall ask the Honourable Minister of Finance the following:

1. Can the Honourable Minister please lay upon the Table of the National Assembly the Annual Financial Statements as well as the Management Letter issued by the External Auditors of the Windhoek Country Club for the Financial Year that ended on 30 April 2005?
2. Can the Honourable Minister also lay upon the Table of the National Assembly the Management Letters that were issued by the External Auditors of the Windhoek Country Club for the Financial Years that ended on 30 April 2003 and 2004, respectively?
3. Can the Honourable Minister also inform the House what strategies, if any, she has put in place to turn around the net loss of the Windhoek Country Club for the Financial Years 2003 and 2004 of N\$31 384 451 and N\$46 416 998, respectively?

I thank you.

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**DEBATE SECOND READING APPROPRIATION BILL
HON P MUSHELENGA**

HON SPEAKER: Can the Honourable Member table the Questions? Any further Notices of Questions? None. Any Notices of Motions? Any Ministerial Statements? None. The Secretary will read the First Order of the Day.

**RESUMPTION OF DEBATE ON SECOND READING – APPROPRIATION
BILL**

HON SPEAKER: When this Debate was adjourned yesterday, 28 March 2006, the Question before the Assembly was a Motion by the Minister of Finance that the Bill be now read a Second Time. The Honourable Chief Riruako adjourned the Debate and I now give him the floor.

HON RIRUAKO: Honourable Speaker, I will only be able to contribute on that on the 17th of next month.

HON SPEAKER: The 13th of next month. Honourable Mushelenga?

HON P MUSHELENGA: Honourable Speaker, Honourable Members, I rise to make my contribution to the Second Reading of the Appropriation Bill [B.2- 2006], which in parliamentary tradition is appropriately called the “*Budget Debate*”.

It is a well-known fact that during Budget Debates one expects concurrence and disagreements since people have different approaches to issues. At times, moods and attitudes hit the sky as people become carried away and explode to the puzzling of the ‘*moderate others*’.

I very much regret the rhythms of the Debate yesterday, to be precise, the disrespectful manner in which the youngest Member addressed one of the most senior Members of this Chamber, and as advised by Honourable Dr Iyambo, I hope Honourable Venaani had really found time to approach Honourable Chief Riruako remorsefully and apologised.

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**DEBATE SECOND READING APPROPRIATION BILL
HON P MUSHELENGA**

Coming back to the Bill, I commend Honourable Saara Kuugongelwa-Amadhila, the youthful Minister of Finance, for introducing ... (intervention)

HON RIRUAKO: What happened here? Mr. De Waal says the Chief is already at SWAPO, but it is no wonder why. He is not the Chief Whip of SWAPO. SWAPO cannot do anything in this House without consulting Mr De Waal. Now who is who?

HON SPEAKER: You are out of order, Honourable Chief. Honourable Mushelenga, continue.

HON P MUSHELENGA: Honourable Speaker, I was saying, I commend Honourable Saara Kuugongelwa-Amadhila, the youthful Minister of Finance, for introducing the '*Pro-poor, Pro-growth Budget*' and I admire the eloquent manner in which she presented the Budget to this august House. She demonstrated the abilities of a distinguished stateswoman.

The Honourable Minister reiterated Government's commitment to promote investment in the production sector and support interventions that would create wealth and employment. When she mentioned that point, what struck my mind immediately was the importance of trade promotions. Trade promotion requires extensive marketing of what Namibia has to offer.

Against this background, benefits accruing from the United States Africa Growth and Opportunity Act (AGOA) need to be exploited to benefit the economy. AGOA advocates, among others, negotiation of mutually beneficial and reciprocal trade agreements in sub-Saharan Africa.

Namibia's experience with AGOA involves exports to the US of, among others: forest products, chemicals and related products, energy-related products, fisheries, textiles and apparel, minerals and metals, etcetera. Accordingly, I support the provision of an amount of N\$4, 5 million for the promotional drive during the 2006/2007 Financial Year, with another amount of N\$1,5 million dedicated to Foreign Direct Investment. These are all good signs for growing the economy.

The Development Bank of Namibia is so far on the right track. It was stated by the Honourable Minister that so far the Bank has approved loans with a combined value

of N\$111 million in the year 2005, with the funded projects expected to create jobs. All these developments are aimed at growing the Namibian economy and, accordingly, I support the allocation to the Development Bank during the Financial Year 2006/2007 of the amount of N\$62, 5 million, which was a remaining balance of capitalisation of the Bank.

While I encourage the Bank, through its financing scheme, to promote the emerging businesses, I must also at the same time caution that, in granting loans, the Bank should strictly adhere to sound business principles, to ensure returns on loans. We are already dismayed at the loss incurred by Government through guaranteeing loans to some institutions, which eventually became white elephants, sometimes by '*hook or crook*'. The Bank should, therefore, carefully study and thoroughly analyse business plans presented to it before loans are granted.

Honourable Speaker, the mentioning of the words "*Business Plan*" reminds me of another important point: that in different institutions some people who are in positions to receive business plans from customers, in fact disapprove customers' applications, only to steal such business proposals for themselves or their close associates. Such practices should be discouraged and culprits should be dealt with, without favour or mercy.

On the Energy sector, this year we experienced power shortages as a result of the problem experienced with one of the 900 MW Units at Koeberg in South Africa, affecting imports of power by NamPower from South Africa and other SADC countries. This justifies the need for us to have enough generation capacity.

Accordingly, I welcome the allocation of N\$750 million to the Kudu Gas Power Project for the Medium Term Expenditure Framework 2006/2007 up to 2008/2009. The Kudu Gas to Power Project, which would result in the construction of the two Combined Cycle Gas Turbine (CCGT) plants, with the capacity of 400 MW each, will ensure that Namibia is self-sufficient in terms of generation capacity.

The project will further create 1 500 jobs during the construction phase of the gas pipeline and the CCGT plants, as well as seventy full-time jobs thereafter. Information available reveals that business enterprises will also have opportunities to participate in the project, thereby creating wealth for our emerging businesses.

Lüderitz and Oranjemund will benefit in terms of new infrastructure (such as housing) and the expansion of the existing infrastructure (such as roads and the harbour).

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**DEBATE SECOND READING APPROPRIATION BILL
HON P MUSHELENGA**

During the construction period, other secondary industries, like mechanical workshops and catering services will also benefit. It is, therefore, no mere semantic expression when we talk about the budget being '*Pro-growth*'. There is value for money.

Honourable Speaker, it is important to mention that funds provided in the budget should be spent prudently and be accounted for. Reckless spending and misappropriation of funds defeat the very underlying principles and objectives of the Budget, as money becomes diverted from the projects and programmes for which they were earmarked. In this respect, I welcome the introduction of Vote 30 for the Anti-Corruption Commission. Through this vote, those who are involved in dishonest activities will be brought to book.

Last year in this House I made my position clear with regard to corruption. That position is well documented and does not warrant repetition at this stage. Suffice to mention, "*I remain sticking to my guns*".

As we talk about the 'Pro-growth Budget', it is in order to state that corruption undermines economic growth, creates institutional mismanagement and hurts society by holding back economic development at all levels. From economic theory, one would expect corruption to reduce economic growth by lowering incentives to invest from both domestic and foreign investors. In cases where entrepreneurs are asked for bribes, before enterprises can be started, or corrupt officials later request shares in the proceeds of investments, corruption acts as a tax, though one of a particularly pernicious nature, given the need for secrecy and the uncertainty as to whether bribe takers will live up to their part of the bargain.

Corruption could also be *expected* to reduce growth by lowering the quality of public infrastructure and services, decreasing tax revenue, causing talented people to engage in rent-seeking rather than productive activities, and distorting the composition of government expenditure. We have seen that there is evidence that corruption lowers economic growth, thereby breeding poverty over time.

The establishment of the Anti-Corruption Commission is, practically speaking, still in the process. Accordingly, whilst there is public eagerness on the part of the public to see those guilty of corrupt activities being brought before the Commission, room must also be granted to the Director and Deputy Director of the Commission to arrange, plan and establish their structure. Currently, the Director and the Deputy Director of the Commission are overworked by piled-up reports from whistle-blowers.

I am pleased that provision has been made to fund a total number of 32 staff members during the 2006/2007 Financial Year. Within the Medium Term Expenditure Framework period, about N\$20 million is provided for investigations of allegations of corruption and prevention and curbing corrupt practices programmes of the Commission. The Commission's investigations must be quick to avoid backlogs, one of the shortcomings undermining the efficiency of our Judiciary.

As a measure to curb corruption, it is also necessary to publicise the existence and essence of the Commission to the general public, so that they can make use of the Commission, whenever the occasion demands. Information must also be given on what corruption entails, as most people perceive corruption mainly to be theft or misappropriation of public funds, while the scope is generally broader. I, accordingly, support the amount of N\$1 million budgeted for educational projects of the Commission in the 2006/2007 Financial Year.

Honourable Speaker, when we talk about the Budget being '*Pro-poor*', we should look at the wider picture of the economy, including the subsistence economy of the rural poor. Actually, this year has started on a positive note, with the heavens being generous about water supply. The subsistence economy of our people in rural areas has improved, although in some instances where soil became over-saturated, crops could not grow well.

Many of our rivers, pans and earth dams have plenty of freshwater fish. People had plenty of frogs, mopani worms and mushrooms. I am informed that even saltpans, such as "*Nankambo li n'uutoye momakunde-Nangombe li n'omulyo moshigali*", are also likely to produce enough salt. (Interjections). That is the traditional name and there is no other name. It cannot be translated.

In northern Namibia where I grew up, these are a delicacy. Although they are only seasonal, they help in the fight against poverty and at least people have enough food supplements. Some people are trading in these products, thus complementing their cash resources.

In as much as I appreciate the foodstuff brought by the sky showers, I am equally concerned about their depletion. It is my sincere submission that it will be in order for the Government, together with Traditional Authorities, to encourage people in those areas to breed more of the freshwater fish, mopani worms, et cetera. At the same time, I would like to respectfully express my reservations towards some Traditional Authorities who recently started charging people fees when they harvest commodities like the mopani worms (*omagungu nomaankowa*).

I understand that Traditional Authorities need to augment their incomes, but in this particular case it could be done through the traditional way of taxing people in kind from the commodities, which they have harvested, as traditionally called “*okukunguna*”. Traditional Authorities could then trade these commodities collected through the tax-in-kind in order to earn cash.

Believe you me, Honourable Speaker, if we allow the subsistence economy to become capital-based, the (Intervention).

HON SCHIMMING-CHASE: Honourable Mushelenga, I am sorry to interrupt you, but I think you are touching on a very important issue, and that is the issue of mopani worms. Not for export. It is my understanding – and please correct me if I am wrong that there are certain traditional leaders who are demanding payment from the people who are selling this. If this is true, do they pay tax on it?

HON P MUSHELENGA: Yes, Honourable Member, I was coming to that. I was saying, Honourable Speaker, if we allow the subsistence economy to become capital-based, the low income groups and the poor, elderly people will be negatively affected. If this trend of charging people, who harvest mopani worms, goes unabated, we should not be surprised if soon Traditional Authorities start charging fees from the rural people for harvesting freshwater fish, frogs, salt from saltpans, “*omatumbula, oombibo, iinkili, omavo, oontungwanangalo, oondago, omanyenye, uutushi, owishi*, et cetera. I do not know how to say that in English, but these are traditional foods that are generally harvested because they are brought by rain and water. Where are we going to end up at the end of the day? We would end up ripping off the poorest of the poor.

Since all along mopani worms have been harvested for free, it augers well that any commercialisation of the harvesting of such commodities by Traditional Authorities should have been negotiated and well co-ordinated with relevant stakeholders. (Intervention)

HON ULENGA: On a Point of Order. I hesitate to interrupt the Honourable Member, but, honestly speaking, I think he is touching on an issue that is very close to many people’s hearts. It is the issue of mopani - and I will not say worms, because

that centres on the issue that I want to ask the Honourable Member. Does the Member not think it is an unacceptable cultural bias to call food that the people of this country treasure and eat - worms? It is supposed to be something else. Would you please call it by its traditional name (*Omagungu*) and not call them worms, because they are not worms?

HON P MUSHELENGA: Honourable Speaker, Honourable Ulenga is correct. (Intervention)

HON SPEAKER: I am probably one of those people who stand accused, unless Honourable Ulenga can help us. What would be the appropriate characterisation?

HON P MUSHELENGA: Honourable Speaker, in my mother tongue (Intervention).

HON SPEAKER: Honourable Ulenga is particularly correct in the English language. What would satisfy Honourable Ulenga?

HON P MUSHELENGA: Honourable Speaker, Honourable Ulenga is particularly correct, because 'worms' in our language is "*omazinyo*" and *omazinyo* is not a delicacy.

HON MINISTER OF JUSTICE AND ATTORNEY GENERAL: On a Point of Information, Comrade Speaker, and my interest is provoked by the Honourable Ulenga who is quite correct in asserting his view on the issue. As the Honourable Member was just proceeding to say that, "*in my language worms are called 'omazinyo'*" and are associated with something that is rotten, infected, smelly and disgusting; mopani or caterpillars ... (Interjections). No, for lack of a better word, can we not call it that word? Let me call it that word. This *omagungu* in our traditional languages are called with different names and those names attract sweetness, delicacy and respect.

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HON P MUSHELENGA**

Therefore, I was going to help out on the term used for the purpose of this Debate, that we should call it “*mopani shrimps*”. (Laughter)

HON GURIRAB: On a Point of Order. Honourable Speaker, given the complexity of this issue and the interest it has raised, in order for us to continue the Debate on the Budget, I was going to move that this issue be referred to the Standing Committee on Economics. (Laughter)

HON P MUSHELENGA: Honourable Speaker, I was saying, since “*omagungu*” has all along been harvested for free, it augurs well that any commercialisation of harvesting of such commodities by Traditional Authorities should have been negotiated and well co-ordinated with relevant stakeholders.

I respectfully submit to this august House that the Ministry of Environment and Tourism is the custodian of these resources under question and it should have the ultimate tone on this issue.

Honourable Speaker, yesterday, Honourable Venaani questioned the timing of constructing the railway line from Tsumeb to Oshikango via Ondangwa. (Intervention)

HON MINISTER OF ENVIRONMENT AND TOURISM: Comrade Speaker, may I put a question to the Honourable Member? Comrade Speaker, the point he is making is exceedingly well taken. We need to conserve these commodities for our people and for the future, but I wonder whether he should not add to his list not only the Traditional leaders, but also others from outside the rural areas who are employing people, collecting and selling. Should they not be taxed or what should be done with them as well? Thank you.

HON P MUSHELENGA: Yes, that is what I talked about “*okukunguna*”, the tax-in-kind.

Honourable Speaker, I was saying, yesterday Honourable Venaani questioned the timing of constructing the railway line from Tsumeb to Oshikango via Ondangwa.

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On Monday when we attended the Budget Workshop, I heard similar sentiments expressed by some economists, claiming there is no return on such an investment. I, Peya Mushelenga, insist that the idea to construct the afore-mentioned railway line is brilliant and well-timed.

With the demise of Jonas Savimbi of Unita, peace has returned to Angola, which paved the way for the reconstruction of the Angolan economy and rehabilitation of infrastructures in southern Angola.

From the research that I conducted on the internet, information reveals that the Mining Society of Angola is trying to revive the Cassinga Project. The 2,681 square kilometre Cassinga area could produce ten millions of minerals worth \$320 billions per year. Private companies have started to explore high quality granite and marble in the south. The Ministry of Geology and Mining also announced that iron ore mining will resume in the Tshicuatiti, Quipungo and Quilengues Regions of Huila Province.

The envisaged booming of the economy in southern Angola, justifies that we complete the railway line - the earlier the better or else we will regret not having acted on time. The railway will provide a network linkage not only between Namibia and Angola but also between Namibia and the SADC Region. Against this background, I support the allocation of N\$55.2 million for the completion of Phase I of the northern railway and another N\$177 million for Phase II of the project.

Honourable Speaker, it will leave me restless and brings me discomfort if I do not dwell on the area that is very close and dear to my heart: namely international relations.

Namibia is held in high regard within the international community. It is for that reason that we are party to peacekeeping missions in Liberia and in the Ethiopia-Eritrea conflicts. We should keep the momentum of participating in peacekeeping operations and in high profile meetings at the United Nations and other multi-lateral organisations.

I am glad to note that an amount of N\$14, 4 million has been provided to cater for Namibia's membership fees and subscription to international organisations. In some organisations, countries that have not paid their dues forfeit their voting rights at crucial meetings of the organisations to which they are indebted. Namibia cannot afford to lose out on this essential aspect. Once again, I salute you, Honourable Minister of Finance, for providing sufficient funds, thereby guaranteeing that Namibia's participation in international meetings is with full benefits.

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HON P MUSHELENGA**

I commend the provision in this Budget to fund 87% of the staff in the Department of Protocol and Consular Affairs and 99% in our foreign missions. I am, however, concerned over the fact that provision has been made to fund only 56% of the staff in the Department of Multi-lateral Policy Co-ordination and only 60% in the Regional and Bi-lateral Affairs Department.

It will not cause any harm, Honourable Speaker, if I mention in passing that I served as a Desk Officer in the Department of Multi-lateral Policy Co-ordination for two years, dealing with issues related to the United Nations.

I have further noted that during the Financial Year 2006/2007 there will be a reduction of staff in the Regional and Bi-lateral Affairs Department from 43 to 36 positions. The smallness of any country affects its foreign policy dynamics and resources, whether capital or human are therefore crucial in this respect.

Having come from the background of diplomacy myself, I should actually caution the Honourable Members about a dangerous perception of under-estimating the importance of bi-lateral relations. I have noticed with dismay how young diplomats want to be associated with multi-lateral diplomacy as opposed to bi-lateral diplomacy. Meanwhile, it is through bi-lateral agreements that Namibia trades with a number of countries in the world and yields returns thereof. Bi-lateral and multi-lateral diplomacy are actually complementary to each other. It will be unfortunate if this Budget could appear to be confirming the afore-mentioned perception through the reduction in staffing, as mentioned earlier.

Honourable Speaker, information dissemination is an important part of the process of empowering the nation with knowledge. I have peace of mind when I see students from our institutions of higher learning, walking the corridors of Parliament, making their way through to the Parliament Library to do research. I think that it is also high time that the Ministry of Foreign Affairs considered opening up a library section in the Ministry so that we, the outsiders from the Ministry, can access updated briefings on foreign policy and world politics at large. Currently, the public finds it difficult to access such information, except when people travel on government delegations and are then issued with briefing notes from the Ministry.

It is my belief that the Ministry of Finance will have no problem financing the library section of the Ministry of Foreign Affairs to expose the wider public to wide-ranging topical issues and let them appreciate the dynamics of the international political system.

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HON TJIHUIKO**

With these words, Honourable Speaker, I support the Appropriation Bill [B.2-2006] and the Medium Term Expenditure Framework for the Financial Years 2006/2007 up to 2008/09. I thank you.

HON TJIHUIKO: Thank you very much, Honourable Speaker, I have never been controversial.

Honourable Speaker, I rise to congratulate the Honourable Minister of Finance for a well-prepared Budget statement presented on the 16th of March 2006.

The Honourable Minister of Finance, when she spoke of economic growth and poverty reduction on page 3(12) said: *“The National Budget is more than just a system of numbers and graphs. Behind the figures that I am presenting today is a strong fiscal statement. This Budget is a ‘Pro-poor, Pro-growth Budget’. National consensus, reached at the Cabinet Retreat in Swakopmund in November 2005 is well entrenched in this Budget.”*

I remember I have ever requested and demanded that Cabinet decisions must be included in the Budget and I am very happy about this.

This statement touched on the nerve centre of not only the poorest of the poor of our country, but also for those who are worried and disturbed by the escalating poverty, unemployment, crime and spread of HIV/AIDS in our country.

The Budget statement, which puts emphasis on education, health, welfare, infrastructure, and production as priorities, has been welcomed by all of us.

The Honourable Minister’s statement (Intervention)

HON SPEAKER: Could Honourable Kaura assist the House by removing what the Honourable Member is holding in his hand?

HON KAURA: Honourable Speaker, yesterday I found mopani worms at Tré Supermarket that are highly commercialised now. Now, I just sent Honourable McHenry just to pick up a sample of mopani shrimps. They are highly commercialised; you can get them at our supermarkets at N\$8-00.

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HON TJIHUIKO**

HON SPEAKER: I hope that Honourable Kaura is not intending to eat. That is not allowed in this House.

HON TJIHUIKO: The Budget statement put emphasis on education, health, social welfare, infrastructure and production as priorities (Intervention)

HON MINISTER OF FISHERIES AND MARINE RESOURCES: On a Point of Order, Honourable Speaker. I did not have lunch; may I have that one, please? (Laughter)

HON SPEAKER: Outside but not in the Chamber.

HON TJIHUIKO: Honourable Speaker, touching on the question of infrastructure and development, I must congratulate the Honourable Minister of Works and Transport, Honourable Amweelo, for a job well done. Namibia, being a small country, needs to continue to put resources into our infrastructure in order for us to be able to assist a neighbouring state to make use of our facilities. One good example is that they have been complaining about our roads. Our roads are being destroyed by heavy trucks coming from South Africa. If the rail line can be completed in time, then there will not be a need for heavy trucks to make use of the roads, because they can just load their things in Johannesburg and transport them directly to – they have started to eat. (Laughter).

HON SPEAKER: You should not be enticed. It is not allowed.

HON TJIHUIKO: They can load their goods in Cape Town and transport them on the railway line all the way to Oshikango without using our roads. So, that is very important for us to look at some of these things. It is critical.

The Honourable Minister's statement reflects a clear increase in spending, in more of the construction Ministries and Government Departments and there is a slight drop in allocation of Ministries that are responsible for job creation and economic development.

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HON TJIHUIKO**

The emphasis of the Honourable Minister is more on welfare instead of strengthening the productive sectors. If you look at her statement, the '*Pro-poor, Pro-growth*', the only thing that I have picked up as '*pro-poor*' is the N\$70 that has been added to the old-age pensions. Anything else I have not seen, apart from good ideas that were expressed, that there should be N\$100 for the unemployed, consideration for the orphans. These are good ideas, but they need to be funded. But let us look at the side of funding this.

The Minister of Finance has already stated that an additional N\$190 million was put aside for accommodation for 105 health angels from Kenya. I have no problem with that, but what about the conditions of the hospitals, the hospital hostels, the hospitals themselves - what are they going to do? They should provide service to the people.

If you look at the Budget, Honourable Speaker, of the Ministry of Health, for instance, the Operational Budget of the Ministry of Health has increased, but the Development Budget of the Ministry has decreased. If you need to improve on the facilities and you reduce your capital budget right now, then how are you going to provide good accommodation for the health angels who are coming to help our people, especially in rural areas?

If the figures, that I have just mentioned, are something to go by, one would not expect to see an improvement in service delivery, in terms of provision of tablets (Intervention).

HON MINISTER OF JUSTICE AND ATTORNEY - GENERAL: On a Point of Order. I am trying to understand what the Honourable Member is referring to, coming from Kenya. What comes from Kenya?

HON TJIHUIKO: Health angels. It is another term for nurses.

Honourable Speaker, if the figures that we are looking at are something to go by, one may not expect to see an improvement in service delivery, in terms of tablets and necessities in hospitals.

The other thing is human capacity building, efficient health equipment and facilities. Obviously this is not good news for the poor. These are the facilities that the poor need to use.

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HON TJIHUIKO**

If the poor people can go to the Katutura Hospital from 07:00 to 19:00, waiting to be served, then they are saying that this is a budget for the poor I need to be educated.

The other example that I need to use is the Ministry of Education, Honourable Minister of Education. These are the sectors that concern the poor people. The children of those of us sitting in this House, are not in Katutura schools. These are the schools, the facilities that the poor are looking to see. Let us look at what you have budgeted for. (Intervention)

HON MINISTER OF LABOUR AND SOCIAL WELFARE: Honourable Speaker, may I ask my very good friend a very straightforward question? Thank you, Comrade Speaker. Honourable Tjihuiko, you are doing quite well, but the issue about which I really want us to develop a very clear understanding is what you have said regarding the waiting period for patients visiting State Hospitals, particularly the Katutura establishment. It is factually correct that people come at 07:00 and then they are waiting until 19:00 in the afternoon. If that is correct I would want you to say so, but if not, perhaps you can put it differently, please. Thank you.

HON TJIHUIKO: Let us prove ourselves. Let us go to the Katutura State Hospital or Katutura Clinic for treatment and observe the waiting time the poor people are standing in those lines.

If you look at the Operational Budget of the Ministry of Education - and I am now looking at the ministries that have to be servicing the poor - look at the Operational Budget of the Ministry of Education: in 2005/2006 it was N\$2,5 million. If you look at the Operational Budget of 2006/07, it is N\$3 million. It has been increased.

Look at the capital budget and if you look at this increase, it is the negotiated salary improvement for those teachers who are already in the service, the recently signed agreement. There is nothing additional to add new teachers into classrooms, to provide classroom space - there is nothing. The children who are attending afternoon classes right now are going to continue attending those classes for the next five years to come. These are the figures that I am looking at here. I know that this is correct.

One may not expect to see improvement in service delivery in terms of provision (Interjections). If you look at what I am saying and you take what has been budgeted for and you take the very SWAPO Election Manifesto and you compare these two, in order to implement the SWAPO Election Manifesto, this has become a Bible. I

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understand that people are being told to carry this thing in their hands in Ministries to implement the SWAPO Party Election Manifesto. That is why I am saying - let us make a reference to the SWAPO Election Manifesto in order to implement the SWAPO Election Manifesto of promoting investment in productive sectors and supporting intervention that would create wealth and employment. That is what the SWAPO Election Manifesto is saying and I am stating the same.

The Honourable Minister of Fisheries yesterday gave us very good statistics, saying that 20% of the National Budget has been budgeted for productive sectors and infrastructure. These are not my statistics, they are those of the Honourable Minister – 20% - in order to implement the SWAPO Election Manifesto. That is very interesting.

I believe that more resources could have been budgeted for a sector that would contribute to economic and job creation, as SWAPO said. That could have been the best way to create wealth and, having created wealth, to distribute wealth, but not distributing poverty.

Let us look at how much has been budgeted to the productive Ministries.

The Ministry of Trade and Industry's Budget has been reduced from N\$140 million to N\$107 million. Maybe this is a punishment for the N\$100 million that has gone missing, but you are punishing the wrong person. (Intervention)

HON RIRUAKO: On a Point of Order, Mr Speaker, I am not asking questions. I feel pity: the man who was involved is the *Permanent Secretary*, not you and you; now what are we asking for?

HON TJIHUIKO: That is the Ministry, which has been given responsibility for industrialising this country. That is the Ministry, which has been given the responsibility for the promotion of SME's. A lot of people can enter into the business sector only through SME's. If you reduce the Budget of the Ministry and you are going out to say that you are supporting poor people, you are supporting the SME's - with what?

That is why I am saying; the Minister has presented a very good Budget Statement, but the Budget itself is questionable.

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Let us look at the Ministry of Agriculture, the “*Doctor Ministry*”. The budget has been reduced from N\$168 Million to N\$134 Million. This is a critical sectors for the poor people.

HOUSE ADJOURNS AT 15:45

HOUSE RESUMES AT 16:10 PURSUANT TO ADJOURNMENT

HON TJIHUIKO: Thank you very much, Honourable Speaker. I said that the Budget for the Ministry of Agriculture, Water, and Forestry has been reduced from a N\$130 million to a N\$124 million. The Ministry of Lands came down from N\$138 to N\$124 million.

If we look at the support for the poor - these are the critical Ministries that would support and take the poor people out of the misery in which they find themselves. We need to put money and real resources into these developmental sectors – to really support the poor.

If we still continue spending 80% of our National Budget on consumption Ministries spending, spending, spending - then I do not think that we would be able to achieve the noble idea of VISION 2030. I am sure that if we go by the trend, Honourable Speaker for the next 25 years, I wonder whether we will be able to achieve the much-talked about VISION 2030?

Honourable Speaker, the Budget is definitely *not* ‘Pro-poor’, both not pro-economic growth nor job creation. If we continue spending 20% of our National Budget on development, then we must forget about Namibia becoming the Malaysia of Africa in 24 years. That is a far-fetched dream that will never be realised.

Having carefully studied VISION 2030 and the NDP’s and decisions taken at the Cabinet Retreat in Swakopmund and most importantly, the clear commitment made by the SWAPO Party in the Election Manifesto, especially on the question of poverty reduction, job creation through accelerated economic growth and more equitable distribution of wealth, it makes me wonder whether the good intentions stated in the SWAPO Election Manifesto are being considered, when the National Budget is finalised by the various Accounting Officers in Government

Ministries.

All these good intentions can only be achieved through the promotion of investment in the productive sectors and the support of well-considered interventions that would create wealth and employment.

The Pro-Poor sector of our economy that would empower the previously disadvantaged sections of our community are: Small Medium Enterprises, Small Mining, Agriculture (specially the subsistence Agricultural Sector) where most of the poorest of the poor are operating.

The budgetary contribution in these critical sectors has gone down miserably. The overall budgetary allocation to this vital sector including infrastructure is only 20% of our National Budget.

Honourable Speaker, policies and programmes have been developed and verbal commitment has been made so many times by our political leadership.

What we need to do now is to transform this good intention to real action. The first thing that we need to do is to create wealth through huge investment in productive sectors, including health and education.

Secondly, we need to demonstrate a clear political will and commitment to strengthen already developed and designed developmental programmes, without any delay.

I am seriously thinking that, perhaps, it is high time that the Namibian people come to terms with reality that the SWAPO Party has failed the expectation of our people. Education, health, crime and unemployment are completely out of hand but the political leadership of our country is wining and dining while Rome is on fire.

In conclusion, Honourable Speaker, Honourable Members, the Budget presented on the 16th of March 2006, by the Honourable Minister of Finance, does not qualify to be called a budget for the poor, pro-growth and job creation. Having highlighted what I have highlighted, I believe that you will take good note of that.

Secondly, in her Budget speech I did not see any mention of a budgetary contribution towards the bottomless pit called Air Namibia and I have also picked up in the newspapers that there is N\$50 million for the film called;

“Where the other SWAPO Leaders Wavered.”

The reasons why the Honourable Minister decided not to mention those two expenditures are known only to herself.

I personally found that behaviour a bit strange, especially coming from the Honourable Minister of Finance, hiding vital information like this.

I thank you.

HON DEPUTY MINISTER OF JUSTICE: Honourable Speaker, Honourable Members, I rise to make my contribution to the Budget debate. First and foremost I would like to express my sincere gratitude and appreciation to the Honourable Minister of Finance, Comrade Kuugongelwa-Amadhila for tabling a Pro-Poor and development-orientated Budget and Pro-Poor interventionist Budget, totalling N\$15.3 billion.

The Budget places primary emphasis on education, health, social welfare and infrastructure development, which is in line with Government development efforts as clearly articulated in NDP 2, NDP 3 and VISION 2030 to achieve a growth rate of at least 7% with a Gini-coefficient target of more than 4%. I am particularly pleased that the Budget places high priority on the development of rural areas where most of our poor people are living, and where they find it difficult to make ends meet. I totally concur with the Honourable Minister of Finance that growth is promoted through improved resource allocation for the development of infrastructure such as roads. As examples I would like to cite the Rosh Pinah–Aus road, Oshikango, Okongo and Nkurenkuru to Rundu, Omakange - Kamanjab and many other deliberate interventionist policies of the Ministry of Works, Transport and Communication to facilitate the movement of goods and people working in Namibia, SADC and Africa at large.

The Tsumeb railway extension to Oshikango is another milestone achieved. The grand vision of linking SADC countries and the whole of Africa to facilitate intra SADC and intra African trade is most welcome.

The criticism levelled by Mr Venaani that the building of the railway to the North is premature and should wait for the development of Angola is akin to saying we should wait to build in Okakarara because we are poor, that we should wait until we are rich and then we can start to build. That is the reason why Okakarara is still under-developed. Such thinking is backward, reactionary, and should be condemned with the contempt it deserves.

I also applaud the Budget because it caters for more resource allocation to Welfare and Social Programmes that target the vulnerable and the poor in our society. The growing number of orphans because of the HIV pandemic is a great source of concern. I welcome and support the idea that more money will be allocated for the registration of orphans and vulnerable children to allow Government to properly identify those in need. More money has also been allocated to expand the Anti-Retroviral treatment for HIV/AIDS patients and to improve district health centres around the country. This is a laudable achievement and the result of HIV/AIDS education around the country is markedly improving and is showing positive signs of a gradual decrease of the HIV pandemic in Namibia.

The increase of the pension for the elderly from N\$300-00 to N\$370-00 is a laudable achievement and it is in line with the SWAPO Party political programme and its Political Manifesto. The continual cheap politicking of the Opposition to claim that they represent the best interest of the elderly is false. The SWAPO Party Government will continue to increase gradually the old age pension from time to time and when resources so permit.

Honourable Members, I agree with the Honourable Members who spoke before me that this Budget is '*Pro-poor, Pro-growth*' because 20% went to infrastructure development, as I stated earlier on, with the deliberate intention to intervene in the productive sectors, for example, the Green Scheme, Aquaculture, the Development Bank of Namibia, Kudu Gas, and the overall development of tourism parks, in order to create more job opportunities for our youth and women folk. I also concur with those who spoke before me that advertising Namibia internationally should be intensified. Currently many developing countries place their advertisements through CNN where things like "**Uganda - gifted by Nature**" are advertisements for tourists. Aggressive tourist promotion should be encouraged if we want Namibia to be the No. 1 tourist destination of choice. But I must say, Honourable Venaani, you were talking about Uganda. Uganda is a one party state: there is no democracy. Why should you praise Uganda? But why are there a lot of investments? Can you answer the question?

Honourable Speaker, Honourable Members on the Administration of Justice and public safety – the 33% increase in the allocation is a welcome development and very much appreciated. It will go a long way in fighting crime in order to ensure the rule of law, which in turn, will encourage foreign direct investment, which we desperately need in order to improve the economy and reduce unemployment to acceptable levels. As for the N\$75 million allocated to the construction of the Oshakati High Court and the recruitment of Magistrates, this will reduce the backlog at the lower courts and ensure fairness accessibility and justice in the overall administration of justice and to uphold the rule of law.

Another welcome development is a whopping N\$1.3 billion allocated in 2006/2007, from which the Government ETSIP Programme will be funded. It has been set aside for education and skills development in order to achieve the Gini-coefficient, which was mentioned earlier, we need to ensure skills development. I agree with Comrade Mannetje that our institutions of higher learning should continue to teach the ‘nuts and bolts’ of Applied Sciences, Management and Business in order to develop the vast natural resources of our country to facilitate the beneficiation and value addition.

The current Namibian population of 1.8 million is projected to rise to 2.3 million by the year 2015 with an average growth of about 2%. This adds another challenge to the development efforts in Namibia and it is therefore important to invest more and more in human capital and infrastructure development.

I also agree with the previous speaker that we need strong intervening policies, programmes and legislation to implement BEE programmes in order to produce entrepreneurs and business people. The State-Owned Enterprises should have a strong BEE component. I strongly disagree with those who advocate wholesale privatisation; for example most of the State-Owned Enterprises in Zambia were privatised and all State assets are gone. (Intervention)

HON GURIRAB: On a Point of Order, I just wanted to know whether it is in order that the same speech is presented twice by two different people?

HON DEPUTY MINISTER OF JUSTICE: Honourable Tsudao, it is in line with the SWAPO political programme and the SWAPO Political Manifesto. It is in line. We can repeat it a hundred times, as long as it is in the interest of our people.

We would like to put more emphasis.

Where is *Air Zambia*? But the country continues to grow poorer by the day; this is a *typical* example of privatisation. Therefore, privatisation robs developing countries of their asset base and it is therefore logical that if you do not have assets you are insolvent and you are poor. If you sell your country, what do you have?

On Agriculture, Honourable Speaker, Honourable Members (Intervention)

HON SPEAKER: Honourable Venaani had his opportunity to make his contribution if you could please leave him out of your presentation.

HON VENAANI: Honourable Speaker, on a Point of Information. I am a strong proponent of privatisation, and in the Budget speech of the Minister, which also directs and forms policy of this Government; it spoke of the strategic alliance of *Air Namibia*. What is that? Is that privatisation?

HON DEPUTY MINISTER OF JUSTICE: Yes. There you have it wrong. I will be happy if Namibians will be asked to invest in *Air Namibia* - and seek strategic alliances - not the way you are (suggesting) – a wholesale sell out of our State-Owned Enterprises. That is not acceptable. Because we are selling and the next generation will condemn us for that. (Intervention)

HON VENAANI: On a Point of Information, Honourable Speaker. I spoke of our people, to have the financial charter in place in this country so that black economic empowerment could be affected to buy shares in these companies. It is also lessening our large Civil Service. I am speaking of Namibians acquiring shares in the assets of this country. I am not talking about multi-nationals to come and buy here. I am not talking about SASOL, I am not talking about (Intervention)

HON SPEAKER: Honourable Venaani let us not debate, your Point of Order is well taken. Honourable Nujoma, address the House and not Honourable Venaani.

HON DEPUTY MINISTER OF JUSTICE: Honourable Speaker, Honourable Members, on agriculture: the ring fencing policy should not apply to emerging farmers. In other countries and particularly South Africa subsidies are provided for farmers for them to survive in the intense competition; to do otherwise in a volatile agricultural sector in Namibia is, for example, to kill the goose that lays the golden egg. Companies and other institutions should be taxed in order to plough those resources back into the mainstream economy.

I support the '*Pro-poor, Pro-growth*' and *Anti-poverty* Budget. I also support the allocation to the Ministry of Defence and the State House Project. These are necessary peace projects for which we must be prepared to pay. "*Democracy and peace are expensive projects, Mr De Waal*".

With these words I support the Appropriation Bill [B 2 – 2006] and the MTEF for the proper balance in the year 2006/2007, 2008/2009.

I thank you.

HON DIENDA: Honourable Speaker, Honourable Members. As Namibia has adopted a three-year cycle of rolling budgets for National Development, we are now in the middle of the cycle. The experience of spending during the first phase should therefore help us to use the current budget more wisely and to ensure a more successful spending thereof for the next Financial Year.

As a Member of this august House, not elected for my academic qualifications but rather for my political work, because I am an accountant, allow me to make the following observations on the estimates and revenue, presented by the Honourable Minister of Finance.

The Minister baptized the budget as "*Pro-poor, Pro-growth*" for reasons known to her, or is it for the N\$70.00 added to the old age pensioners' pension? By naming the budget "*Pro-poor, pro-growth*", she not only raises expectations with the most vulnerable of the Nation, but could frustrate taxpayers, if one scrutinises the Budget and does not find the allocations that are really something with which the poor can associate.

Honourable Speaker, Honourable Members, once again the Budget presented keeps on entertaining expenditures that are not justified if one looks at the priorities set out by the Government itself. Once again Education, Finance, Health and Social Services, Defence and Police make up the top 5 receivers of State finances. If these

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HON DIENDA**

are the priorities and in the light of their performances in the first two years of the current 3 year rolling budget, the following questions come to my mind.

When will the Education system in Namibia, favoured by this Budget, pay off and reduce the unemployment amongst school leavers, and give Grade 12 learners access to tertiary education, in line with the development priorities of this nation and ensure a satisfied teaching corps which realises learner-centred education with better success?

When will the Ministry of Finance be able to ensure an increase in revenue return that could be used to support the development plans adopted by this august House? How much longer do we have to bail out parastatals and non-profit making liabilities like Air Namibia, NBC, and sign guarantees for institutions that cannot start to repay dividends that could be used to realise the acclaimed '*Pro-poor Pro-growth*' stature in the National Budget?

The Budget allocated to the Ministry of Health and Social Services is the third highest and should justify why we should keep it in that position.

Are we getting further independent from our reliance on foreign legacy or are we not willing but able to force the pride in Namibians, interested in the health sector?

16 years after Independence the Defence and the Police Budgets are still part of the top five. When will we enjoy peace and stability that we acclaim exist in Namibia? Honourable Members, can we not shift the focus to ensuring a conducive environment in which all Namibians will feel free? (Intervention)

HON MINISTER OF DEFENCE: Honourable Speaker, I rise on a Point of Information. The Honourable Member talked about unemployed youth and school leavers. Does the Honourable Member know that the majority of the Grade 12 and 10 learners are employed in the Defence Force and does the Honourable Member know that the Defence Force also contributes to the development of some of the towns? If the Defence Force withdraws from Gobabis, Grootfontein, Ondangwa and many other towns - even Otavi - these towns will collapse. Does the Member know this? If she does not know, this is the information: if we withdraw from these towns they will collapse.

HON DIENDA: What are they doing there? If you give me a job

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HON DIENDA**

description what they are doing, I will answer your question.

If we look collectively at the top five priorities, are we able to attract foreign investment or are we trying to sustain a sinking ship?

Honourable Speaker and Honourable Members, we should realise that the Parliamentarians (Intervention).

HON MINISTER OF SAFETY AND SECURITY: I would like to ask the Honourable Member a question. The Honourable Member is talking about the enjoyment of peace and stability. At the same time she is contradicting herself by complaining about the Police Budget being within the top five. Does she not know that the peace and stability that is enjoyed here in Namibia is because of the Police contribution and that the investors would only be attracted by that commodity which is preserved by the Police Force?

HON DIENDA: Honourable Minister, if foreign investors read the newspaper of today they will ask - how did you not protect the State House? How did the late Kandara get the gun while he was in the protection of the Police? Honourable Speaker and Honourable Members, I ask this as a question. (Intervention)

HON SPEAKER: Please refrain from using the name you just mentioned.

HON DIENDA: I withdraw. Honourable Speaker and Honourable Members, we should realise that the Parliamentarians are setting the standards, the norms and the values, by which both our citizens and international communities will judge the country. We have a responsibility to adopt a Budget that will ensure a more sustainable development. Honourable Speaker and Members I will elaborate more when we discuss the different votes.

From the Budget presented, one has to live in hope to achieve the futuristic ideas that are linked to the current Budget. It is for this reason that I can conclude my contribution in the well known slogan as we are still in the economic struggle that is unnecessarily delayed. *"Aluta Continua"*

I thank you.

HON MINISTER OF MINES AND ENERGY: Thank you, Honourable Speaker. First I would like to thank the Honourable Minister of Finance, her Deputy Minister, Permanent Secretary and staff for a well-constructed Budget, which is geared towards the alleviation of poverty. I also want to express my sincere gratitude to Honourable Kuugongelwa-Amadhila by appropriating an additional N\$50 million to the National Energy Fund (NEF). My Ministry, as the custodian of the NEF, is under pressure from the oil industry to settle the cumulative state under-recovery balance.

In Namibia, the fuel price is determined, using a formula that reflects realistic cost of importing a litre of product from international refineries and is based on the actual daily trading spot prices at refining centres, plus other actual costs incurred in landing the product per ship at Walvis Bay. In 2005 crude oil prices skyrocketed and the recorded increases are 46% for refined petrol and 48% for diesel. The effect of increased costs of imported product, without a corresponding adjustment of the pump price, caused a slight under recovery.

It is against this background that a similar situation should not be allowed to re-occur in future. My Ministry will therefore continue to monitor the situation and adjust the pump prices, according to the cost of the imported products.

There has been a growing concern in Namibia that the recent performance of some refineries in South Africa is an indication that they are struggling to match the increasing demand for petroleum products. Namibians saw the first warning signs late last year when a fuel shortage almost caused chaos at Airports and only limited amounts of petrol and diesel could be found in certain towns.

Honourable Speaker, the process of preparing to produce cleaner fuels involved construction of new facilities, which have now been put into operation in South Africa. This process has not always been as smooth as one would have wished, leading to some unexpected reduction in refining production. Every effort is being made to cushion the impact of these fuel shortages from spilling over into Namibia. Thus imports of fuel products from other world markets are already being considered. In the long term, the Ministry of Mines and Energy will also ensure the security of supply by enforcing mandatory stockholding levels.

Faced with the current power supply constraints and possible looming power crisis, the Government of Namibia has no option but to devise tangible measures to address the problem in the short, medium and long term. Namibia's current demand for power exceeds the supply from internal generation. Thus to meet the local demand, Namibia has been highly dependant on electricity imports from South Africa. Eskom is

experiencing an acute shortage of power due to prevailing problems at Koeberg to the extent that it is implementing load shedding for its customers. Therefore, it is imperative that Namibia puts adequate mitigation measures to address the situation to avoid a similar risk in the future.

Namibia has ample resources that could be used for electricity generation. These include additional hydro-electric power developments on the Kunene river, such as Baynes, the Kudu Gas in which now we have some millions - to Power Generation Development and the increased use of renewable energy sources such as solar and wind. My Ministry is also committed to facilitate the establishment of new higher voltage inter-connections to neighbouring countries, such as Zambia and Zimbabwe, to increase Namibia's chance of engaging actively in regional electricity trading. This, in turn, will increase flexibility and enable Namibia to import from the cheapest available source when its demand surpasses supply and to export excess when supply exceeds demand.

Honourable Speaker, the electricity sector faces considerable financial needs. Therefore the Government will earmark N\$8 billion for the expansion, upgrading, and development of new generation sources. However, private sector involvement is highly encouraged. The practice of enlisting the services of Independent Power Producers has proved very successful in European countries and this can happen in Namibia, too, provided it is properly regulated. Provision for the use of Independent Power Producers is made in the new Electricity Bill, which will be tabled in the National Assembly soon.

Assessments generally suggest that the earth's climate has warmed over the last century and that human activity is likely an important driving factor in the accumulation of Greenhouse gases in the earth's atmosphere, causing surface air temperatures and sub-surface ocean temperatures to rise.

Making progress in reducing uncertainties in projections of future climate will require better awareness and understanding of the build-up of greenhouse gases in the atmosphere and the behaviour of the global climate system. Therefore, continuous monitoring and research on global warming is required to provide the essential indicators needed by Ministries such as Environment, Agriculture and Fisheries to advise Government how to adapt timeously to these changes.

To reduce the emission of unwanted gases, my Ministry is constantly conducting research on modern energy technologies available that can support win-win development options, addressing both global environmental protection and local

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**DEBATE SECOND READING APPROPRIATION BILL
HON NGHIMTINA**

development needs. These include modernisation of biomass, solar, photo-voltage, wind, hydrogen and high efficiency, super-clean carbon-based energy systems as part of the win-win solutions.

I am very pleased to note that more funds have been earmarked for education to address the current problems experienced in our Education sector. Furthermore, I would like to encourage the Minister of Education to direct additional efforts towards the establishment of more technical schools. This will help in equipping young Namibians with the necessary skills to enhance their chances of being absorbed in the employment market, on completion of their secondary education.

On the unemployment front, I would like to extend a challenge to all Members of Parliament to employ at least 10 unemployed Namibians, as I have done in an effort to reduce the high unemployment rate in Namibia. In the same breath, I would also like to encourage Members of Parliament to pursue business opportunities that are not in conflict with the duties assigned to them. It is high time that Namibians should explore all avenues to contribute positively to the economic growth of our country and reduce unemployment, instead of waiting on Government always to come up with a solution to this pertinent issue. We, as Members of Parliament, should lead by example in pursuit of this noble cause.

With these few remarks, I support the Budget.

I thank you.

HON VILJOEN: Honourable Speaker, I wish to adjourn this Debate until tomorrow afternoon.

HON SPEAKER: Any objection? If not, the Debate on this Motion stands adjourned until 14:30 tomorrow.

**RESUMPTION OF DEBATE ON THE UNSATISFACTORY STATE OF
AFFAIRS AND LACK OF AFFIRMATIVE ACTION IN BOTH THE PUBLIC
SERVICE AND PRIVATE SECTOR.**

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GOVERNMENT QUARTERS
HON DE WAAL**

HON SPEAKER: This Debate was adjourned on Tuesday, 14 March 2006 and the Question before the Assembly was a Motion by the Honourable Ulenga. The Honourable Minister of Justice and Attorney-General adjourned the Debate and the Honourable Member now has the floor.

HON ATTORNEY-GENERAL: Honourable Speaker, I seek the indulgence of the House not to speak today but should there be anybody who would like to take the floor on this issue they are to do so but I would rather speak on the issue on the 4th of April 2006.

HON SPEAKER: Any further discussion? If not, then the Debate of this Motion stands adjourned until 4 April 2006. The Secretary will read the Third Order of the day.

**CONSIDERATION OF THE REPORT OF THE STANDING COMMITTEE
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HON SPEAKER: Does the Honourable De Waal Move that the Report of the Standing Committee on Public Accounts be considered?

HON DE WAAL: I so Move, Honourable Speaker. Thank you, Honourable Speaker, Honourable Members. Once again, it is not my intention to go into the detail of the Report. It has been distributed more than a week ago and I hope that Members had the opportunity to peruse the document and perhaps discuss the contents of it.

Honourable Speaker, from the onset, the Committee wishes to record its grave concern on how one of our National assets, being fixed assets or immovable property of Government, are managed by the Ministry of Works, Transport and Communication. In fact, Honourable Speaker, we will not be wrong if we state to

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Parliament that our fixed assets - namely Government Quarters - have up to now not been managed at all.

I have sympathy for Honourable Kaapanda who is the new Minister of the Ministry. When we had a meeting with him on 14 November 2005, we observed his frustrations but also his resolve to correct the current state of total mismanagement. We hope, Honourable Minister, that you will have the full support of your Cabinet Colleagues because turning this situation around is going to take some tough decisions. Mr Speaker, first of all, I wish again to comment on the way some Accounting Officers deal with the Reports of the Auditor-General. Once again, in this case when this Audit Report under discussion was published, the Permanent Secretaries did definitely not look at it. This situation cannot be tolerated or allowed to continue, as the Reports of the Auditor-General are there to caution, guide, and advise Public Officials on how public funds and resources should be utilised. The Reports of the Auditor-General should therefore be treated with the seriousness they deserve.

Mr Speaker, the main concern of our Committee is that the Ministry, after 16 years of Independence, is in such a predicament that it cannot claim to be in possession of a proper Fixed Asset Register.

Although there are records, these records do not warrant the name '*Fixed Asset Register*' as it is incomplete and vague. Although various efforts were made in the past, including the spending of N\$2 million on a consultancy company, still no proper Asset Register is in place, as we speak.

To make matters worse, when we asked the person in control of Asset Management how many government quarters there are, he informed the Committee that Government used to have 4500 units, of which 450 were sold, leaving 4050 units.

However, Honourable Speaker, the Report of the Auditor-General, which was completed in February 2002, clearly states that Government controls 8354 units. This statement is backed by a list of properties, which were submitted by the Department of Works and subjected to a sample test to confirm its correctness.

It is thus clear that the people in control of Asset Management in the Ministry of Works, Transport and Communication do not have a clue what they are doing. One thing, however, is certain and that is that they are definitely not managing the assets of Government.

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I also want to inform the House that Honourable Minister Kaapanda has now started a project to try to establish a proper Fixed Asset Register with the help of the National Youth Service and we hope that this project will have the desired effect.

The next issue is the problem of illegal occupants. According to officials of the Ministry, there are only 16 illegal occupants at Government houses and flats in Windhoek.

The Committee is *not* convinced whether this is, in fact, the true state of affairs and regards this information as highly questionable. It seems as if a lack of co-ordination between the Fixed Asset Division in the Ministry of Works, Transport and Communication and the other line Ministry is one of the main reasons for illegal occupation of houses and flats.

Although attempts were made to involve the Office of the Attorney-General to obtain court orders to evict these people (I am now talking of the 16 people), nothing has happened so far. It is therefore our humble request to the Minister of Justice and Attorney-General to address this issue with the seriousness it deserves.

When we visited the Ministry's Head Office on 21 November 2005, we randomly selected the files of three houses in Khorixas and asked the Ministry to verify whether the three tenants of these houses are paying rent. After a few hours of verification we were informed that *none* of the three tenants are paying rent.

Honourable Speaker, because of the seriousness of this, the Committee immediately made an appointment with the Right Honourable Prime Minister and informed him about our findings. Sir, as you know, we consulted with you before we met with the Prime Minister.

I believe that the Honourable Minister of Finance will be particularly interested in this issue because the question still remains: how many similar cases exist in the country? If you take a random sample and you get a 100% result of non-payment then there might be a very serious problem. In addition, Honourable Speaker, we must now ask ourselves how much money has been lost and what are we going to do about it?

Mr Speaker, the other major concern is the current deterioration of Government houses, in and around the City of Windhoek and elsewhere in the country. These

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days a Government house or flat can be distinguished from privately owned property because of the condition of these places. It is a pity and worrisome to see Government houses and flats in the country left in a dilapidated condition, causing a serious financial burden to the State.

It is therefore our belief that the Ministry has to find a way to change this state of affairs so as to ensure that the value of Government assets is protected.

Mr Speaker, another worrisome revelation is that the Valuer-General, who was tasked to value houses for the Alienation Scheme found houses that were listed as GRN properties but registered as private property in the Deeds Office.

The Committee is further concerned that the Cabinet Decision Number 26/14.10.97/010, dealing with a Centralised Government Unit on Valuation and Estate Management, was apparently never implemented. This might have led to a situation where nobody is really taking Asset Management seriously.

Mr Speaker, lastly, the Committee also found that about two thousand houses were earmarked and valued by the Valuer-General, as part of Government's Alienation Scheme. Only 450 of these houses were sold by the Ministry. Government employees who are in a position and in need to buy these houses at a discounted value are, as a result, denied the opportunity to buy these houses.

As I mentioned before, the Committee is deeply worried about the way our Fixed Assets - in this case, houses and flats - are managed and *humbly* appeal to the Honourable Members of this august House genuinely to support this Report and all the recommendations included in it.

Honourable Speaker, in conclusion we wish to express our gratitude to the Right Honourable Prime Minister for meeting with a delegation of the Committee.

We also express our gratitude to the Honourable Minister, Deputy Minister, and the Permanent Secretary and senior officials of the Ministry for their kind co-operation during our investigation.

I also wish to thank my colleagues of the Public Accounts Committee for the seriousness with which they tackled this investigation.

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Mr Speaker, lastly, I want to thank the Auditor-General, Deputy Auditor-General and their staff, as well as the staff from the Directorate of Treasury, for the excellent services and advice rendered to the Committee throughout the sessions. The Secretariat of the Committee finally needs to be commended for the tireless service they have rendered to us during the review process.

I thank you.

HON RIRUAKO: Honourable Speaker, I appreciate the information of Honourable De Waal. But I thank the Minister, because I wanted to buy a house, an old Government house. I was given the opportunity to look around and I found what he said. I was not happy and I referred it back to his office. I did not go there alone; I was accompanied by his staff to help me find a good house. Some individuals live in this house if they want (as civil servants) while failing to pay their rent. It happened this way: if this happened for 16 years it is unfair to the other tax payers, for everything to be left at the mercy of whoever leaves that house, regarding the contribution to the Government.

HON DEPUTY MINISTER OF LANDS AND RESETTLEMENT: Thank you Honourable Speaker. I would like to thank the Committee and Honourable De Waal for tabling the Report in this House. It is true that the Government houses and flats have not been managed well so far and the blame, according to the Report of Honourable De Waal, is squarely aimed at those who have been there either as ministers or officials. However, the Committee, that is responsible for overseeing these issues, has been in existence for 16 years and now after 16 years the Committee wakes up in order to follow through on these things. Therefore, I really would like to not only look at either ministers or officials who were there but this could be the blame that should be squarely put on all of us, because we all should have been responsible to see to it that Government properties are taken care of. It is really not good for the Committee to only look at what the others did or did not do while it took the Committee that long in order to arrive at their conclusion.

Honourable De Waal, you indicated that you took a random sampling but then if I heard you properly you indicated that you took only 3 houses in Khorixas. To me that is not random sampling. That was a targeted or a selection of targeted housing. If you

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could have taken two houses in Khorixas, three in Rundu, one in Karas, then you could get something that would really tally with the percentage that you have indicated. I do not know what you have to say to that, but looking at only one particular town and then generalising on that might be taking this too far.

Otherwise, I do support the Report and its recommendations. Everybody involved in the recommendation should really make sure that this should now come to an end - not only the houses but many other properties of Government. Otherwise, if we do not take care of what we have, we must forget about the rest of the infrastructures. We are trying to ask the Honourable Minister of Finance to give money for infrastructure for the properties of Government, while we are not taking care of the ones that we have. I must commend the Committee once again and its work and it must continue to do the good work.

I thank you.

HON MINISTER WITHOUT PORTFOLIO: Thank you. It is not really a heavy contribution. I just listened carefully to the presentation by Honourable De Waal. He revealed quite a few things, which are very serious. In addition, he made some recommendations in the Report. My question is; what mechanism is at the disposal of the Committee to see that what is recommended and what has been revealed here are corrected at the end of the day? Is there any follow-up mechanism that the Committee has at its disposal so that we do not come back again and talk about the same thing?

HON ULENGA: Honourable Speaker, in the absence of any further discussions on the topic now, can I ask for an adjournment until tomorrow on this Report?

Thank you.

HON SPEAKER: Any objection? The discussion on this Report stands adjourned until tomorrow afternoon. With that, we come to the end of the business scheduled for the day. I call on Honourable Tjiriange, Minister Without Portfolio, to adjourn the House.

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HON MINISTER WITHOUT PORTFOLIO: Honourable Speaker, I call to adjourn the deliberations of this House until tomorrow 14:30.

THE HOUSE IS ADJOURNED AT 17:15 UNTIL THURSDAY 2006.03.30

**NATIONAL ASSEMBLY
ASSEMBLY CHAMBER
WINDHOEK
30 MARCH 2006**

The Assembly met pursuant to the adjournment.

HON SPEAKER Took the Chair and read Prayers and the Affirmation.

HON SPEAKER: Any Petitions? Any Reports of Standing or Select Committees? Other Reports and Papers? Notices of Questions? Any Notices of Motions? Any Ministerial Statements? Minister of Safety and Security.

MINISTERIAL STATEMENT

HON MINISTER OF SAFETY AND SECURITY: Thank you, Honourable Speaker, Honourable Members of Parliament. May I submit to this august House information regarding the recent allegations against the Namibian Police Force acts of brutality at Keetmanshoop, Mariental and Okahao.

Of recent, the Namibian Police Force has been labelled as a brutal force by a number of media practitioners as well as the National Society for Human Rights in Namibia. In all incidents the Police was accused of having used excessive force in solving criminal deeds committed by certain individuals or groups of people.

In all incidences criminal charges were laid. At Keetmanshoop a case of housebreaking and theft, CR196/01/06 and CR204/01/06 were opened. In addition, identification parades were held as well as the departmental suspension hearing has been concluded and further actions from the Inspector-General of the Namibian Police are expected very soon.

The Inspector-General, being the Superintendent of the Force, has visited the two regions, that is Karas and Hardap, to acquaint himself with the situation on the ground and he further directed the Regional Managements of the two Regions to take appropriate measures to restore the confidence of the public in the Namibian Police.

In the Mariental case, similar cases were opened against members of the Namibian Police as well as the Namibian Defence Force members who were allegedly involved in the assault of civilians. Charges of assault of Grievous Bodily Harm, as per Mariental CR10, 16, 20, 21 and 22/03/2006 were opened.

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**MINISTERIAL STATEMENT
HON TSHEEHAMA**

Subsequent to the recent incidence of Okahao, a case of assault, Grievous Bodily Harm CR31/03/06 at Okahao Police Station was opened by one of the victims, Ms Rachel Kapolo against a mob of people who had allegedly beaten her and her colleague. One Police officer and four civilians have been arrested so far, while the remaining Police officer, who is also accused to have taken part in the beating, will be arrested soon.

I would like to point out that Police Officers are nobody else than your sisters, brothers, nephews, cousins, you name it. Therefore, they are not angels who by the Bible's explanation ought to live a non-sin life. Those Police Officers are prone to sin and wrongs in one way or another since they are all human beings. I am not out to condone the wrongs allegedly committed by Police Officers. I am not trying to bring to your attention that crime does not have boundaries, hence, some bad apples within the Force may rear their ugly heads at one time or the other. However, their wrongs should be condemned in the strongest terms it deserves.

Therefore, we have those incidents purportedly carried out by some Police members. The point remains that these are isolated cases, perpetrated by individuals within the Force and should be treated as such. I am dismayed by some of the reports that are out to portray the Force as a brutal entity and in some instances, likening it to the old dispensation authority, which was here to oppress and suppress and intimidate the people of Namibia.

The Namibian Police Force was established by an Act of Parliament, Act No. 19 of 1990 to, *inter alia*, maintain law and order, more importantly, to protect life and property. I am emphasising the latter, because the fundamental law of this country, which is the Constitution of the Republic of Namibia, under Chapter 3 states that: *"The fundamental rights and freedoms enshrined in this Chapter shall be respected and upheld by the Executive, Legislature and Judiciary and all Organs of the Government and its Agencies and, where applicable to them, by all natural and legal persons in Namibia, and shall be enforceable by the courts in the manner hereinafter prescribed."*

I deliberately quoted to this august House the preamble of the content of the said Chapter to indicate to you that the Namibian Police is not above the law and regulations governing the Namibian society and its people. Hence, our actions are regulated and governed by those laws and regulations.

I should hasten to inform this august House that in all three incidences that came afore in the past two months, I have ordered prompt investigations so that the culprits could own up to their alleged misdeeds. Further, departmental hearings are set to

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**MINISTERIAL STATEMENT
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commence as soon as all procedures required are in place.

As I said earlier, nobody, including the Police Officers, is beyond reproach for an offence he or she committed. Thus, the long arm of the law will *definitely* take its course as far as those who stand to be accused of wrongdoing are concerned.

In the case of Keetmanshoop a suspension hearing against six members was already held on 24th March 2006. The Mariental suspension hearing will be conducted very soon, while in Okahao some suspects had been arrested and have already appeared in court.

Therefore, I am appealing to this august House and to the public at large to bear with me on these matters to allow for justice to take its course and at the same time, to avoid prosecuting those who stand accused through the media, but rather to give due time to competent courts of law to pass the final judgments.

In addition, I would like to point out that the Namibian Police, founded on principles of law and order, has no intention whatsoever to act contrary to those principles, but rather to abide by them. Thus, it is unfair to judge anybody randomly because bad apples happen to surface among the ranks and file of the Force.

I hope this information I provided will leave this august House and the public at large with an accurate account on the alleged Police brutality, and I thank you.

HON SPEAKER: I thank the Honourable Minister. Honourable Ulenka.

HON ULENGA: Honourable Speaker, listening to the Minister of Safety and Security's Ministerial Statement on recent events or incidents, I would like to pose a question to the Minister, just for clarity's sake. It is disturbing, indeed, and I do not really have to get into the details of what the Minister presented to the House. However, seeing that these incidents that the Minister is referring to have happened in quick succession, one upon the other, so much so that within the course of one month we have more than three incidents, and seeing that the Minister is still talking about these incidents as being isolated cases, how often and how regularly should these incidents happen in the Minister's view in order for him to consider them as alarming and not just isolated cases? Seeing that the Minister is dismayed rather by those who are issuing critical comments (Intervention)

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**QUESTIONS ON MINISTERIAL STATEMENT
HON ULENGA**

HON SPEAKER: One question. Get to the gist of the question.

HON ULENGA: I just really want to get more clarity as to when the Minister would consider in all seriousness and take action and not just answer to critics on this issue. Why is the Minister saying this is an isolated and not a regular case and not worthy of radical action from his part? Thank you.

HON MINISTER OF SAFETY AND SECURITY: I will only say that no one can determine when a crime is going to be committed, unless the criminal himself who might plan the crime would say; *"tomorrow we are going to carry out an activity which can be called a crime."* These are isolated cases because of their nature. It does not happen all the time, in any case. For example, for the past fifteen years we did not have so many cases of this nature. We have had very few cases, indeed.

Therefore, these are isolated, as I have said, and I remain saying that. But that can also not be determined, and I want to repeat myself, when a crime is going to be carried out. I think that is all I can say.

HON SPEAKER: With that we shall now commence with Questions. Question No. 20 is by Honourable Kaura. Does the Honourable Member put the Question?

RESPONSES TO QUESTIONS

QUESTION 20:

HON MINISTER OF LANDS AND RESETTLEMENT: Thank you, Comrade Speaker. Comrade Speaker, Honourable Members, I stand to respond to the questions of Honourable Katuutire Kaura. The Honourable Member wanted to know how many farms are owned by non-Namibians in Namibia and the size of each of these farms.

My Ministry has carried out a verification exercise and the following are the countries whose citizens own farms in Namibia, the number of foreign nationals per each such country and the total number of hectares owned by such foreign nationals.

The total number of farms owned by foreign nationals are 399.

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HON EKANDJO**

The number of farms owned by nationality:

The Americans: 7 farms are owned by American nationals and the total hectares of these seven farms are 82 023 hectares.

Then the Austrians, not Australia but Austria where Hitler comes from: They own 17 farms and the total hectares are 64 121.

The British: 3 farms and the total hectares are 4 920. Something must be wrong here. Maybe there is something missing there.

The Canadians: 1 farm of 3 233 hectares.

The Danish: 1 farm of 9 540 hectares.

The Dutch: 2 farms and the total hectares are 7 371.

The French: 1 farm of 7 371 hectares.

The Germans: 206 and the total hectares are 968 854.

The Italians own 4 farms and the total hectares are 13 088.

Then we have the joint ventures:

Namibian-Austrian joint ventures: 2 farms, total hectares are 10 585.

Namibian-German joint ventures: 22 farms, total hectares are 129 281.

Namibian-South African: 13, the hectares are 79 299.

Then you have the Namibian-South African-Spanish joint ventures: 7 farms, the total hectares of the 7 farms are 47 120.

The Portuguese: 3 farms, 69 300. Something is also wrong here, the figures here are wrong.

The South Africans: 99 farms and the total hectares are 425 094.

The Swedish and German joint ventures: 4 farms, total number of hectares 50 099.

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HON EKANDJO**

The Swiss: 5 farms, 42 680 hectares.

The Zimbabweans: 2 farms, 27 000 and also here the figures do not tally. Something is wrong there.

But all in all, the total number of hectares of these 399 farms are 1.9 million hectares.

On the size of farms owned by each foreign national, the Ministry is now only in a position to provide information on the total number of hectares owned by people of foreign nationality, because the Honourable Member asked that I should give each one of the 399, but I will spend the whole day reading.

The Honourable Member is assured that the Ministry has an accurate picture of the necessary data related to the farms. Reading the hectares of 399 farms would be a painstakingly and a lengthy exercise which would take up much of the business of this august House.

I wish to inform this august House that there are some farms that are owned by foreign nationals in the form of shares in companies and close corporations that are not included in this list I have just read. Shares do change hands regularly and it is difficult to keep track of the transfer of shares between individuals. If such farms were to be added, the total number of hectares presented would have been different.

Out of the 69.6 Million hectares available in Namibia for agricultural purposes, the total number of hectares owned by these foreign nationals, therefore, stands at 1.9 Million hectares. I thank you, Comrade Speaker.

HON KAURA: I would like to thank the Honourable Minister for this information. It is quite eye-opening to all of us. We now know that two million hectares of our land is in the hands of foreigners and in the future we will raise other questions. Thank you very much.

HON SPEAKER: I thank the Honourable Member. Question 21 is one by Honourable Goreseb. Does the Honourable Minister of Works Transport and Communication wish to reply?

QUESTION 21:

HON MINISTER OF WORKS, TRANSPORT AND COMMUNICATION:

Thank you very much, Comrade Speaker. I would like to advise the Honourable Member that the Ministry of Works will present its Budget to Parliament and during that particular time, an overview of our development projects will be outlined comprehensively and most of the concerns of the Honourable Member will be addressed – comprehensively as well.

Therefore, I would like to request the indulgence of the Honourable Member to wait until such time when the Budget will be presented and hopefully he will be in the Chamber that time. I thank you.

QUESTION 22:

HON SPEAKER: Question No. 22 is one by the same Honourable Goreseb. Does the Minister of Trade and Industry wish to reply?

HON MINISTER OF TRADE AND INDUSTRY: Comrade Speaker, Honourable Members, let me first of all thank you all and Honourable Goreseb for the questions. My response to his questions will be as follows:

On the first question I want to respond as follows:

Yes, indeed, I am aware of the building that my Ministry has funded and assigned to the ODC to develop at Karibib. It is equally correct that the Karibib Gemstones Centre, as it is known, was built for purposes of providing appropriate premises and equipment to cut and polish gemstones. This is in line with government's policy aimed at promoting the development of local industries and job creation through increased local value addition to natural resources.

The centre and equipment is intended to be leased out for use by private investors interested in gemstone cutting and polishing, as well as to assist small miners to cut, polish, brand and value their gemstone products.

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HON NGATJIZEKO**

Besides Karibib, a similar facility has also been constructed at Keetmanshoop. The choice of the towns for the location of the two centres was made with a view to take advantage of the availability of a variety of gemstones in the areas in close proximity to them.

The second question reads: *Is the Minister aware that the said building is just standing idle for almost two-and-a-half years?*

It is true that since its completion no activities have taken place at the centre. There are several reasons for that.

The main causal fact for the non-operationalisation of the centre is lack of access to the required quantity of raw gemstones. A number of local and foreign groups have approached my Ministry, expressing interest in utilising the centre. However, these interested parties, including small miners, have not been able to implement their business plans, citing difficulties in securing guaranteed supply of raw gemstones.

At the time when the decision to construct the planned gemstone centres at Karibib and Keetmanshoop was taken, an agreement was entered into with a US investor in order to form a joint venture that was to include small miners. The arrangement entailed the use of both the Karibib and Keetmanshoop gemstone centres.

The US investor undertook to equip the two centres; provide the requisite funds and expertise to run the operations; undertake the branding and marketing of the finished products in the US and other export markets; as well as to assist the small miners to make use of the centres to cut, value and market their polished gemstones.

Unfortunately, the proposed investment did not materialise as planned. The US group signed lease agreements for both centres, but only ended up equipping and operationalising the Keetmanshoop centre. However, operations at this centre also came to a halt last year. The main reason cited is lack of sufficient supply of gemstones to sustain the commercial operations.

In our effort to ensure the use of the Karibib centre for the intended purpose and in the face of the identified gemstone supply constraint, my Ministry consulted with the Ministry of Mines and Energy for a mining concession to be directly linked to the centre. It is hoped that such mining activities can supply a portion of total input supply requirements of the Centre and can then be supplemented with purchases from the local suppliers.

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HON NGATJIZEKO**

The two Ministries have reached an agreement in this regard and the claims have been made available for this purpose.

The third question reads as follows: *What are the Minister's future plans for that costly building and when are the public, in particular the small miners, going to utilise it?*

My Ministry's plan is to equip and have both centres ready for use during this current financial year that is 2006/2007 Financial Year.

We have secured expert advice from gemmologists through a technical assistance arrangement with the Commonwealth Secretariat on the list of machinery and equipment required. We have further already obtained quotations from various manufacturers of such machinery. We have equally submitted a budgetary request for funds to be used to procure this machinery.

When the Keetmanshoop centre was operational, my Ministry supported the project by securing the services of experts in gemstone cutting and polishing, to train the Namibians who were recruited at the centre. We are working with the Commonwealth for the same capacity-building assistance to be provided to the two centres once they become operational.

Last year negotiations were initiated and are continuing with the owner of the farm on which the mining claims are located, in order to secure the required access necessary for the intended mining activities.

Even before the construction of the two centres, my Ministry has made the promotion of gemstone processing an important part of its overall investment promotion and industrial development strategy. For some time now, we have marketed this investment opportunity in our brochures and at various forums, as well as through our diplomatic missions abroad.

However as stated earlier, various parties have expressed interest but none of them have so far been able to take up the buildings already available and start operations.

We are intensifying our search for potential strategic partners that can assist with the running of the centres, as well as the branding, marketing and distribution of the finished products that will be produced. We are pursuing discussions with various interested parties from within and outside Namibia in this regard.

The fourth question is: *Is the building well equipped with the necessary machinery?*

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HON NGATJIZEKO**

As mentioned earlier, the buildings are not yet equipped by the government. The procurement of the requisite cutting and polishing machinery is in process.

And the last question is: *When is the building going to be handed over or officially opened to be utilised for its intended purposes?*

The building as it stands has been marketed and made available for lease to any party that can equip and run it. But as stated earlier, the people who have approached my Ministry, expressing interest, have fallen short of taking it up. This is why we have decided to go ahead to equip it ourselves, so that we make available or lease both the building and its equipment.

Obviously, once we have secured the funding and procured the required machinery, the centre will be available for lease and use by any interested party, including small miners.

As stated earlier, it is important to point out that the success of this initiative can neither be guaranteed by the availability of a building and equipment alone, nor does it depend solely on the role of the Ministry of Trade and Industry.

Access to mineral deposits and supply of raw gemstones from local miners is critical for the development and sustenance of local gemstone cutting and polishing industries.

Exports of unprocessed minerals will negate our efforts to develop local mineral processing industries.

This, thus, requires the support and commitment of the Executive Government, lawmakers and the private sector. Without such support, these buildings and their equipment will end up as white elephants.

I thank the Honourable Member from my home town for the questions, and the rest of the Honourable Members of this august House for their attention. I thank you.

HON SPEAKER: I thank the Honourable Minister. I believe Honourable Goreseb is satisfied.

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HON MBUMBA**

HON GORESEB: I would like to thank the Honourable Minister for quite a clear and comprehensive answer. The public out there and in particular the small miners have heard for themselves. I thank you.

HON SPEAKER: I thank the Honourable Member. Question No 23 is by Honourable Gurirab. Does the Honourable Minister of Education wish to reply?

QUESTION 23:

HON MINISTER OF EDUCATION: Honourable Speaker, I would like to answer as follows:

Yes, we did undertake an investigation. The main committee was established on the 17th January 2006, consisting of Permanent Secretaries of the Ministry of Education, Health and Finance.

Under the main committee a main team was constituted to do the investigation and the terms of reference were given.

The main team also consists of individuals from Education, Health and Office of the Attorney-General. The completion of the investigation and the submission of the Report to the main committee have been done, as expected, around the 17th of this month.

Therefore, the main committee will brief the respective Ministers on the matter.

The answer to number 2; on whether the result of such investigation will be made public is yes.

The Ministries concerned, those of Education, Health and Finance and the Attorney General, will make recommendations on steps that need to be implemented to avoid similar incidents ever to happen. Those actions taken or recommendations to be taken will then be made public for everyone to know.

Although I do not want to say anything, because we are waiting to be presented with the Report, I would just like to comment at this stage that it is true and it was found that a registered caterer, whether it is a catering company or caterer as an individual, if found having diluted or mixed the food that is served either in our hospitals or in our school hostels, mixing the food with materials which either do not have any

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HON N IYAMBO**

nutritional value or may even be harmful to the health of the children, it will be a clear indication to us all how *low* we as Namibians can stoop to earn a few Namibian dollars. As I said, we expect a Report, we will follow the recommendations because this is a Report of experts and we will make the report and the recommendations public.

Thank you, Honourable Speaker.

HON SPEAKER: Question No 27 is one by Honourable Venaani. Does the Minister of Agriculture, Water and Forestry wish to reply?

QUESTION 27:

HON MINISTER OF AGRICULTURE, WATER AND FORESTRY:
Honourable Speaker, in answer to Honourable Venaani's two questions, the answers are as follows:

It is difficult to accurately forecast the types of diseases that may occur in herds of livestock in one given year. However, we have followed the abundant precipitations over the whole country and such climatic conditions usually cause an amplification of insects. Hence, we are quite concerned about a possible increase of insect borne infectious animal diseases.

The first disease that comes to mind is lumpy skin disease in cattle, which we experience regularly in the Caprivi and Kavango. A risk for this disease to spread further south or west is also a possibility. Therefore farmers must be ready to acquire and to vaccinate for lumpy skin disease whenever it is seen in the herds.

A very potent and affordable vaccines are available in the country. Other insect borne diseases of concern are bluetongue for sheep and rift valley fever, which affects both cattle and small stock.

For both diseases vaccines are locally available. While bluetongue disease is quite common in Namibia, the same does not hold for rift valley fever. The latter appears, if at all, only after very good rains – a rainy season like the one of this year. Veterinary Services have selected some susceptible small stock which are tested biweekly to recognise early possible outbreaks and to warn the farming community early enough.

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Further, it is quite difficult to predict outbreaks of other livestock diseases purely based on climatic conditions. Certain bacteriological diseases could occur more often, such as *Lamsiekte* (*Clostridium botulismus*) and Anthrax. (Interjections). Yes, hopefully “*Lamb-sickness*” in English. I think the English do not have this word. Either due to reduced phosphate in the feed or through the leaching of anthrax spores from the soil.

Similarly, foot rot in sheep and cattle can be expected in the farming community as well as other conditions, which may also be noticed this year. Therefore, it is important for prophylactic foot bathing during muddy and wet conditions as the most important procedure to take by the farming community. Farmers should expect an increase in internal and external parasites, which have to be treated depending on the level of infection.

Finally, horse owners should be vigilant and vaccinate horses against African Horse Sickness, which shall certainly occur this year. The issue here is that this type of disease has only been detected in Africa and again, due to the laziness of the English, they could not find a better way of calling it. Thank you.

HON SPEAKER: Question No 28 is by the same Honourable Mr Venaani to the same Minister of Agriculture, Water and Forestry. Does the Honourable Member put the Question?

QUESTION 28:

HON MINISTER OF AGRICULTURE, WATER AND FORESTRY: Honourable Speaker, the question by Honourable Venaani has three components. The answer to the first question is:

Namibia is not phasing out livestock branding at this stage. However, additional identification is now required for small ruminants which take the form of either tattooing or small metal ear tags. The symbols of the farmer’s brand are used in the tattoo or on the metal tags.

A number of changes have occurred in the identification of livestock in this country in terms of the Brands Act, Act 24 of 1995. Since April 2004, all small stock over the age of three months was to be identified by means of owner-specific ear tags or tattoos. To reduce the burden on farmers, this requirement was only enforced for

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animals leaving the farm for auctions, slaughter or export. In September 2005 the farming community was informed that from the 1st of March 2006 all small stock had to be identified as provided for in the law.

The implementation of tagging and tattooing of all small stock on the farms commenced on the 1st of March 2006. Assessments will be done during inspections and surveillance programmes which have just begun. There is almost 100 % compliance regarding all small stock presented for marketing or moving from one farm to another. Thanks be given to the cooperation of the farming community.

Individual identification tags are required for cattle in addition to the brand, in order to enable trace-ability.

With regard to the tagging of cattle for identification and trace-ability for all off-farm movements in all areas south of the veterinary cordon fence, compliance is almost 100 %. This was implemented in all of the abovementioned areas, particularly in the south, since 1 February 2006.

On the other question, the three main suppliers of tags for sheep and goats confirmed that there were some shortages of these tags in the country since January and mid-February and this failure is now being addressed. The shortage was mainly attributed to speculators and the rush to buy the material because of the then coming festive season.

There were only four machines in the country and two more machines have been commissioned by two of the suppliers. The time lag between ordering and delivery is about four weeks. There has therefore, been an improvement. Ear tags for individual identification of cattle are not in short supply. However, as these are personalised for individual producers, farmers are advised to order these tags six to eight weeks in advance.

Finally, currently the Ministry has no intention of forwarding the full implementation as sufficient notice was given to all producers. In any case, we are following the trend very closely and no farmer will be punished unnecessarily. Thank you.

HOUSE ADJOURNS AT 15:45

HOUSE RESUMED PURSUANT TO ADJOURNMENT AT 16:15

**RESUMPTION OF DEBATE ON SECOND READING:
APPROPRIATION BILL**

HON SPEAKER: When this Debate was adjourned yesterday, 29 March 2006 the Question before the Assembly was a Motion by the Minister of Finance, that the Bill now be read a second time. Honourable Viljoen adjourned the Debate and I give him the floor.

HON VILJOEN: Honourable Speaker and Honourable Members of this House, it is difficult for laymen to analyse the Budget of a country and to do an evaluation in a meaningful way. I accept that many days of hard work was necessary to put the final document on the Table. There are many push and pull factors playing a role and influencing the Budget, therefore I will only make a few scratches on the surface.

I think it is normal practice that I should say what others already said on the Budget and others have to say what I am going to say. I agree with some Members and disagree with others.

I have listened carefully to what others have said, e.g. on the feasibility of the Northern Railway Line. It was for instance said that the economy in South Angola is booming. I was there for nearly two weeks and there is absolutely no signs of a booming economy. The only economic activities going on is bribery and corruption.

HON MUSHELENGA: Honourable Speaker, on a Point of Information. When we talk about the economy of Angola, it is not something that we should necessarily see with naked eyes as the Honourable Members that were there after two weeks, these are projects that have been approved and undertaken. I have stated here that I have conducted the research on that, for example the Cassinga Project is not something you will see now with naked eyes because it is a project that has been approved and is being undertaken, therefore for the Honourable Member to allude that in Southern Angola there is only corruption and there is nothing else going on, did he consult the Ministry of Mineral and Geology of Angola and there mining society of Angola to get proper information on this issue?

HON VILJOEN: Honourable Speaker I must say that I like Angola because it is the land of my ancestors, my parents were born there but this is not in a negative sense that I mentioned this. At Kahama in the South of Angola we were told that when the petrol trucks arrive, the Defence Force buys every drop of petrol and sells it on the informal market for a very high amount. We visited Lubango, Huambo, Lobito and Namiebe. You cannot even buy water and the roads are bad, you drive the whole day at 15km per hour, however, what I just mentioned is not our problem and the opposition of Angola should raise this problem in their Budget. I am going back to our Budget. (Intervention)

HON DEPUTY MINISTER OF JUSTICE: Honourable Speaker may I ask the Honourable Viljoen a question. Mr Viljoen you mentioned that you were driving the whole day in Angola because the roads were destroyed. Now who destroyed those roads, is it not your fore fathers and family?

HON VILJOEN: Honourable Deputy Minister, every road in Angola was built by my ancestors. My impression is that this is a relatively fair budget taking into account the limited resources of our big country with its small population.

It is also praiseworthy that the Budget puts emphasis on poverty reduction and job creation; time will tell whether the poor are really going to benefit.

Furthermore, money received through the Southern Africa Customs Union was a welcome windfall and can be seen as a temporary lifejacket to save a child in deep waters.

Budgeting money for a project like Air Namibia is like flogging a dead horse.

In the past a large portion of the income of our country was wasted on innumerable non-feasible projects. Some BEE projects for instance, which were meant for the welfare of Namibia were voraciously destroyed by a few greedy hyenas. (Intervention)

HON DEPUTY MINISTER OF GENDER EQUALITY AND CHILD WELFARE: What past are you talking about? Which past do you mean, the past of your government or which past, tell the House, which past are you talking about?

HON VILJOEN: I noticed that our time was cut from yesterday to today so the Members must give us the opportunity to say what we want to say.

As I said, some BEE projects for instance, which were meant for the welfare of Namibia were voraciously destroyed by a few greedy hyenas. These ventures end up in bankruptcy but the culprits walk out as rich people.

I wish to elaborate on some of the more positive points as far as the budget is concerned:

- The identified projects like the building of new roads and other projects may create more jobs.
- The reduction in the budget deficit of Namibia is a fresh breeze in the world of economics.
- The effective measures taken to increase domestic tax by taking the necessary steps against tax evaders and the good news that the Value Added Tax has increased by nearly N\$600 million is good news.
- There was also a remark that the Civil Service is too big but we doubt if any steps will be taken to reduce this force.
- The increase of the pension grant is a step forward. Thank you for the suggestion Honourable Kaura.
- It is also encouraging that Government is putting emphasis on developing the infrastructure of the country by financial assistance to AgriBank, the Development Bank and the green scheme project. (Intervention)

HON DEPUTY MINISTER OF GENDER EQUALITY AND CHILD WELFARE: Some words used here are, please Honourable Viljoen you were here during the time of the Interim Government, you did not even increase the old age pension by N\$70. Why do you now want to thank Honourable Kaura?

HON VILJOEN: We also welcome the amount allocated to the Anti-Corruption Commission, under their own vote. Time will tell if it is enough.

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**DEBATE SECOND READING APPROPRIATION BILL
HON VILJOEN**

Health and social services received a large portion, which is very necessary.
(Intervention)

HON DEPUTY MINISTER OF LABOUR AND SOCIAL WELFARE:

Honourable Viljoen on what you just said lastly, thanks for the money allocated to the Anti-Corruption Commission, will you become one of the whistle blowers to indicate that those houses that belong to the State and now are privately owned by those who were in at that time, will you be assisting the Anti-Corruption Commission to identify those houses?

HON VILJOEN: I think that I am already involved through the Committee and if I know of anything I will be a whistle blower.

We are going to discuss a Motion on the state of health in our country and I agree that there are many administrative and on the ground problems that should be resolved. On the other hand I am convinced that everybody in this country has access to health services and if I have to make a choice where to become ill, I will choose Namibia.

As far as the allocation of N\$750 million to the Kudu Gas Field is concerned money invested in this project will in the long run save this country millions of dollars. Due to the fact that this possible shortfall in the supply of electricity will influence our economy, pro-active steps by the Government are very necessary.

We wish to request the Minister of Mines and Energy to warn Parliamentarians far in advance should it be necessary for us to order generators for the dark nights to come.

Better control on the activities of State-Owned Enterprises would save the country much sorrow and a lot of money.

The budget also expressed our responsibility towards orphans and vulnerable children.

Money was budgeted for resettlement and there is nothing wrong with it but we do not achieve what we want to achieve. One example: in the South on the road between Mariental and Maltahöhe is a farm called Oberhoff. I passed that farm at least once a month and therefore I know what is going on at that farm. That farm was the property of Mr Albert Voigts who imported the first 12 Karakul sheep to Namibia in 1908, 98 years ago.

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That farm was purchased for resettlement and a few people presently live on it with a small number of goats that normally die from old age. Apart from the few goats, (Intervention)

HON MINISTER OF HOME AFFAIRS: Can the Member inform the House how much money did the Resettlement of the Anglo-Boers cost when they arrived in Namibia including your fore fathers?

HON VILJOEN: I will answer the question with great pleasure, they received large loans from the South African Government and they paid back everything.

Back to that farm, there are acres and acres of virgin soil and a water channel of 7km long of which the biggest part is destroyed. On the farm is the Oberhoff dam, which is bigger than the Goreangab dam in Windhoek but not a drop of water is being used for irrigation. There is absolutely no economic activities going on, there is not even Mopani Shrimps or !Nabas to sell. For those who do not know !Nabas is a traditional veld food of Honourable Royal /Ui/o/oo and those of the Nama-people of the South east.

Honourable Speaker, I wish to congratulate the Honourable Minister and Ministry of Finance with their goals and aims. I am convinced that even if we do not reach all the goals at the end of the Financial Year, there was an effort, a dream to improve the financial situation of our country and to improve the living conditions of all Namibians.

We also appreciate the recognition from outside as indicated in the Budget speech and also the fact that we are going to share in the American initiative: The so-called Millennium Challenge Corporation.

There is a saying: *“The great thing in this world is not so much where we are, but in what direction are we moving”*. It is also true that it does not matter how much you earn, but what you are doing with what you earn.

Honourable Speaker, Namibia is like a boat going down a big river. It takes skills to keep it going and to circumvent dangerous rocks and other obstructions. There are, however, many dangerous rapids that we have to overcome in the near future. I wish to put emphasis on a few:

- I know that people do not want to hear about AIDS because this is the very dark side of our existence as a Nation but it is a reality to face and I am convinced that we are not doing enough to win the race against the disease. I do not think that any workshop or distribution of information can bring down the prevalence rate of AIDS in any country. Why?
 - The strongest and most basic emotion in every human being is reproduction. The good Lord created us with these emotions to be used in a responsible way. This desire for the opposite sex is stronger than reality and if a person in such a situation has to make a choice, he/she will make the wrong decision.
 - A person with AIDS does not care and will infect as many people as possible.
 - We keep ourselves busy with the distribution of condoms and in this process we are kindling carnal lusts in the minds of people so young that their physical and mental development is still ahead of them but they are poisoned at a very early stage and robbed of their innocence.

According to Vision 2030 the life expectancy of Namibians should by that time be 58 for a male and 62 for a female. Our life expectancy in Namibia is presently lower than 40 years. Only a miracle can turn the tide around to enable us to reach that goal. If we do not win the struggle against AIDS, Vision 2030 has no meaning. We must also bear in mind that the good news now about AIDS is the bad news of tomorrow. If we should spread the message that the prevalence rate is coming down and that there is a normal healthy life after having AIDS, as long as you take your ARV drugs, we are *misleading* people.

HIV/AIDS will influence the Budget and the income of our country in a way that it is difficult to manage or cope with the financial implications:

- At the work place companies already loose money due to absenteeism, money lost means less tax for the Budget.
- The provision of anti-retroviral drugs can be seen as a sin tax that we have to pay. It costs millions of dollars but it is a humanitarian
- responsibility.
- We will have to care financially for the thousands of orphans caused by AIDS.

To demonstrate what I am trying to say, I wish to provide certain statistics on HIV/AIDS and orphans, which I collected from primary sources whose main task is to do research on this issue. I want to put the emphasis on the fate of the African child by taking examples from countries in the region. Let us start with:

Swaziland: The HIV prevalence rate: 42.6% - the highest in the world.
Population: 970 000 with 50 000 orphans.

Lesotho: HIV prevalence rate: 31% number of orphans: 91 000

Zambia: HIV prevalence rate: 16.5% Zambia has 10 million people and 1 million orphans.

Botswana: Botswana is described by my source as a rare example of a country with a genuine working democracy, a sound economic profile and no future. The President of Botswana stated it bluntly that people "*should abstain from unsafe sex or die*". The prevalence rate of Botswana is of the highest, only recently surpassed by Swaziland. A recent medical report mentioned that the extinction of the population is now becoming a reality. I do not have statistics on orphans in Botswana but it can only be a shocking figure.

Zimbabwe: The prevalence rate is 25%. HIV/AIDS has become unmanageable and Malaria and TB is back in Zimbabwe in full force. Zimbabwe's health problems and especially the HIV/AIDS resistant virus are being exported to all its neighbouring countries. There are more than 1.3 million orphans and a Zimbabwean child is orphaned every 20 minutes.

Namibia: HIV prevalence rate 23% (it may be 19%) with the rate in the Caprivi at 43% and those of young people between 10 and 24 years at 60%. The Census of 2001 counted some 156 000 orphans. The report questioned Namibia's capabilities to cope with the new humanitarian crisis. (Intervention)

HON MINISTER OF HEALTH AND SOCIAL SERVICES: Thank you. May I know from the Honourable Member did you say the prevalence rate for Namibia is 23%, is that correct?

HON VILJOEN: 23% for Namibia (it may be 19%) because this is the figure. (Intervention)

HON MINISTER OF HEALTH AND SOCIAL SERVICES: Just on a Point of Information, I hate people misleading the Nation. The National prevalence rate as of November 2004 stood at 19.7%, the current prevalence rate taken at the sights in the voluntary counselling and testing now stands at 17%.

HON VILJOEN: Thank you Honourable Minister, I believe in your figures and I am happy about it. Honourable Speaker the afore-mentioned statistics are those from the world of adults. The next rapid in the river is:

Electricity: A country without electricity is a country without growth. The threat of a shortfall of electricity is like a Damocles sword. It will turn the clock back to the period of the dark middle ages.

The last very important factor is the money we lost because existing structures cannot be maintained partly because of a lack of money but also due to poor management.

Earlier this year we have read about the poor state of Government buildings. Yesterday Honourable De Waal tabled the Report. The Trotskie building in Uhland Street was the once proud headquarters of Education shortly after Independence. We read in the newspapers that a figure of N\$33 million was estimated for upgrading dilapidated Government buildings countrywide. Trotskie building was mentioned as one of the buildings, which was rundown. We also took notice of the state of other Government houses countrywide. Due to a lack of control there is no income from people living in these buildings. There is no proper record and no maintenance was done over the last couple of years. A Permanent Secretary and his staff, receiving fat salaries are responsible but not accountable. This is corruption when political appointees are appointed life-long without any performance from their side.

When the Police cannot operate because they run out of fuel, because they do not pay the bills, somebody should be held accountable.

Money meant to build houses for the poor through the Build Together Program is being abused by Local Authorities. Half a million Namibian Dollars was taken from

this pool and spent on other purposes.

Honourable Speaker there are 194 Government Hostels in this country. Few of them are places where you can still accommodate learners with pride. Hostels are not less important than schools. A large percentage of learners cannot attend school where no hostel accommodation is available. The other day I visited a hostel, which is well known to me. I was shocked to see what is left of it after 15 years and the state of the building reminded me of the Chamber of Horrors.

No Budget can cater for the maintenance of these very important buildings. Why are the people in the Regions afraid to do their work? Apart from the buildings I am convinced that a large portion of the Budget for hostels was wasted on non-essential boarders. Non-essential boarders are those people other than the Superintendent and supervisors and the matron. Amongst these people are school Principals, teachers, private people and even Directors of Education, people who can afford to have their own accommodation but who stay in the hostel because it is cheap and nobody tells them to leave. There is no effective control.

The problem in our country is that there are rules, there are policies, every letter is in place and we draw up very impressive circulars but only a few officials try to enforce the policies. The majority do not have the will or the power or have so many skeletons in the cupboard that they are afraid of those who are to be disciplined.

Members of the Ruling Party must realise that when the Opposition bring matters like the afore-mentioned to this House, we do it in National interest. The problem is that we as Members of the Opposition do not have the executive power to deal with it in any other way than to discuss it here.

To conclude, if we agree that the National Budget is more than just numbers, figures and tables, we must use this opportunity to point out all problems influencing the Budget. If we cannot give the necessary attention to these matters now in the present Budget, we should bear it in mind for the next Budget. I thank you.

HON MINISTER OF PRESIDENTIAL AFFAIRS: Thank you Honourable Speaker, I rise to join my Colleagues in contributing to the Debate on the subject matter before this august House. I would like to congratulate the Honourable Minister of Finance, Director General of the National Planning Commission, Honourable Deputy Minister of Finance and their staff members for a job well done.

What makes me happy is the fact that this Budget reflects the aims and objectives of the 2004 SWAPO Party Election Manifesto. I have always held the view that the prime responsibility of any democratic and accountable Government is the welfare of its citizens. The SWAPO Party Government has lived up to this principle. Thank you Comrade President Pohamba and your team for the excellent job that you are doing to address the welfare of your citizens.

Honourable Speaker, it pains me a lot whenever I pick up a newspaper and read the sad stories of countless Africans who risk their lives every year by attempting to flee the African Continent and settle in Europe and North America in search of a better life. Indeed, a countless number of these brothers and sisters have lost their lives in the shark-infested waters of the Atlantic Ocean and the Mediterranean Sea, (what a shame?). It is my humble opinion that this issue must be addressed by the African Union as a matter of utmost urgency.

We the African leaders must accept the fact that most of our people are poor and hungry. They are sick and in search of better education and they are crying out for a better life. When I hear a Budget that is Pro-Poor and Pro-Economic growth at least I am consoled by the fact that Namibia is one of the few countries on the African Continent that is addressing the usual African problem. I am further consoled when I listen to the President of Namibia, Comrade Hifikepunye Pohamba calling for measures aimed at addressing poverty in rural areas and addressing poverty and unemployment amongst the Namibian women, senior citizens and improving our education sector, health sector and to be self reliant in food production.

Honourable Speaker and Members of this august House these measures and commitments give me hope that under the SWAPO Party Government our country is in good hands. The Government should continue to address poverty especially in the rural areas. Poverty is a threat to our national security. It is common sense that when a citizen who is risking his or her life to flee the continent because of poverty and hunger can be bought with as little as a sweet, to betray his country.

After listening to the contributions of my Honourable Colleagues from the Opposition I am left with no option but to perpetually hold the view that the SWAPO Party is the only political party in this country that is capable of upholding, defending and protecting the interest of our Nation. The Opposition Parties have consistently opposed the Budget of the SWAPO Party Government but they have failed to tell us and the Nation what budget they are to table before this august House if they were in power. I feel very sorry for them, no wonder their numbers are constantly diminishing and very soon they will become an endangered species in politics.

Our Honourable Opposition Colleagues always remind me of a story of a Pastor. One day a very kind man died, a memorial service was held in his honour. During the service, (Intervention)

HON KAURA: I would like to find out from the Honourable Minister who is a legal practitioner: why in countries such as America we do not hear of a Republican Party Government, we only hear of the American Government, why the constant mention of the SWAPO Party Government?

HON MINISTER OF PRESIDENTIAL AFFAIRS: Honourable Speaker if I can answer my Honourable Senior Member and the President of the DTA. It is in fact a habit of the Opposition Parties when they want to criticise the Government they always over-emphasise and highlight the SWAPO Party Government so we have copied it from the Opposition.

Honourable Speaker as I said our Opposition Colleagues always remind me of a story of a Pastor. One day a very kind man died and a memorial service was held in his honour. During the service the Pastor praised the deceased for his kindness and commitment to the work of religion in the Church. He said that there was no doubt that the moment the deceased died he went straight to heaven, he prayed for the world to come to an end so that all good people would go to heaven. After the burial a feast was arranged as per tradition of the community. Mourners had free access to all kinds of food and drinks including Tombo. Two youths became very drunk and started a fight. The people pleaded with the Pastor to stop the fight. While the Pastor was attempting to separate the youth one of them pointed a pistol and placed it on the head of the Pastor and said "*Pastor your prayer has been answered, today you are going to heaven. The Pastor cried out: "my son do not kill me my son". The youth said: "do not tell me that, you should tell all the mourners, you should say it loud and clear". The Pastor faced the mourners and said in a loud voice: "I do not want to go to heaven"*".

The name of this Pastor is Mr Opposition Party, his thinking is exactly the same as our Opposition, they like to criticize the Government and deep down they do not

believe in what they are criticizing our Government for. It is for this reason that the Namibian voters just like the Pastor will judge them harshly in the coming election.

I support the Appropriation Bill and I thank you.

HON MOONGO: Honourable Speaker I would like to congratulate the Minister and staff for tabling the Budget at this time.

Honourable Speaker it is high time that the Budget is supposed to address the present problems of poverty, unemployment, economical hardship as well as many social problems in order to help our most neglected and disadvantaged community.

I want to seriously request the Honourable Minister of Finance and the Cabinet to allow the affected people to make a meaningful contribution at the early stage of the Budget long before it is approved by Cabinet. It would be much better if civil society, the Trade Unions, and especially Members of Parliament of both the National Assembly and the National Council can give their input during the preparation stage of the Budget. Currently we are simply confronted with a finished product with the result that the needs of our people in the Regions are always omitted or left unattended.

It must be known that the goal of our vision is to improve the quality the life of the people of Namibia to the level of our counterparts in the developed world. In order to get there we need a Budget framework that clearly defines where we are today as a nation. We need a Budget with a clear vision that will guide us to make valiant efforts to improve the quality of life of our people. Our future is about people, therefore, at the centre of our Budget exercise must be our concern for the population in relation to the social health, economic and over all well being. This Budget must transform Namibia into a healthy and food secure nation in which preventable effectives and parasitic diseases including HIV/AIDS are under control. Our people must enjoy a high standard of living, a good quality of life and have access to quality education and other essential services.

The Budget under review must translate our aspiration into high life expectancy and sustainable growth. It is also my personal belief that in the preparation process of the Budget there must be proper consultation with Traditional Authorities, Regional Council and Town Councillors. They must also give their input before it is called the Budget of people.

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The Budget is supposed to address the pressing problems of the people. It must as economic growth. It must uplift the weakened standard of the various communities in order for them to enjoy the fruit of Independence and democracy and justice for all.

I appreciate that the Government has donated N\$10 million to assist with the victims of the Mariental flood. However, it is now up to the Government to properly prepare for future flooding so that history will not repeat itself.

The Minister of Finance has failed dismally to allocate N\$500 million dollars for senior citizens as was proposed by the DTA of Namibia. They only adjusted N\$70.00, which is not enough even to buy a bag of maize meal. This is the shock to our old people who are starving and who brought you up. It is high time for the Government to ensure that traditional affairs are administered properly, currently we are discriminating against our traditional leaders and very little is done for them. It really is disturbing that some traditional authorities are not recognised and are therefore left in the dark. This action of Government can be termed as next to discrimination. If there are problems in some traditional authorities, when is the Government going to solve it? (Intervention)

HON MINISTER OF REGIONAL AND LOCAL GOVERNMENT, AND HOUSING AND REHABILITATION: The Honourable Moongo himself is a headmen knowing very well that indeed the recognition of traditional leaders are held up because of the fight over common ground. Is he aware of this information?

HON MOONGO: Yes, I am aware and that is why I proposed to the Minister or to the President to intervene and solve the problem before it becomes bigger. What is the use of allowing the problems to escalate? It will cause more trouble in the future. If we leave those problems unattended they will escalate and eventually cause more trouble.

Honourable Speaker, those traditional authorities that are recognised are making little progress because they do not have their own budget to administer traditional matters. (Intervention)

HON MINISTER OF FISHERIES AND MARINE RESOURCES: Honourable Moongo is raising a very important point that needs clarity and more information. May I therefore be allowed to ask Honourable Justus //Garöeb just to scurry up a question please?

HON MOONGO: They cannot build an office for the Kings or Chiefs in the Regions, we can also not build regional traditional offices and the village offices in order to properly administer the affairs of the community. How can we talk of bringing the administration of our Government closer to people if we do not assist them financially? (Intervention)

HON DEPUTY MINISTER OF LABOUR AND SOCIAL WELFARE: Honourable Moongo last Sunday I passed through your village and I found that you built a traditional office there, at your house. What would happen if you were no longer Chief? Will that office be available?

HON MOONGO: Thank you Honourable Speaker, you serve under the ignorant Ministry which does not take care to develop and build and assist the community to have courts what else can I do? If I am no more Chief this for the family to decide, it is not for Moongo to decide, it is a family matter. We can donate it to the community. What is wrong with that? We are not like the Government, which keeps the finance and corrupting millions of dollars. (Intervention)

HON MINISTER OF HOME AFFAIRS: Can the Honourable Member tell us how much money was allocated to the Chief Administration in the era of DTA and the Turnhalle?

HON MOONGO: It was far better even during that time but it is worse now with your Government, ask Frans Indongo who was the Minister of Finance.

Honourable Speaker and Honourable Members let us create a proper Directorate of Traditional Affairs in the Ministry of Regional and Local Government and Housing to stop discriminating against leaders. (Intervention)

HON DEPUTY MINISTER OF GENDER EQUALITY AND CHILD WELFARE: Honourable Moongo you are a headman under the big traditional councillors. What did you do when you had problems amongst headmen? What did you as a headman do then and what do you want the President to do in this case now?

HON MOONGO: My duty here is to advise the Government and the Ministry, to educate them and make them understand so that they allocate money to the affected traditional authorities countrywide. I therefore appeal to the President to accept the important role of traditional leaders and to recognise those who are not recognised. We cannot continue without adjusting the allowance of kings, headmen and sub-headman and we must create the necessary budget to address the present problems of the traditional authority.

Honourable Speaker this Budget failed to properly address the question of unemployment in Namibia, and it has also failed to address the grazing problems in communal areas now grazing in Western Kavango. (Intervention)

HON DEPUTY MINISTER OF JUSTICE: On a Point of Information on this issue. The other day I made a statement in this Honourable House and I was referring to a gentleman in Sweden, Mr X and I was told that I must withdraw because the gentleman was not here to defend himself. That was the Ruling of the Speaker, but now Honourable Moongo is referring to Mr Indongo and Mr Indongo is not here to defend himself, so I would like you to withdraw that.

HON MOONGO: Withdrawn. Honourable Speaker, the Namibian people like in the Kavango are pushed around like people in a foreign country. Many critical problems are not addressed by the Budget 2006/2007. It failed before it even started. More boreholes and rural water pipelines were supposed to be constructed in the Oshana, Omusati and in *Omusati gwe toto*, were there is enough grazing (Intervention).

HON MINISTER OF JUSTICE AND ATTORNEY GENERAL: May I ask a question? The Honourable Member talks about illegal grazing in the Kavango and certain Regions of Namibia and they claim that they have been given permission to go and graze illegally in the Kavango by the Traditional Authorities. Since the Honourable Member is one of them, can he confirm or deny that they authorised these people to go to Kavango?

HON MOONGO: Thank you. I have a much better proposal to solve the problem. In the South, we have an area in Oshana near the Salt pans at *Omusati gwe toto* down there between Omusati and Oshana. There are huge grazing fields, enough land for all those who at this moment are in Kavango. All of them can graze there without problems but we need to put up water pipes there. I therefore appeal to the Minister concerned to proceed with this seriously.

Honourable Speaker, the Swapo Government is leading the Nation into lasting destruction. While the evils are commanding the party into open confrontation. The Father of evil is busy to destroy the true act of the future. The future is in danger. I challenge SWAPO Members (Interjections) free yourselves and fight against injustice through a democratic attitude. (Intervention)

HON MINISTER OF HOME AFFAIRS: On a Point of Correction. The Honourable Member told the House that he has a good idea to solve the problem of illegal grazing in the Kavango Region. At the same time he said that there is a place called Salt pans to where the cattle should be taken over. Will this 600 000 herds of cattle not be killed by that salt pans?

HON MOONGO: That is why I said SWAPO is leading the Nation into trouble. That is why I proposed that there is enough grazing land in many areas of Uukwanyama, both in the Omusati and Oshana Regions, but SWAPO is adamant to solve the problem. (Intervention)

HON MINISTER OF REGIONAL AND LOCAL GOVERNMENT AND HOUSING AND REHABILITATION: Honourable Speaker may I ask the Honourable Member a small question? Could the Honourable Member please be kind enough to tell us which part of the Budget is he now busy with?

HON MOONGO: I was saying that we as Namibians are entitled to peace through democracy and respect for the Constitution. We do not want a Government to be commanded from the SWAPO Office by the father of evil Kapia. It is where the political evils are commanded where you open corruption of millions.

HON SPEAKER: That is what happens when we are not listening to one another, Honourable Moongo, can you withdraw the name?

HON MOONGO: I withdraw the name Kapia. That is where you will see open corruption of millions, rotten food in Katima, Kavango and in Keetmanshoop. (Intervention)

HON MINISTER OF JUSTICE AND ATTORNEY GENERAL: Yes. Honourable Speaker, I think under the paragraph in which the Honourable Member made reference to Kapia, he said a lot of un-parliamentary words and statements. Can he just repeat it so that we can know whether to allow him make a statement?

HON MOONGO: I did not mention any name. That is mere politics, like Honourable Kawana said (Interjections). That is the same. Mr Speaker, Honourable Members there will be no peace if the chickens are not (Intervention)

HON SPEAKER: Honourable Members our Rules allow Points of Order and Questions and so on, but it should not degenerate into very personalised interactions. It is not helpful to the House and its dignity. The Speaker must at all times preserve the dignity of the House, without preventing the Honourable Members to play politics. Honourable Deputy Minister?

HON DEPUTY MINISTER OF GENDER EQUALITY AND CHILD WELFARE: On Point of Order, Comrade Speaker, I want to say Viva SWAPO Viva.

HON MOONGO: It is a very good time to listen and learn and be advised before it is too late. Mr Speaker, Honourable Members there will be no peace if the chickens are not glorified, evil spirit. (Intervention)

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HON MOONGO**

HON VENAANI: Honourable Speaker, on a Point of Information. Is it allowed for Secretary General of SWAPO to notice a Member sing, Viva SWAPO, Viva like this?

HON SPEAKER: From where he is sitting I do not think that the Secretary General can observe. Continue Honourable Moongo.

HON MOONGO: It will be political death. The father of evil is busy calling them one by one, whoever does not obey evil direction, the political sword is at the neck. Injustice must be fought against (intervention)

HON MINISTERS OF FISHERIES AND MARINE RESOURCES: Honourable Speaker, before the Honourable Colleague continues I would like to stand here on a Point of Order. The Honourable sub-Chief or sub-Headman, has repeatedly referred to the Headquarters of the SWAPO Party as the Father of the Evils. I think he is insinuating some innuendos and very subtly insulting. Can the Honourable Speaker not ask him to tell us what he is referring to? Father of Evils, who is that one?

HON MOONGO: Thank you Mr Speaker, allow me also to warn Members of SWAPO who were not in exile not to be used like South Africa used some of the people here during the Colonial times. The attitude of SWAPO as everyone knows is to use the member first before he or she qualifies to be promoted, to a senior position. I therefore, warn you and through you the entire Nation, those (Intervention)

HON DEPUTY MINISTER OF GENDER AND CHILDWELFARE: On a Point of Order. Comrade Speaker, I was here I did not go anywhere during the struggle. But I am not used by somebody else like you were used by the DTA somewhere there. Thank you.

HON MOONGO: Honourable Speaker, Honourable Members the salty pit will never produce sweet water and therefore the Office of SWAPO will never produce

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justice, unless the sun will rise from the west. If you are obeying transparency and justice, do not glorify evils, otherwise you are creating hell on earth. (Intervention)

HON DEPUTY MINISTER OF HOME AFFAIRS: On a Point of Order, Honourable Moongo, I understand you were one of the people who were in exile but you left others in exile, you came to Namibia and I want to find out when you came here whether you were the one who used those you found here or whether you are the one who was used by those whom you found here? Can you tell the House and the Nation?

HON MOONGO: Thank you very much. My history is very clear. When I was illegally detained by SWAPO, without being listened to, without even being taken to court or something like that. I came back I did not join the evil force. I formed SWAPO Democrats in order to promote democracy because I know SWAPO lacks true democracy that is why I formed SWAPO Democrats. (Interjections) Mr Speaker, Honourable Members I am now changing the tune. Teacher's salary adjustments took seven years, after demonstrations and frustrations. For how long will the professional workers be humiliated to get adjustment? The agreement was signed now between the Government and the Union. How long will it take to be implemented?

Mr Speaker, Honourable Members, when will cleaners and low-income earners get salary adjustments? How many years will it take? If the teachers took seven years to get an adjustment, how long will it take to increase the salaries of the lower earners? (Intervention)

HON SPEAKER: Honourable Moongo, how many more pages do you have?

HON MOONGO: Only one page

HON SPEAKER: May I request you to please close it by one sentence you have passed your time.

HON MOONGO: Mr Speaker, Honourable Members, I was shocked to learn that children are still sharing one book between six children. Do you expect such a child to pass? (Intervention)

HON MINISTER OF HEALTH AND SOCIAL SERVICES: Thank you. Honourable Speaker, Honourable Members of Parliament in a society there is, unequal as our own, and particularly in one that is still deeply divided along racial, gender and class lines, a critical measure of the success of Government and the degrees which it manages to narrow the gaps between rich and poor people. It is therefore not a surprise that the National Budget is the most anticipated and scrutinised document in the country, as it is expected to bring solutions to so many problems afflicting our society. The SWAPO Government stands firmly to achieve and close the gap between the rich and the poor.

Comrade Speaker, Sir on behalf of the Ministry of Health and Social Services, let me use this opportunity to thank the Honourable Minister of Finance, the Director General of the National Planning Commission, the Deputy Minister of Finance and indeed the able and efficient staff members of the Ministry of Finance for presenting to this House a balanced budget with a surplus without raising taxes. It is not an easy task to run a budget surplus in an environment where the economy is not growing as fast as we would have desired.

Comrade Speaker, let me be specific and highlight very important aspects pertaining to the Namibian Budget System that we might take for granted.

1. Transparency and Participation

Corporate governance dictates that the allocation of the Nation's resources be as transparent as possible and the Honourable Minister of Finance has been transparent in her budget process. A good Budget is reflected in how transparent the Budget is and how many people make their input in the preparation of the Budget.

2. Consistence with national priorities.

The Honourable Minister has been able to accommodate the programmes agreed on at the Cabinet Retreat in Swakopmund, while at the same time allocating our limited resources in line with our national priorities as stipulated in our National Development Plans and VISION 2030.

3. International best practices.

Most budgets in the world are prepared in line with international standard norms. By following internationally best practises in formulating the National Budget, the Honourable Minister sends a clear message to international investors, that Namibia is part of the global village and that their investments in the country is protected. It is against this practise that Namibia was given best credit rating.

Comrade Minister with this you simply deserve to be commended for your effort to broaden the tax base by trying to get as many people as possible to pay tax. In the same vein Government needs to be applauded, from a Pro-Poor perspective for spending plans announced for the MTEF period 2006/2007 – 2008/2009. I must say the distribution of Government spending favours sectors crucial for poverty reduction and the spending plans prioritise a handful of areas that are particularly important for poverty reduction.

A Pro-Poor, Pro-Growth Budget that focuses on job creation, infrastructure, education, HIV/AIDS and social services comes at the right time in the light of income inequality existing in the country. The 2006/2007 Budget therefore attempts to steer a middle ground between such contesting claims on limited public resources.

Mr Speaker Sir, let me now turn to the Vote of my Ministry. Most of the people who use our public health facilities are poor. Many are unemployed and they live without adequate shelter, nutrition or clean water. Their health is undermined by their social circumstances and at the same time, their social development is retarded by their poor state of health conditions. Quality health care is therefore critical in breaking the poor health cycle and vicious circle of poverty.

In terms of providing quality health services, I believe that we have made some major gains with our limited resources. We have now built health centres and clinics in almost all Regions of our country and staffed with qualified personnel.

Despite our efforts in improving our health system, I am aware that the challenge that remains are complaints about the services received in the public health system. My Ministry gets complaints of patients sleeping in crowded rooms for instance, of health workers abusing work ethics and professionalism and even allegations that the Ministry staff do not take their duties seriously. I also recognise the depth of the problems that undermine the quality of the health care system.

Let me assure the Honourable Members of this House that corrective measures are being implemented at all times in order to stop those unacceptable practices recurring and improve our health system. These are challenges to be addressed by all who care and know about ownership of health services by Namibians.

Honourable Speaker Sir, the health of the nation should not be seen as the responsibility of my Ministry alone, but should be the responsibility of all of us. Most Namibians spend the first part of their lives undermining their own health through the way they eat, drink and drive and by smoking and engaging in unsafe sex. My Ministry will then be left to deal with the negative health consequences of these unacceptable behaviours. In the light of our limited resources, I appeal to you Honourable Members especially for those who are bent on criticisms, to help educate the population about the consequences of indulging in those unacceptable behaviours.

Honourable Speaker, Sir the health of the population is also an important indicator in the world's effort to meet the Millennium Development Goals relating to health. These goals include addressing the challenges of hunger and lack of access to safe water, reducing maternal and child mortality and beginning to reverse the incidence of infectious diseases like HIV/AIDS, Tuberculosis and Malaria by 2015. I am also aware that indeed the African Heads of State and Governments in 2001, pledged to increase the health budgets of their respective countries to 15% of GDP, in order to achieve the Millennium Development Goals. More however, depends on the performance of the economy of the countries in question.

In this current Budget my Ministry received an increase of N\$ 61 million for which I remain grateful.

Honourable Speaker, Sir, the consideration by the Honourable Minister of Finance for providing funding for 105 expatriate nurses from Kenya is highly commendable. The personnel at the Ministry are hard at work in expediting the arrival of the nurses. Their input will indeed go a long way in addressing quality health care. We are also grateful to the Honourable Minister of Finance for the facilitation made to realise the external loan from the Finnish Government for procurement of medical equipment.

I am also mindful of the fact that the economy of a country cannot function and grow if managed by sick people and a unfit labour force and that when funds are made available and more resources allocate to the health sector we will be able to strengthen and modernize our health system and therefore provide quality health services that meet the needs of our people. However, as an insider I am aware of what is in the National cake. This for me is a dream we all look forward to with a favourable economy in place.

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Thus I would like to conclude with a quote from Namibia's Founding Father of the Namibian Nation, Comrade Sam Nujoma when he launched VISION 2030: *"Our future is about people. Their health and the prevention of disease (including HIV/AIDS) will ensure the realisation of our VISION 2030 goals of becoming a developed, prosperous and healthy nation."*

Comrade Speaker, Sir I support the Appropriation Bill 2006/2007.

Thank you.

HON SPEAKER: Any further discussions? Deputy Minister of Foreign Affairs?

HON DEPUTY MINISTER OF FOREIGN AFFAIRS: Honourable Speaker Sir, may I adjourn the Debate on the Appropriation Bill until the 3rd of April 2006.

HON SPEAKER: The Debate on this Motion stands adjourned until the 3rd of April 2006, 14:30. The Secretary will read the Second Order of the day.

**DEBATE ON THE CURRENT POOR HEALTH
ADMINISTRATION IN OUR COUNTRY**

HON SPEAKER: When this Debate was adjourned on Tuesday, 14 March 2006 the Question before the Assembly was a Motion by the Honourable Venaani. On Tuesday 28 March 2006, the Honourable Mr Kaura deferred the Debate on today. I am giving him the floor.

HON KAURA: Thank you very much Honourable Speaker. Honourable Speaker, I want to make a humble contribution to Honourable McHenry Venaani's Motion on the state of health in our country.

Honourable Speaker, as a Member of the Committee on Foreign Affairs, Defence and Security we have visited most of our prisons in Namibia and we have made recommendations to make our prison institutions of rehabilitation but not necessarily

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punitive institutions. Honourable Speaker, few Namibian citizens go to prison in a lifetime but all 1.8 million Namibian citizens will need medical attention at one point or the other. That is a fact as true as the sun will come up in the east tomorrow and go down in the west. They will get sick and it is our social obligation to make our hospitals, institutions of hope but not institutions of despair.

Honourable Speaker, I just want to point out the shortcomings at our hospitals that make the situation at our hospitals lamentable. I am going to sight examples of shortcomings at our referral hospitals namely Katutura State Hospital and Windhoek Central Hospital.

In the Acute Care Section for example:

1. The Defibrillator, ECG Machine, Detax machine are all broken in the Acute Care Unit.
2. Suction metres are not working.
3. There is only one Ventilator, which is not enough to serve the patients in the Acute Care Section.
4. The Saturation monitor is mostly not working.
5. There are not enough screens to ensure patient privacy.
6. The ECG paper is out of stock most of the time.

At our hospitals the biggest hospitals in Namibia at our referral hospitals.

Honourable Speaker, what I am listing here are shortages at what ought to be the best hospitals in Namibia. These two hospitals are supposed to be compared to Grootte Schuur or Tygerberg in South Africa yet you find a shortage of ECG paper. If Windhoek is like this, how is the situation in Katima Mulilo, Rundu, Oshakati or Keetmanshoop?

Honourable Speaker, when we were students in the United States of America we used to joke about experiences at hospitals in Africa. The story goes like this. After the doctor has seen you and has prescribed medication, you go to the hospital pharmacy. The pharmacist looks at the list and says the following:

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This one we do not have.

This one we do not have.

This one; come back in three weeks.

If you come back in three weeks, you are either dead or the disease has left you by itself. This is exactly the experience at the Katutura State Hospital.

The following drugs have been out of stock for months:

1. Zantac ivi
2. Diflucan
3. Ivi phenythion
4. Lomotil BIPP
5. Neprosal injection N/S
6. Ventolin

Honourable Speaker, drugs such as Zantac ivi treat stomach problems, which are very common among our people, as you know that nine children in Walvis Bay died of diarrhoea a few weeks ago. Ventolin is essential for people with Asthma especially when the grass is green as it is the case right now.

Furthermore in all the wards Honourable Speaker, there is shortage of non-sterile gloves as well as a shortage of linen covers. There is a shortage of oxygen cylinders and there are no curtains between the patients' beds. There is also an acute shortage in wards especially 5A and 6B at Katutura State Hospital.

The washing machine is broken leading to a shortage of bed linen and Honourable Venaani mentioned this in his contribution and my investigation reconfirmed that.

There is an urgent need for plastic covers for mattresses because mattresses are soaked with blood and vomit. No self-respecting person would like to sleep in the vomit of someone else let alone blood in this age of HIV/AIDS.

Honourable Speaker, the CT scan Machine has been broken for four months and there is no way you can diagnose someone with brain injuries, however accidents are a daily occurrence.

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There is another serious problem the Minister must look at, and it is the fact that there are no after hours emergency services for patients with Government Medical Aid because the Windhoek Central Hospital Casualty Department closes at 19:00 in the evening during the week and 13:00 on Saturday. It is not open on Sunday. Where are these people with Government Medical Aid expected to go after hours? This situation needs urgent attention.

There is a shortage of beds in the so-called private wards of 4 East at Windhoek Central Hospital. This is leading to overcrowding and as a result patients get neglected because of staff shortages.

Honourable Speaker, these are the realities at our hospitals in Windhoek. Now you can imagine the problems faced in the Hinterland. It is the reason why our hospitals in the Hinterlands are characterised as Panado hospitals.

The situation in our health institutions needs attention from all of us because this is a problem that is completely non-partisan.

Thank you very much.

HON SPEAKER: With that the House stands adjourned under automatic adjournment until 3 April 2006, 14:30.

THE HOUSE IS ADJOURNED AT 17:48 UNTIL 2006.04.03

**NATIONAL ASSEMBLY
ASSEMBLY CHAMBER
WINDHOEK
03 APRIL 2006**

The Assembly met pursuant to the adjournment

HON SPEAKER: Took the Chair and read the Prayers and the Affirmation.

HON SPEAKER: Any Petitions, any Reports of Standing or Select Committees? Other Reports and Papers? Any Notices of Questions? Honourable Moongo?

NOTICES OF QUESTIONS

QUESTION 41:

HON MOONGO: Mr Speaker, I give Notice that on Thursday, 13 April 2006, I shall ask the Honourable Minister of Works, Transport and Communication the following:

1. Can the Minister agree with me that a railway train is more dangerous than other vehicles and can cause devastation and killing especially in the communities, which do not know and normally live near railway lines?
2. Is it true that a community member who slept on the railway line was killed instantly between Punyu and Ombili farm in the area of Oshivelo?
3. Can the Minister confirm or deny that school children between Oshivelo and Okangenge run after the train to catch a ride on the trailer, which can cause the danger to the children?
4. It is a well-known fact that more than 16 goats were instantly killed by the train. How many goats, sheep and horses have been killed so far? Will the Minister compensate the loss?
5. Is it true that there are disputes between the Government and the Project as to who should erect the fence along the northern railway line? If not, when is the fence going to be erected?

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6. Can the Minister introduce a National Awareness Campaign to educate the community about the danger of the train at schools along the northern railway line?

I so Move.

HON SPEAKER: Will the Honourable Member Table the Questions? Any further Notices of Questions? Any Notices of Motions? None. Any Ministerial Statement? None. The Secretary will read the first Order of the Day.

**RESUMPTION OF DEBATE ON SECOND READING APPROPRIATION
BILL – [B.2 – ‘06]**

HON SPEAKER: When this debate was adjourned on Thursday 30 March 2006, the Question before the Assembly was a Motion by the Minister of Finance that the Bill be now read a second time. The Honourable Deputy Minister of Foreign Affairs adjourned the debate and the Deputy Minister now has the floor.

HON DEPUTY MINISTER OF FOREIGN AFFAIRS: Comrade Speaker, Honourable Members, I rise to join the other Honourable Members who spoke before me on this Appropriation Bill. I wish to congratulate Honourable Saara Kuugongelwa-Amadhila, Minister of Finance, her Deputy, the Permanent Secretary and the entire staff component of the Ministry of Finance who actively participated in the production of this Appropriation Bill.

EDUCATION

Comrade Speaker, allow me to make some remarks on the Budget allocation to Education. I believe that any sustainable education in Namibia should involve parents, communities, teachers and learners. The SWAPO Government, and indeed the Ministry of Education should be commended for having managed, over the last 16 years to maintain the tradition of placing education and training among the significant factors deserving the highest portion of the National Budget. It should be noted that, as SWAPO stood firm during the liberation struggle, where others wavered, where others compromised and where others ran away, we in SWAPO continue to maintain

our original and authentic position towards national reconstruction and national development of our country. I congratulate the SWAPO Government for being generous and honest in resource distribution among all its people throughout the country.

Comrade Speaker, Honourable Members, notwithstanding the tremendous achievement made by the SWAPO Government in the education sector, there are still a lot of challenges to overcome. It is in this context, therefore, that I appeal to the Honourable Minister of Education to ensure that the resources allocated to his Ministry are filtered down to the rural areas where there is a high demand.

I must indicate that the education Regions in the northern part of the country are too large to administer. The student population in these Regions is more than 60% of the total Namibian student population. In my view, this poses a daunting education and development challenge for those Regions. Here I am referring to what is currently known as Ondangwa East and Ondangwa West. I therefore humbly request the Minister of Education to consider dividing the above-mentioned two regions into four manageable Education Regions, namely, Oshikoto Education Region, Ohangwena Education Region, Oshana Education Region and Omusati Education Region, and these offices should be placed in the capitals of these Regions. If my proposal is taken on board it will effectively and efficiently improve service delivery to the affected population, and it will also address the problem of travelling long distances in search of these services.

Comrade Speaker, Honourable Members, education is a basic right of all citizens, and it is internationally recognised as a basic human right along with other basic necessities. Therefore poverty eradication and education are inextricably linked. Furthermore, the link between education and poverty is much debated. There are stories of successful entrepreneurs who have had no formal education. There are many more stories of unemployment or under-utilised university graduates.

However, what is not in dispute is the fact that the under-educated are disproportionately represented in the ranks of the poor. This can be illustrated by some simple facts from the United Nations Development Programme.

Here comes the question. Why are the less educated more likely to feature in the ranks of the poor?

Experience worldwide shows that the poor are more likely to be engaged in poorly paid jobs, or to be unemployed or to be subsistence farmers. In the increasing knowledge-based economy, education will be an even more critical determinant of

poverty or wealth. Poor people know that education is the best escape route from a life of poverty. Education brings with it improved health, the chance of prosperity and hope for the future. It opens doors to a life of dignity and independence for people and countries.

The social and economic costs of depriving children of an education are massive, not just for individual families, but also for the countries of their birth, which will be deprived of the benefit of a self-confident, articulate, healthy and potentially prosperous population. We collectively and individually must take responsibilities for the education of our children.

LABOUR AND SOCIAL WELFARE

Comrade Speaker, Honourable Members, last year some members of our society took to the streets, demanding an increase in the social pension grant of our senior citizens, because they were made to believe that only one specific Opposition Party in this House can pressurise the Government to acquiesce to their demand.

I wish to put it on record that the SWAPO Government governs this country in the interest of all Namibians. As we have been saying and continue to say, depending on the performance of our economic sectors, we are committed to improve the social and economic well being of all our people, no matter where they live and including the elderly ones.

While some of our fellow citizens, including some Honourable Members in this august House, have not appreciated Government efforts, the elderly who are the beneficiaries of N\$370-00 have welcomed this gesture. *Well done*, Comrade Minister of Finance.

I am also happy that the Bill addresses the welfare of orphans and vulnerable children. These are the vulnerable members of our society whose numbers are on the increase, mainly due to the HIV/AIDS pandemic and other factors. In her Budget statement for 2006/2007 on 16 March, the Minister of Finance stated, ***“The amount allocated will enable Government to properly identify OVC’s and to ensure that assistance is extended to all the needy children.”***

Honourable Speaker, I am aware of the registration programme that is currently underway in Constituencies. Often, children who have lost one parent tend to be registered smoothly, as opposed to children who have lost both parents.

For them the registration process is rather cumbersome. In essence, it is the children who are left with no one to take care of them, except the Holy Spirit who need urgent attention. For those reasons, I call on the Ministry concerned to level the playing field for the benefit of all orphans and vulnerable children in our society.

HEALTH AND SOCIAL SERVICES

There is a proverb that says, “*prevention is better than cure.*” The allocation to the Ministry of Health and Social Services is laudable. The SWAPO Government undertook to maintain a healthy and prosperous nation. The provision of Anti-Retroviral therapy to those infected with HIV/AIDS and the prevention of mother-to-child transmission Programme has brought light to many infected and affected families. These programmes, I am informed are available at all major hospitals and health centres in Namibia. It is incumbent upon us as Members of this august House to provide this valuable information to our electorate.

I am happy to note that the Malaria Prevalence rate has also been reduced. However, I am disturbed by reports coming from some Regional Councillors that mosquito nets given to mothers with small babies, to protect them against mosquitoes are being diverted to harvest fish. Honourable Members this may sound funny, but it is serious in nature, because it not only causes a health hazard to the concerned families, but it also contaminates water which is meant for human and animal consumption.

In the light of the above, I call on the Ministry of Health and Social Services to intervene as a matter of urgency and bring the culprits to book.

STATE-OWNED ENTERPRISES

Comrade Speaker, it is my understanding that all parastatals are 100% Government-owned and they must be compelled to pay dividends to the State as the sole shareholder in order to contribute to the national economy. Parastatals that are not performing should be restructured at the management level. (Intervention)

HON MOONGO: Thank you, Honourable Speaker. I only want to know whether the Honourable Deputy Minister is aware that people may suffer injustice during one month in prison and all indications are there that some people ran away because they suffered illegal detention. That is why they started to run away.

HON DEPUTY MINISTER OF FOREIGN AFFAIRS: Honourable Speaker, I never made any specific reference to detention in my statement. So your question is misdirected.

In addition, these Parastatals should be monitored and their performance should be checked from time to time. They must remain national property and make a meaningful contribution to the economy.

DEFENCE AND SECURITY

Honourable Speaker, Honourable Members, the issue of defence and security is close to my heart. It is a shame to note that while we recently commemorated the 16th Independence Anniversary, peace and stability in the Land of the Brave, some Honourable Members from the Opposition Benches are still living in the past century. The security of this country and its people is paramount. In my view, the Budget allocated to Defence is inadequate. The Namibian Defence Force was established by an Act of Parliament with a primary obligation to first and foremost defend the territory and National interest of Namibia. In addition, Namibia as a country is not an isolated island. Namibia is committed to maintaining international peace and stability in the sub-region, the African Continent, and the world at large. Our participation in Angola, DRC, Cambodia, Darfur, and Liberia are all testimonies to our commitment to maintaining world peace.

The successful accomplishment of these missions by members of the Namibia Defence Force has allowed Namibia to walk tall and be proud.

In conclusion, Comrade Speaker, while we salute our gallant members of the Namibia Defence Force for a job well done, we are very much aware of the difficult conditions under which they operate, in terms of human resources and institutional support to carry out the job successfully.

With these few remarks, Comrade Speaker, I support the Appropriation Bill 2006/2007, and I thank you.

HON //GAROEËB: Mr Speaker, I thank you for the opportunity to add my words on the current Budget. Let me firstly remind this Honourable House that I promised last year in my Budget speech that his Excellency President Pohamba's Government had the full support of the United Democratic Front of Namibia in its fight against corruption and inefficiency in the Government and in all efforts to streamline, re-engineer and especially in decentralising the Government functions, building Namibia

as a knowledge-based society as set out in Vision 2030 and making Government more transparent.

We have also given credit to aims and objectives put forward in the Budget in policies trying to put the National deficit in order, the successes of lowering inflation and some suggestions like increasing the alcohol taxes.

We welcome these policies but believed that there is still ample room for improvement. It is very important, Honourable Speaker, to repeat ourselves now, while the Government is issuing its second Budget with a lot of words, but unfortunately too little performance.

The UDF said last year that it had reason to believe that this Government has all the chances to build the Nation and the power to fight against the diseases of poverty, unemployment, HIV/AIDS and economic inequalities in the country.

We only hope that there would be enough *Political Will* to do what needs to be done. This needs to be repeated.

Honourable Members, I must say that we are very worried about the increase of the total expenditure, which is more than 18% of the Budget, while there is only a minimal increase in the development Budget. I think, Honourable Members, that even Honourable Members of the Cabinet are saying that this Budget is based on priorities vital to the Nation, *but this is not true*, or else the priorities are wrong.

Right now, Namibia is in a crisis. We need policies and new governance to get our country through this crisis. Today laziness, foot-dragging with regard to actions and decisions, corruption is the way some people in our Public Service are behaving, as evidenced from the audit reports.

Therefore, it is important to see this budget debate as a chance to find victorious strategies in the second phase of the liberation struggle for economic equity. And if so, the actions presented by the Honourable Minister of Finance are not enough to achieve victory. (Intervention)

HON DEPUTY MINISTER OF JUSTICE: Through the Speaker, Honourable Chief Justus //Garoëb, I would like to know whether it is the policy of the UDF not to condemn the school children who are abandoning schools in the area where you are ruling?

HON /GAROËB: Not to condemn?

HON DEPUTY MINISTER OF JUSTICE: Not to condemn the children who are vandalising and burning schools and throwing stones at windows.

HON //GAROËB: Thank you very much. Honourable Speaker, this definitely is not our policy but I know that it was the SWAPO Policy all the way, which is why you are seeing school buildings demolished, burnt down by SWAPO cadres, but definitely not the UDF people.

The Budget surplus is, of course, an achievement, but truly speaking, Mr Speaker, achieved only by luck, because we are enjoying an extra one- time additional income of about 1.5 billion from SACU. Without that the economic outlook would be completely different.

One thing that worries me is the ever-mounting train style in which the Government is planning the fiscal policies. The revenue is increasing so that this Budget grows by 18.1% to 15.2 billion and leaves a 144 million surplus.

Next year we will drop to 14.7 billion with a 758 million deficit. During 2008/2009 the Budget will again jump to 15.5 billion, but only if we accept a 1.2 billion deficit.

So this year's surplus means that for the next two years there will be 2 billion Dollars on the minus side. The sad truth is that the Central Government debt will be the highest ever at the end of the coming three year period. The Budget balance will drop back badly to negative and revenue collection will actually be at the same percentage level in 2009 as this year. The revenue collection will be 14.3 billion in this Budget, in the next Budget only 13.0 billion and 13.3 billion in 2009.

While this is happening, the Namibia Dollar is still overvalued and even strengthening and the future is looking very bad. The overvalued Namibia Dollar is leading to serious problems for our export industries, which are already suffering and are unfortunately the backbone of our Nation.

The Honourable Minister of Finance said, *"we have to continue with fiscal prudence, but we must at the same time engage in activities that grow the economy."*

This is a good idea, but it does not happen in this and coming Budgets. We are spending much more, while developing very little. The growth is much bigger in personnel costs than in the development budget, as one example. The Honourable Minister also said that the budgeted public sources are allocated priorities and show how much public resources impact on outcomes. The Honourable Minister also mentioned poverty reduction and job creation and more equitable distribution of income.

Honourable Members I *found nothing*, to prove this purpose. Let us take, for instance the increase of pensions. The increase of N\$70 does not even cover the value of real income of pensioners if we compare it to the inflation rate at the same time.

I welcome those efforts that are put in place for building new infrastructure in the rural areas, but I am at the same time asking whether this spade work policy will in the long run be the best way to create jobs and welfare.

One almost funny part of the budget speech of the Honourable Minister was her praise for our financial institutions. Honourable Members, last year, I complimented Honourable Minister Saara Kuugongelwa-Amadhila for so bravely taking a firm stand against conservatism and the inefficiency of our private financial sector, the banks. I saw this as a warning from Government to the banks to move from the colonial attitude of supporting only existing interests of white capital to a position of helping the development of the Nation as a whole.

This year there was nothing left of this criticism; on the contrary have there been any major changes in the behaviour of our banks and financial institutions during the past year? I do not see any such change myself.

Honourable Speaker, Honourable Members of the august House, I repeat what I said a year ago:

The UDF is not for nationalisation of the banks, but I am saying very clearly that if radical changes are not forthcoming in this privately owned financial sector, we might not be left with any other alternative.

This is something I expect to hear very clearly next year from the Honourable Minister in the name of logical behaviour and policy.

It is completely unacceptable that after 15 years of Independence, Namibian citizens still do not have the right to visible assets like owning real estate because banks have no real will to create systems for this. This is only left to the public sector.

It is somehow tragic that the same banks that supported apartheid policies, of black people not having the right to own fixed property, are now asking for unnecessary guarantees from the borrower of real estate or collateral or high financial contributions as the only reliable assets before even discussing the loan.

Therefore in our second struggle for economic equity, we must hit back to cause changes from the privileges of the few to the interests of the many.

Namibia is still a colony of South African capitalism and money-owners. All our key private services are in practice owned by South African companies. Through transfer of prices the money for commodities consumed in Namibia is not supporting our own economy, but flows back to where it flowed before Independence.

Unemployment is rising and will soon reach 40%. More than half of our young people under 30 years are unemployed. Land reform is not moving. 240 000 people are asking for justice to own land while 4500 people from the colonial past still own farmland. Less than 900 000 hectares of the 31 million hectares Namibians owned in 1884, before German colonisers came to Namibia, have been returned to their original owners since Independence through Government actions. The latest statistics show that German citizens own almost 1 million hectares of land. This is more than the Government has been able to acquire since Independence.

We do not want the Government to interfere drastically to change ownership, but as with the banks, there may sooner or later be *no other* alternative.

On the land issue the tolerance level has been passed. There is a need for completely new policies and radical reform to make justice happen.

Honourable Members, the strong Namibian Dollar can lead us into more serious problems than the Honourable Minister of Finance has estimated. A strong Rand is a much bigger threat to South Africa's economy than we believe. This may lead us into a situation where our main export partners fall into deeper troubles than the Government now foresees.

The outlook of primary industries in Namibia are very modest, probably over-optimism regarding the effect of the exchange rate fluctuations and shows that our own resources are not producing the income that is needed to develop the country.

We are actually in double trouble; export prices are too high in relation to import prices, and the levels are staying high and limiting the income of growing consumption in the internal economy. The high, and as it seems, ever rising price of

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oil and the local energy crisis that is getting out of hand, are serious threats for which I see too little consideration.

The paradigm of our current situation remains that the consumer prices also of imported goods stay high whatever the value of our own currency. The reason is still that our consumer services are served by South African companies, hence the benefits never cross the borders to Namibia but stay in banks and companies in South Africa. This is economical colonialism at its worst, every day of our lives.

We *must* respect our people's right of self-determination of the individual, and the reciprocal responsibility of the State to protect and promote the individual citizen. To act on this issue is not undermining the idea of reconciliation, it is an act of justice and dignity.

I say very clearly, we are cowards if we do not act for our people and take back what belongs to them. There is no policy for this. It must be created. Honourable Cowards (Intervention)

HON SPEAKER: Honourable //Garoëb withdraw that last bit.

HON //GAROËB: I withdraw. The conflict between property and dignity is in front of us every day. The dignity of people must be set in front, *never again* the money owing or advanced right based on misuse of power as happened in earlier times.

To make this possible we should actually move away from a SWAPO Government to a Constitutional Government, multi-party representative democracy and the rule of law to create policies to achieve economic equity. I do not say this out of jealousy because I am in opposition to SWAPO. Have you ever heard or read what an independent source says about the SWAPO Government? "*Namibia is virtually a one-party state that does little to encourage its citizens to participate in Government, leading to serious political apathy.*" This was published in the South African Journal of International Affairs 2005, by the South African Institute of International Affairs, *not* by UDF.

This, to my mind, is true, Honourable Members. Instead of levelling the (Intervention)

HON DEPUTY MINISTER OF JUSTICE: Through the Speaker, I would like to ask you a question, Honourable Chief, with due respect. Have you been prevented from joining SWAPO at any stage during your tenure here as the leader of the UDF? You are free to come and join SWAPO, you are most welcome.

HON //GAROËB: Mr Speaker, the choice was mine and *still remains mine*. If I wanted to create a one-party state in Namibia, I would gladly join SWAPO however I am for multi-party democracy. I see that SWAPO is leading us down the drain. *Why* should I help them do that?

RT HON PRIME MINISTER: On a Point of serious information. If Honourable Chief //Garoëb believes that SWAPO is the one responsible for what he claims to be a one-party state, what is his role? I thought the role of parties is to win votes and the SWAPO Party, which brings in the winning votes, goes out to sell its programmes. The people decide, what prevents the UDF to do so? So if there is a tendency to what you call a one-party state, blame yourself. Thank you.

HON //GAROËB: Honourable Speaker, in answer to the Right Honourable Prime Minister, I would say that if it were not for our humble contributions from this side to hinder and prevent SWAPO to take its course we would have already had a pure one-party state.

This to my mind is true. Instead of levelling the playing field for our elections by making elections truly free and fair and distributing State Funds equally among the contesting parties, SWAPO is harming our international reputation and image by *literally* trying to kill multi-party democracy in this country. The world sees what is happening and we as law-abiding citizens who love our country, feel very much ashamed.

The UDF is by nature a radical front for the change of inequalities in society, but a very tolerant movement supporting positive human rights of individuals so long as they are not used against others. We believe in a free market and free trade but not without guidance from democratic representatives of the people, legislation and healthy norms.

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We have seen in the last decades how greedy and selfish freedom of a rootless and rule-less economy and capitalism have messed up. Thus there must be more guidance, more political will and more use of constitutional powers in economics to achieve what we desire.

Honourable Speaker, let me touch on the main issue of our public spending, the cancer which is eating the resources of the Nation. (Intervention)

HON DEPUTY MINISTER OF HOME AFFAIRS: Honourable Chief Justus //Garoëb, Honourable Member of Parliament Chief //Garoëb from Kunene Region, you are suggesting that SWAPO is the one responsible for the destruction of democracy in this country. Yet it is SWAPO, which brought democracy to this country. Does the Chief, after elections when the people decide for SWAPO, want some seats to be given to the UDF for it to be democratic enough for the UDF or how should people actually decide democratically, because SWAPO Party wins votes through elections, which is democratic? Can the Chief really explain to this House and to the general public and the international world, because people want to know how democracy should be in Namibia, with reference to what the Chief has just said?

HON //GAROEËB: Honourable Member, I know what I am talking about. If SWAPO refrains from tampering with the elections, Namibia will see another face. I know what I am talking about.

Now, let me come to the actual problem. The SWAPO Government has made Namibia the worst bureaucracy in Africa, maybe in the whole world. The Honourable Minister proved it herself. The number of Civil Servants has increased 6% over the last three years. Altogether 4.3% of all Namibians are employed in the Civil Service compared to 2.1% on average in the whole of Africa and only 1.6% in Southern Africa; 14.8% of GDP expenditure goes to personnel compared to 7.2% in the whole of Africa and 2.1% in Southern Africa. (Intervention)

HON DEPUTY MINISTER OF LABOUR AND SOCIAL WELFARE: I was surprised to hear the Chief did not even thank the Government for employing people in the public sector while in his own speech he said unemployment is up towards 40%. What will happen if the Government cuts the size of the Public Service? Senior

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members including the Chief must show appreciation for what the Government is doing and they must propose some improvements in order to keep people employed

HON //GAROËB: The Honourable Member should listen very carefully and he will get his answer. In this Budget we are increasing the personnel cost by more than 700 million Dollars against and during the whole MTEF period, personnel represents 41.2% while we are spending only 14% on development

There were 42 000 Civil Servants by the end of the apartheid regime. We had to establish new structures for the Nation like the Defence Force and Police Service, which led to an increase of 15 000 Civil Servants in the early 1990's. In 2002 this number had increased to 78 000 people. Since then, another 10 000 increased this number to 87 000 civil servants. It is an impossible situation where every year 5000 new people are added, while at the same time our development budget remains at the average of 1.3 billion. There have been many attempts to do something to cut the ever-increasing number of Civil Servants but no actual success.

The WASCOM accepted by Cabinet in December 1995, for example, recommended that the Public Service must reduce its personnel expenditure by at least 2% per year. A commonly held perception within Government is that the optimum size of the public service is 30 000, which means a reduction by more than 50%. (Intervention)

HOUSE ADJOURNS AT 15:35

HOUSE RESUMES AT 16:00 PERSUANT TO ADJOURNMENT

HON //GAROËB: My breakdown of the Civil Service is as follows:
The number of Civil Servants (excluding teachers and security forces): 29 152

Teachers: 25 308

Defence Force Personnel (including Police Force): 14 000

Proportion of Civil Service wage bill (excluding teachers and security forces) as a percentage of Government Budget: 22.57%

Size of Civil Service (excluding teachers and security forces) as a percentage of population: 1.8% - but today we are, as mentioned at 4.3%

There was an ambitious programme (I hope Honourable Illonga is listening his answer is in here), of outsourcing and establishing of SOE's, which should have moved tens of thousands of people out of these statistics, but today we still have almost doubled the number of people in the Public Service than in 1990. The productivity has been dropping in a horrible way. This does not need any proof. Government has been absorbing large numbers, almost 10 000 former liberation fighters, into the Civil Service, primarily into the Defence and Security forces. That was understandable but ill-considered. Instead of recruiting them into the Public Service we *should have* given them land and other resources to become self-employed.

The Report prepared for Cabinet by the High Level Committees set up to review the restructuring of Government offices in 1998 reiterated concerns raised by the Wage and Salary Commission over the non-sustainability of the Civil Service.

"Growth in the Public Service is, in the High Level Committee's opinion, unsustainable. Indeed, economic indicators revealed that the trend should be reversed and there is no time to lose", said the Report by the Committee, which was chaired by the then Secretary to Cabinet, Isaac Kaulinge.

The Report further stipulated, *"It would be socially unacceptable, financially irresponsible and politically dangerous to ignore the urgent need for a meaningful downsizing of the Public Service"*.

The Honourable Minister suggested in her speech that the wage bill should be reduced to the minimum 10% so that we could have resources for development.

This is what the UDF would support with all of its powers. I recommend here that the august House use its powers and freeze the growth of public personnel spending around the level of 2005/06 of 5.5 billion dollars and set a policy to reduce the wage bill by 10% of the 5 billion in 2009.

This will allow us to make transfers from bureaucracy to development to the value of 2.7 billion dollars, increasing the development budget from 1.5 billion to over 4 billion in 2009.

The Honourable Minister's suggestion, read between the lines of her speech, must be taken with all seriousness by this House and we should use the powers given to us by

the people for the benefit of the people. This calls for political will and it is possible if this will is in the House.

This means that we must change the whole idea of performance in the public sector. The public decision-making must turn faster and be open and more transparent and more responsible to the society surrounding it. Decentralisation and the using of tools like e-governance as a mechanism can potentially ensure institutional integration in favour of decentralised systems. The efficiency can grow by re-engineering the systems and delegating the powers. We must be ready to reorganise the number of institutions to a smaller number. We do not need *so many* Ministries and Agencies. We can achieve better results by minimising them to lesser units in main sectors that have infrastructure, social and public administration and are in the productive sectors.

The UDF has already earlier suggested detailed ways of achieving this. The SWAPO Government last year made some cosmetic-level improvements, but much more can be done.

Let me take the production sector as an example for the purpose of decentralisation. *Would it not be* more effective if the Ministries of Trade and Commerce, Fisheries, Land, Agriculture, Transport, Mining, Forestry and Tourism and even Works worked as one and use the same resources and policy of job creation instead of this situation of spread powers? If these Ministries were to be integrated for effective decentralization and clear policies of creating work and welfare, we could not only save, but also perform better and achieve more.

This situation is harming our international reputation - let me read the findings of a German University published in Europe's biggest media house's Internet pages:

"The decentralisation policy is a disaster. It has been pursued as a Constitutional mission since the early 1990's, but each attempt has been thwarted by departmental egoism and the lack of qualified personnel.

Co-ordination between the individual Ministries and in particular between the Ministries and the Presidential Office does not always function properly. The tendency to make politically motivated appointments, cronyism and nepotism, is still a perceptible obstacle to development. The continued emphasis on non-performance-related affirmative action harms government policy more than it helps it."

I thank you and I support the Bill.

HON DR AMWEELO: Allow me to join the other Honourable Members who have already congratulated the Honourable Minister of Finance, her Deputy and the entire staff, as well as the Director General of the National Planning Commission (NPC) on a job well done in the preparation of this Pro-Poor and Pro-Growth Budget.

Good governance implies services to the Namibian people. In the past 16 years the SWAPO Party Government's task has been to govern in a way that optimises the security and welfare of the citizens.

It is a well-known fact that before Independence, Namibia was one of the most backward countries in Southern Africa with regard to infrastructure. Today Namibia is ranked second only to South Africa in terms of modern infrastructure development. You can see, hear and feel it since Independence.

During the period under review the SWAPO Party Government concentrated on increasing ordinary citizens' access to electricity, water and housing. The SWAPO Party is committed to ensuring the availability and equality of transport and communications infrastructure and related specialised services.

Without a proper transport infrastructure the economy of the country will not develop and expand. The maintenance of the infrastructure requires huge amounts of finance from the State Revenue Fund; therefore I fully support the allocation of 20% to the infrastructure sectors.

The Government recognises the importance of transportation infrastructure development as a catalyst for socio-economic growth and development and decided at Independence to take advantage of its strategic location and close proximity to regional and international markets to and from the Southern African Development Community (SADC), Europe, South and Central America.

Transport has the potential to promote national economies into what is referred to as the global economic systems. However, great change is taking place in these systems in terms of the volume and variety of trade and the speed at which trade goods are moved.

It is against this background that the Government decided to embark upon the extension of the national railway line from Tsumeb to Oshikango. This modern and state-of-the art railway infrastructure corridor will, once it is completed, not only serve to connect the northern part of the country with the Nation's capital and the main parts respectively (I wish Honourable Venaani was here to hear this, but I trust

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Honourable Moongo will convey the message) but will also serve as a strategic tool to connect Namibia to the huge and untapped potential economic markets in the Republics of Angola, Zambia, Zimbabwe, Botswana and the Democratic Republic of Congo.

Let me now turn to road safety. Road traffic is a complex multi-disciplinary issue. It is widely accepted and confirmed by analysis of accident statistics, that the so called "*human factors*" are responsible for the majority of road accidents. It would be reasonable to conclude that to improve the road traffic situation in Namibia, considerable attention will have to be given to "*human error*". A closer analysis of accidents from 2000 to 2003 reveals that the top six causes for road accidents can be attributed to speeding, incorrect following distance, inconsiderate, reckless and negligent driving as well as overloading. All of these are human- related. A higher collision rate per annum has also been experienced.

Many people have died following a road accident while waiting to be evacuated. This is partly attributed to the reaction time of emergency rescue service providers, which in some cases has been too long. It is our desire to keep the fatality rate as low as possible in the face of increasing numbers of road accidents. It is therefore imperative that we shorten our reaction time to ensure that accident victims receive medical attention within a few hours if not minutes of the accident.

There is a great need for public and private inter-agency co-operation that will benefit all road users.

Let me finally turn to HIV/AIDS. To prevent HIV/AIDS is a mission possible. (Intervention)

HON MINISTER WITHOUT PORTFOLIO: I wanted to ask a question. Regarding your statistics on accidents, except for one, that is speeding, all the others are committed by taxi's every day. What can you suggest we can do about these taxis?

HON DR AMWEELO: The law is there and we must comply with the law of this country. As I understand it, in towns the speed limit is 60 km/h, and on open roads it is 120km/h, that is why this is not one man's responsibility, it is for all of us to see and to check and control and be responsible.

As I said, Honourable Speaker, I would like to touch on HIV/AIDS. (Intervention)

HON RIRUAKO: As a former Minister of Transport we would like to know from you, how to come up with a taxi law that we can apply in your position?

HON DR AMWEELO: I think this question, Comrade has been answered and let us just wait and be patient for Comrade Kaapanda to answer. (Intervention)

HON NAMBINGA: On speeding, 120 km per hour, it is easier said than done. When you are driving a bakkie like the *skorro-skorro* I am driving now, I think one would feel it is reasonable to drive at 120 km per hour, but honestly speaking, when you are driving a car that can do 260 km and you have to stick to 120 km, is it practical? From Windhoek to Oshakati or Caprivi at 120 km, is it practical?

HON DR AMWEELO: I just want to say that prevention is better than cure, suffice it to say that in order to save the lives of people, just comply with the law, 120 km is good.

Finally, to prevent HIV/AIDS is a possible mission. Become fully informed and take the correct action. Maybe it will be good to go for testing to know your status. Practice safe sex or abstain. (Intervention)

HON DEPUTY MINISTER OF GENDER EQUALITY AND CHILD WELFARE: Honourable Amweelo, you are talking about the condom. At this moment we women have a problem with counterparts the men (our old men), we have problems related to energy. You say we should be provided with condoms, but when some of us are provided with condoms our energies are not performing (it is not working), what can we do on that note?

HON DR AMWEELO: I refer the question to the Minister of Energy. It is quite easy and interesting to generate an acronym – ABC from these phrases. A - for Abstain, B- for Be faithful and C - for Condom. We can take this as a golden rule in the battle against the “*horrible monster*” HIV/AIDS.

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Honourable Speaker and Honourable Members of the National Assembly, with these few words I fully support the Appropriation Bill.

I thank you.

HON RIRUAKO: I thank you for a good speech, Honourable Amweelo, although some of us do not want to hear that, it must be said. Allow me to air my view on this rather important Debate on the Appropriation Bill for the fiscal year 2006/07. As we all know, the Government Budget is the most important single tool, which realises the implementation of national development plans and above all creates an enabling environment for private sector investment in the economy.

Let me start with the issue of realising a Budget Surplus of 0.03%, which everybody talks about. It is true that for any country to have a Budget Surplus is perceived to be good news. However, in my view for a country like Namibia it would not be sensible to have a Budget Surplus at all, while the country is confronted by all these social and economic problems. It would be advisable for us as a Nation to tackle the real economic and social problems rather than achieving a Budget Surplus, which is not sustainable, not even over a period of more than one year. In my view, as long as the Budget Deficit is used to finance productive activities and is maintained within the range of less than 3% that should be good enough.

Mr Speaker, for a developing country such as Namibia, the effort should rather be geared at striking a delicate balance between Budget Surplus and social problems such as rising poverty, high unemployment rate, deteriorating standards of education and the health situation in the country.

What I am saying is that we talk about our achievements but we do not tackle the problems that we talk about.

Let me also touch on another urgent problem that the country needs to address, the Education sector. 16 Years after Independence this sector, still experiences a serious lack of adequately qualified teachers and equipment in our schools, this despite the greater portion of the national budget being allocated to this sector. As you are aware, thousands of learners at the beginning of this academic year did not have places in our schools. Although they have been accommodated today, the question that comes to everybody's mind is the serious compromise of quality as classrooms are overcrowded and learners do not have access to textbooks and other stationery. A related question is; have these learners been placed in the intended field of study or just in the classroom for the sake of placement? Another related issue that we seem to

be proud of is the access to education. The revealing situation in the Education sector calls for us as a Nation to revisit our education and makes it responsive to social and economic problems that confront the Nation. To continue pumping money into the sector without reflecting on our past failures and successes is a futile exercise.

On the health sector there have been reports that access to health facilities has increased in Namibia since Independence. Here I agree, but still the main problem is that at most clinics, especially in the rural areas, there is no medicine and you find a nurse who can diagnose the disease but cannot treat it, because medicine is not available. Is that really what we define as access to health? The Budget must be an instrument for addressing these problems and challenges that face the country rather than a process of balancing figures.

The current resettlement program is a disappointment, to say the least. In my view, this programme is not well planned and does not contribute towards sustainable development of this country. The programme rather has proven to create more dependence. In my honest opinion, the Ministry of Lands and Resettlement must revisit this resettlement programme and make it sustainable and aimed at addressing the challenges of reducing poverty, unemployment and stimulating the desired growth in the long run. It is important, therefore, that Agribank should not be placed at the periphery of the National Budget if Government is seriously committed to a sustainable and productive land reform process in our country.

The Honourable Minister has also told us that the Budget is about Pro-Poor and Pro-Growth, which I do not see in the statement presented to this House. It is also stated that it is aimed at developing rural areas, but it is essential to note that without implementation of the decentralisation policy the development of the rural areas will remain a peripheral agenda, which will never be met. The Regional Councils currently function as branches of the line ministries and do not have sufficient power and resources to implement programmes that are rural-based. Thus the development of the rural areas will remain on paper but not in practice, as the Regions have to wait for the Central Government to allocate resources and approve some of the projects that will be financed by the fund from the Central Government.

A political commitment from the Central Government is needed to ensure the realisation of some of the wishes.

Mr Speaker, in conclusion let me say that development of infrastructure, which is not accompanied by a well-targeted empowerment of the poor or the rural-based communities, is meaningless (we cannot talk of things without implementing them).

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To address a number of challenges that face our Nation's, rural people must be empowered economically and this I believe will go a long way towards stimulating the much-needed growth and thereby reduce unemployment and inequalities.

Finally, I must point out that our revenue dependency of almost 35% on SACU is not sustainable in the long run. Therefore, let us call for concerted efforts to explore other sources of revenue.

How long do we have to be dependant on foreign revenue? This means that our economy is decided upon elsewhere. Our efforts without a look at our budgets because some of our sectors rely on other countries. Despite South Africa what you are getting, therefore we call for that to change, we cannot be lingering, based on what we have, and we are supposed to prevent it from happening if it is taken away from us by a foreign country without our permission. After 16 years we cannot prolong being in the pocket of other countries.

I thank you.

HON DEPUTY MINISTER OF LABOUR AND SOCIAL SERVICES: Thank you, Honourable Speaker, our intention is to adjourn the debate until tomorrow if there is no-one who wants to participate now.

**RESUMPTION OF DEBATE ON THE CURRENT POOR HEALTH
ADMINISTRATION IN OUR COUNTRY.**

HON MOONGO: Would it be possible to delay the discussion until tomorrow, so that the Honourable Member can be present?

HON MINISTER OF HEALTH AND SOCIAL SERVICES: If there is nothing else, I wish this to be adjourned to Thursday, as I wish to make a contribution.

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HON SPEAKER: Any objection? The Debate on this Motion stands adjourned until Thursday 14:30. The Secretary will read the Third Order of the day.

**CONSIDERATION OF REPORT OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS ON THE DEPARTMENT OF WORKS IN THE
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION:
*GOVERNMENT QUARTERS.***

HON SPEAKER: This Debate was adjourned on Thursday 29 March 2006. The Question before the Assembly was the consideration of the Report of the Standing Committee on Public Accounts by the Honourable De Waal. Honourable Ulena adjourned the Debate and he now has the floor.

HON ULENGA: The Auditor-General's Performance Report is a special once-off report concerning a specific area of activity; in this case the issue is the management of Government houses by the Ministry of Works, Transport and Communications. The Honourable Katali, last week when he spoke, accused the Committee of having delayed doing anything for the last 15 years and only now acting belatedly. Perhaps it would be in order if I could correct the Honourable Member and say that this was a Special Report and it was not a Report that dealt with the way the Ministry has dealt with the issue for the last 15 years.

However, it is still not clear to me how this Performance Audit Report, which, according to the Committee's Review Report was submitted to the Ministry of Works, Transport and Communication in November 2001 and subsequently to the National Assembly on 20 February 2002, attracted the attention of the Parliamentary Committee on Public Accounts only in the last quarter of 2005. According to Honourable De Waal, exactly four years have passed and if one looks at paragraph 1.2.3 under "*Review Mandate*", it seems as if it has not been in the power of the Committee to act earlier. I hope the Honourable De Waal will be able to clarify the reason for this.

From this report, especially from the findings as presented in 3.1, 3.2, 3.6, 3.13 and 3.14 it would appear as if the people tasked with accounting for the property of the State are not only unaware of their responsibilities, however by the responses given by them to the Committee during the

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hearings which were conducted they clearly could not have cared less with regard to the situation of the property of the State in the custody of the Ministry of Works, Transport and Communication. Clearly someone has omitted to take his or her responsibilities seriously and someone somewhere is guilty of dereliction of duty.

If this is indeed the case and if the Government of Namibia walks the talk of transparency and accountability it preaches, why does the Committee not recommend a deeper-going enquiry that can expose who exactly was responsible for these serious omissions so that they can be brought to account?

I see that under the Recommendations the Committee is only encouraging the Ministry to work harder and to be more responsible. It is my impression that the Public Accounts Committee, in its oversight function could call in the Ministry's Accounting Officers to account whenever the Committee deems it fit. However, if you look at Recommendation 4.5 specifically, the Committee is only asking for the Accounting Officers to report regularly. I cannot see how this would fit in with the Committee's Terms of Reference, as the Committee's Terms of Reference require that the Committee goes to the Ministry instead of the Ministry coming to the Committee.

I am further worried by Recommendation 4.8, which is asking for the recall of consultants who have been taken into service before and who, after the application of more than N\$2 million, have left without their tasks being completed. It does not say in the Report exactly why they had to leave and my question is; what sense does it make for them to be recalled to complete a job that they could not complete in the first place?

Honourable Speaker, these are some of the issues that I would ask Honourable De Waal to clarify.

This Committee Report tells us that the administration of Government housing has been in shambles, if not a disaster. I have the suspicion that what is being revealed in the Report is only the tip of the iceberg. I therefore think that a more thoroughgoing enquiry should have been called for by the Committee.

I thank you.

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HON DR TJIRIANGE**

HON MINISTER WITHOUT PORTFOLIO: I am not really going to elaborate on anything here but when the Minister is answering the questions posed during this Debate, I would like to know what is being done with those people who are sub-letting Government houses they are occupying?

I have seen some even renting the garages to people. Is this money collected and sent to the Ministry or is it ending up in the pockets of those who are renting these houses?

I just wanted to know as I do not know the procedure as far as this is concerned. However, this is a reality, some people are sub-letting these houses and what happens to these people? (Intervention)

HON MOONGO: If there is no one who would like to participate, I would like to adjourn the Debate until tomorrow so that Honourable De Waal can respond to all the queries.

HON SPEAKER: Any objection? The Debate on the Report stands adjourned until tomorrow, 4 April 2006. Before the House rises, I once again would like to remind the Honourable Members that the specific amount of time allocated to the Political Parties represented in the House is intended to control proper time management. It is also intended to assist the Political Parties to divide their time among their Members to make a contribution in the Debate and for the senior members of the Political Parties to use the time allocated to them wisely and strategically. I am reminding the Honourable Members that the time not utilised for the given day is forfeited.

Tomorrow, Tuesday 4 April 2006, the COD has 45 minutes. The RP has 45 minutes and SWAPO Party 85 minutes. I am reminding the Members in the best interests of this House to avoid a last-minute stampede when everybody wants to make very important statements, and feels that it is a contribution without which the Nation will not continue to exist and they must speak. As the specific amount of time is divided up the way it is, the leaders of the parties have agreed that is what will guide the Speaker. It is a reminder that the Political Parties should utilise the allotted time

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divided up in a manner that will satisfy everybody when they make their contribution to avoid being interrupted in the middle of a sentence or a train of thought.

With that I now invite the Minister without Portfolio to adjourn the House until tomorrow, 4 April 2006 at 14:30.

HON MINISTER WITHOUT PORTFOLIO: Thank you, Honourable Speaker.
This House is adjourned until 14:30 on 4 April 2006.

THE HOUSE IS ADJOURNED AT 17:00 UNTIL TUESDAY
2006.04.04

**NATIONAL ASSEMBLY
ASSEMBLY CHAMBER
WINDHOEK
04 APRIL 2006**

The Assembly met pursuant to the adjournment

HON SPEAKER: Took the Chair and read the Prayers and the Affirmation.

HON SPEAKER: Honourable Members, yesterday before the House rose, I provided information about the time allocations and I need to correct some misunderstandings that arose as a result. Today, Tuesday, 4th April, the COD has 30 minutes, the RP 35 minutes and the SWAPO Party 110 minutes. Tomorrow, Wednesday, 5th April, the DTA has 45 minutes, the SWAPO Party 100 minutes and the UDF 30 minutes. On Thursday, the COD has 30 minutes, NUDO 30 minutes, the SWAPO Party 85 minutes and the UDF 30 minutes. On Friday, the COD has 45 minutes, the DTA 30 minutes and the SWAPO Party 100 minutes.

HON SPEAKER: Any Petitions? None. Any Reports of Standing or Select Committees? Honourable Mushelenga.

**PROGRESS REPORT BY THE STANDING COMMITTEE ON ECONOMICS,
NATURAL RESOURCES AND PUBLIC ADMINISTRATION ON MOTIONS
REFERRED TO THIS COMMITTEE FOR SCRUTINY**

HON P MUSHELENGA: Honourable Speaker, Honourable Members. The Standing Committee on Economics, Natural Resources and Public Administration was tasked to scrutinise two Motions tabled during the last session of 2005 and report back to this august House. The first Motion was tabled by Honourable Kalla Gertze of the COD. This Motion requested the House to address the matter of high bank charges in Namibia and to make recommendations to alleviate this problem as it touches all levels of the Namibian population.

According to the progress report the Committee met several times and also compiled a working document to incorporate all the contributions of the Members during the Debate as well as an overview of the legislation, which may have an influence on this very crucial matter. This was done in partnership with NEPRU.

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To find an amicable solution to this problem, wide consultation with all the stakeholders such as the Bank of Namibia, the Bankers' Association and the consumers in their own right is of essence. The report-back time as set in the Rules of this House makes it difficult for this Committee to investigate the matter properly and report back with credible recommendations.

The second Motion, also tabled by Honourable Gertze, requested the House to look into the matter of making cycle lanes compulsory in all towns in Namibia. More and more people are making use of this mode of transport due to the fact that it is not only a good and healthy form of recreation, but is also a very affordable form of transport in the light of the high prices of fuel.

This Motion pleads for measures to ensure the safety of cyclists by creating an exclusive zone for them to make use of when they travel in town.

The portfolio of Local Government is part of several Standing Committees such as the Standing Committee on Economics, Natural Resources and Public Administration and the Standing Committee on Human Resources, Social Economic Development and also the Standing Committee on Constitutional and Legal Affairs. The Rules of this august House make provision for Joint Committees where matters overlap the terms of reference of different Committees.

Both these Motions were reported to the Committee close to the end of the Session and owing to the complexity and importance of the matters, they could not be addressed in the 90-day period.

Honourable Speaker, Honourable Members, I plead for the indulgence of the Assembly to grant this Committee in the case of the First Motion and a possible Joint Committee for the Second Motion more time to properly investigate these very important matters and to report back at a later stage. As these Motions concern the broad spectrum of the Namibian population it is an absolute necessity to take into consideration all stakeholders through consultative meetings and public hearings.

Honourable Speaker, Honourable Members, your kind consideration of and agreement to these requests would be highly appreciated.

Thank you.

04 April 2006

**DEBATE SECOND READING APPROPRIATION BILL
HON IILONGA**

HON SPEAKER: Will the Honourable Member table the Report? Any further Reports of Standing and Select Committees? Other Reports and Papers? None. Any Notices of Questions? Exhausted. Any Notices of Motions? None. Any Ministerial Statements? Tomorrow. The Secretary will read the First Order of the Day.

**RESUMPTION OF DEBATE ON SECOND READING – APPROPRIATION
BILL**

HON SPEAKER: When this Debate was adjourned on Monday 3rd of April 2006, the Question before the Assembly was a Motion by the Minister of Finance that the Bill be now read a Second Time. The Honourable Deputy Minister of Labour and Social Welfare adjourned the Debate and I now give the Honourable Member the floor.

HON DEPUTY MINISTER LABOUR AND SOCIAL WELFARE: Comrade Speaker, thank you for the opportunity granted to me to address the august House on this important Budget.

It is time once again for us as Parliamentarians to debate the 16th National Budget in Independent Namibia. Many participants have congratulated Comrade Minister of Finance, Saara Kuugongelwa-Amadhila, her Deputy Minister, Comrade Tjekero Tweya, and the Director General of the National Planning Commission, Comrade Helmut Angula and the entire staff of the two offices. I thank the Comrades for the comprehensive and well balanced Pro-Poor and Pro-Growth Budget for the 2006–2007 Financial Year. I agree that it is a Pro-Poor and Pro-Growth Budget.

Namibia is now 16 years old and as such we need to strengthen the capacity building of its performance, so that the surplus we have achieved, as Comrade Minister of Finance indicated in the Budget, will remain in future Budgets. Let the Minister keep it up. It is important to achieve this surplus in order to cut down the deficit from 7.2% to 3.6%, or even 1.1%.

Comrade Speaker, we need more intervention, not only on policy issues. The Government must intervene in economic activities in order to broaden its asset

capacity as well as negotiation power. Without property you will be no way be able to dictate to the one with whom you want to enter into joint ventures. I see the light at the end of the tunnel - together we will reach the goals of Vision 2030 if we follow the example of the Asian countries.

Comrade Speaker, we often hear people talk of the Asian Tigers, those countries that have made their economic position very strong by allowing their Governments to participate directly in the economy of their countries. We need to follow their example and not only intervene in the policies but also directly in economic activities. The Asian governments like Singapore and others, including China, ensure that banks are owned by the State as in other countries and not by private banks but other countries that still have private banks apart from Government banks that compete with commercial banks.

Yesterday I listened to Chief Justus //Garoëb complaining about the treatment we get from commercial banks. We should go beyond that situation like in Thailand where they have the Government Household Bank, which is a player in providing housing mortgages. This allowed them to overcome the economic crisis of 1997. Currently that bank I mentioned in Thailand is providing 95% of residential mortgage loans, while commercial banks provide only 11% in that field. The important issue here is that the Ministers are given the responsibility to Chair the Boards of Directors.

Comrade Speaker, I offer this information so that we as Politicians can have broader views. We must realise that it is not right that Ministers or Members of Parliament cannot become Members of any board of a Government Institution. We need to review that decision. These are the people who have been entrusted with the wealth of the Nation and how can you expect a person who has not been elected or is simply an employee to implement your vision? It is high time that we take up the challenge of having Politicians directly involved in running the affairs of the Government through administration. I know people will say, how can a Minister run the administration of his or her Ministry? I will provide the answer. It is simple, Comrade Speaker.

In the same way that it is being done in private business. The Permanent Secretary, the Management, the middle Management, and the ordinary workers are there to carry out the day-to-day activities. Technically these are the Government workers, with a Permanent Secretary to tell them what to do, but Ministers should be there to give direction and see to it that projects are implemented as was agreed. At board meetings where core decisions are taken it is proper for the owner, in this case the Minister who is entrusted with the responsibility, to give the go-ahead. Thus,

Comrade Speaker, all this can be achieved through capacity building. Under capacity building, we need to identify the components (Intervention)

HON TJIHUIKO: Thank you. I wanted to ask the Honourable Member what he is trying to explain. Is he trying to tell us that Ministers should become board members of the various institutions and the Permanent Secretary, the middle Management of the Ministry should run the Ministry or what is it that he has raised? I am getting the impression that these sectors have nothing to do with Ministries or they can do better than the board members. Is that really what the Honourable Member is trying to say to us?

HON DEPUTY MINISTER OF LABOUR AND SOCIAL WELFARE: Thank you, Comrade Speaker. We have the wrong concept that Ministers cannot chair a board of a parastatal or even a tender board. But this is the way other countries are doing it. That is what I want us to also consider. I would like to give an example of an old man whose name I will not mention. He is over 90, but he is still the Chairperson of his business as well as the President of the Namibian Employers Federation. Why is that? It is to make sure that decisions, taken by the board are in the interest of that business.

You are still young and you are supposed to be less conservative so I hope that you will learn from this.

Comrade Speaker, this Budget is Pro-Poor and Pro-Growth, which means that we are indeed upholding the spirit of good governance that provides genuine hope for poverty alleviation and eventually, poverty reduction, through an effective mechanism by which our different cities can be made more inclusive and our rural areas more prosperous. This means that we must broaden the development not only in urban but also in rural areas.

This means that we must turn small-scale industry into medium and formally skilled industries or fully-fledged formal industries. That is what I want us to aim for. The SWAPO Party and its Government will continue to improve the plight of our senior citizens and workers of our country. It is clear that what we say is what we implement. That is SWAPO and its Government.

Comrade Speaker, the N\$70 addition to the pension payout of our elderly people is very commendable and I want to say it is not difficult to see how it is going to uplift our people and we already have the position that in the long run over one or two years we will have to look at the plight of our people again. Workers have through the two unions NAPWU and NANTU, concluded an agreement with the Government by which benefits, that used only to be enjoyed by a few are now enjoyed by all workers, especially with regard to transport allowance and housing allowance.

Comrade Speaker, I said earlier that I will come back to the issue of capacity building. Now in the narrowest view of capacity building they are always talking only about training, while on a broad base it entails the institution as a whole. Capacity must be seen as the ability to achieve performance in order to produce output and outcomes. It seeks to improve the performance of all elements that form the Government. It is the system-wide planned efforts to increase Government performance through purposeful reflection, planning, and action. In particular, capacity building looks in depth at where Government stands in comparison to where it hopes to be in the future. We have Vision 2030, so we need to prepare for how we will reach that.

Our Government needs to develop skills, attitude and resources to get to Vision 2030. The ultimate goal of capacity building is to enable the Government to grow stronger in achieving its purpose and mission. Therefore capacity building should be all-encompassing and entail the development of an individual, Honourable De Waal. It refers to institutions and the environment in which those institutions operate. I said earlier that in some parts of the world whenever there is talk about capacity building they only talk about training.

It is now clear, Comrade Speaker, that there is a distinction between capacity building and training. Under capacity building our Government needs to include the creation of a conducive, internal and external environment within which staff members can operate and function. This simply means that, if the Government feels there should be such a conducive environment, you must have the people at the computers helping others. The laws we pass must be conducive to and in the interest of the people of this country.

Comrade Speaker, training represents the aspect of capacity building, which concerns itself directly with the development of knowledge, skills and the attitudes of individuals. Thus training is one of the components of capacity building and we need to know that it can only really be effective if all three components of capacity building are taken on board, which I mentioned as the individual level, Government

level and system level. All these *must* be in the position to have this capacity in order to deliver the input as an output.

All this emphasis is directed to the Government to build the capacity, in order to improve human resources development which is essential to improve and make optimal use of the total knowledge, skills, creative abilities, talents and attitudes of staff members through training and provide the necessary employment incentives to perform. It is true that in general, competence is easy to achieve but it is not easy to achieve commitment. (Intervention)

HON DR AMWEELO: Comrade Iilonga, I just want to ask about the difference between capacity building and capacity strengthening.

The strengthening is to strengthen that capacity and in strengthening it by acquiring knowledge, skills, creating abilities and to change attitudes.

HON DEPUTY MINISTER OF LABOUR AND SOCIAL WELFARE: Comrade Speaker, to change attitude is important. A person is just competent but because he has a certain attitude we should not put that competence into action. So therefore I say to change attitude is very important, because we cannot change the perspective that says Government Service is inefficient. Government cannot own hotels, they do not, it cannot have a market, it cannot have a bank - we must change that attitude.

The Asian Tigers countries, including China have managed to overcome that problem, as I said earlier. As we all know, individuals form an organisation and it operates within a system. Regarding capacity building for the SWAPO Party Government, good governance should occur at the three levels I mentioned earlier namely the individual, governmental and system level, because the main purpose of capacity building and training is to improve the efficiency at all these levels and thereby enhance the overall performance of the SWAPO Party Government. To do this, it is essential to understand what determines staff members' performance.

Staff members can be categorised in several ways by designation of job descriptions, gender (Intervention)

HON ULENGA: Honourable Speaker, are the issues the Honourable Member is propagating right now, such as that the Government should own hotels and so forth, the issues that are also proclaimed in the SWAPO Manifesto of 2004 or is the Honourable Member attempting to amend the SWAPO Manifesto which is already a Cabinet document? Thank you.

HON DEPUTY MINISTER OF LABOUR AND SOCIAL WELFARE:

Honourable Speaker, I will carry on to refer to what I said about change of attitude. Honourable Ulenga needs to change his attitude. The SWAPO Manifesto does not propagate privatisation. Just read it carefully. It only refers to partnerships and joint ventures, and I said you can only be strong if you possess property and when you negotiate you negotiate from a position of strength rather than just doing it or leaving it.

We are looking for some gender, linguistic background, educational qualifications etcetera, but while all these and many other such criteria, may be valid and useful for certain purposes, we will also look for some generic categories, based on the psychological make-up of the staff members who contribute to the job performance. There are people who have skills, experience and knowledge and not only an academic qualification - it is not only that you have those who acquire this knowledge through their training, you must not forget that. These two categories must be taken together.

Comrade Speaker, within the two broad dimensions of capacity building, staff members' performance is the function of competence and commitment. It is a common experience that it is easier to build competence than commitment. So what we need to do is to encourage our people in the Public Sector, urban and local or rural areas or in the private sector to know that a country survives and builds its reputation only on a base of people who possess both competence and commitment. For example, Comrade Speaker, I can mention here the sons and daughters of this country. When you commit yourself, dedicate yourself to rebuild this country. It must be our aspiration to show courage, to be committed as well as to show patriotism towards our country.

Comrade Speaker, we have learned that international policies on poverty alleviation are in fact policies that support poverty creation. Look at the unequal treatment in the world, where the biggest capitalist countries are the ones that determine what should and should not be developed in Namibia. Go to the WTO and you will find that they

even change the text that was agreed by the parties. Therefore I want to invite the Honourable Members through you Comrade Speaker, to find the time to go to libraries and take out a book called, *Behind the scenes at the WTO: the real world of international trade negotiations: the lessons of Cancun.*” You will see how crooked these big countries are.

I have a message for the youth. Comrade Abraham is not in, Comrade Shifeta is in, Venaani is not in, but there are other young people. The world is yours as well as ours, however there is a big but – in the last analysis it is yours, you are young people, full of vigour and vitality and in the bloom of life, like the sun at eight or nine in the morning. Our hope is placed in you. The world belongs to you. Namibia’s future belongs to you, and you need to make sure this country is not divided. Build this country with or without a multi-party system. If you are united in purpose you do not need to have a multi-party system for you to build this country.

During the 16th Anniversary, Comrade Hifikepunye Pohamba, President of the Republic of Namibia called on us, the elderly to help the young people of this country understand that Namibia needs them to be taken out of poverty. Although we are called middle earners, this situation needs a radical stand by you young people, and you can do this only through the united efforts of our young generation and all our people, to work with our own hands. You have seen what we did when we went to the railway extension from Tsumeb. We physically built and I even want to thank Honourable Members who went and did that, irrespective of their political affiliations. If we all do that, we will achieve our goals.

Comrade Speaker, I bring my contribution to a conclusion with thanks to our leader, Comrade Hifikepunye Pohamba for keeping the ship of Namibia floating. We support you, Comrade President – keep it up.

Namibia will grow from strength to strength and will be free from corruption, which is the enemy of all. To Comrade Saara Kuugongelwa-Amadhila, keep the torch of the improvement of our financial prudence burning.

Comrade Speaker, I want to make a few recommendations to my Government to help us to reach self-reliance. In this globalised world the Government must make sure that:

1. The SWAPO Party Resolution of 2002 on the land owned by absentee landlords must be implemented without delay. We also need to make the Namibian Constitution a living document so we need to revisit it and make

2. sure that the sovereignty of the State is secured in the land, water and natural resources. The land must really in the last analysis not be owned by individuals. Let us have a long term lease base – that will be the answer. How long will it take you to get the land to develop it? You can only divert with the land, you can only have water if you have got the land.
2. As I said earlier, we must be allowed to serve on the boards of private commercial financial institutions. I ask through Comrade Amweelo that Nampost Saving Bank should become a fully-fledged State Bank and then we can invest our money there.
3. Agribank must become a fully-fledged State Agricultural Bank, not only to give loans, but where the Namibian people can deposit money and invest. That will put us in the position where some of those other countries are and we need just need to grow steady as long as we learn from what they did. They take loans to build certain areas.
4. The Development Bank of Namibia must concentrate on investing in the economy in sectors such as manufacturing. The other two banks must become commercial banks and we should invest our money there rather than letting our money go to foreign countries.
5. The Ministers must be accountable regarding all Parastatals that fall under their Ministries.
6. Government must take proper control of its business.
7. The theory that political office bearers are not administrators must not be accepted any longer.
8. There must be no privatisation of State property and its services. That is not the mandate we were given by the Namibian Nation.
9. Let us inform our staff members and the Nation at large that Government property is their property and they must be the whistle-blowers, and by doing that they will jealously protect their property day and night.
10. Through capacity building, let us encourage our people to work hard and build commitment which is crucial as it brings about a sense of social responsibility amongst individual staff members thereby enhancing their performance for their country, Namibia and hence their patriotism which is a core for success.

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11. Constant vigilance is the price of honesty, efficiency, accountability and responsibility.

Finally, Comrade Speaker, I want to end my contribution by fully supporting the call made by our Founding Father of the Namibian Nation, Comrade Doctor Sam Shafiishuna Nujoma namely that: *Namibia must not become one of those countries declared as hunger-stricken.*

With those few remarks, I thank you and I support the Appropriation Bill.

HON SPEAKER: I thank the Deputy Minister. Any further discussions? Honourable Basson? I believe this is a maiden address? We shall accord the Honourable Member the usual courtesy and consideration. Honourable Basson?

HON BASSON: Comrade Speaker, Honourable Members, I wish to thank you sincerely for granting me the opportunity to address this august House for the first time.

I would first like to salute the Founding Father of the Nation, President of SWAPO Party, Doctor Sam Shafiishuna Nujoma for nominating six women on his list of ten, which includes me.

On 26th August 2004, on Heroes Day at Ongulumbashe in the Omusati Region, he also honoured me with a Third Class Heroes Medal, recognising me as one of the brave women who accommodated and fed the freedom fighters of the People's Liberation Army of Namibia during the liberation struggle.

The Founding Father of the Nation, Comrade Doctor Sam Shafiishuna Nujoma led the Namibian Nation for 15 years in peace and stability, and transferred his powers in a very honourable manner to his successor, his Excellency President Hifikepunye Pohamba.

In the same vein, Comrade Speaker, I would also like to pay tribute to his Excellency President Pohamba who has accepted the will of the Namibian people and committed himself to lead the Nation. His Excellency President Pohamba has also put three women on his list of six, among them a woman who is physically challenged, in the person of Honourable Ncube.

Comrade Speaker, allow me also to congratulate the Honourable Speaker and Deputy Speaker of the National Assembly, Honourable Doctor Theo-Ben Gurirab and Honourable Doreen Sioka, the Right Honourable Prime Minister, Nahas Angula and Deputy Prime Minister, Honourable Doctor Libertine Amathila, on their appointments to these highly respected offices.

To all the female Honourable Members of both Houses, thank you for electing me as the Chairperson of the Women's Parliamentary Caucus. I proudly stand here today and assure you that I will do everything in my power for us to work together as a team, especially on issues relating to women in Namibia. I would further urge all Namibian women to rise to the challenges facing them and take part in the decision making process.

My congratulations also go to all of you, Honourable Members of this august House, for accepting the responsibility of representing the people. I am sure that collectively we will be able to make laws that will improve the living standards of all Namibian people.

I must also congratulate the Government for the transparent manner in which the Annual Budget is analysed and debated. The aspect of transparency starts with the tabling of the Budget, public analysis of the proposed Budget by, amongst others, economists, Opposition Parties, auditors and accountants. Furthermore, lively debates and Budget breakfast meetings are convened where the Honourable Minister of Finance and other staff members are required to answer policy questions.

This transparent process is followed through to the Public Accounts Committee, where Accounting Officers are questioned on the outcomes of their programs and plans for a specific year. These deliberations are screened from time to time on our National Broadcaster, the NBC. At all these stages the public is informed and has the chance to air its views. We should, however, appreciate the fact that not all these views and comments can be accommodated in the final Budget document.

Comrade Speaker, Honourable Members, allow me also to thank the Honourable Minister of Finance for tabling a comprehensive three year rolling budget which prioritises education, health, social welfare, infrastructure development and other productive sectors, and places emphasis on economic growth. This is indeed in line with the SWAPO Party Manifesto.

Much has been said on the Honourable Minister's pronouncement that the Budget is a "*Pro-Poor, Pro-Growth*" instrument. I tend to agree with that view.

Allow me now, Comrade Speaker, Honourable Members, to state my reasons as follows:

1. Provision is made for an increase in the old age pension by an amount of N\$70 per person per month.
2. The Budget also provides for labour intensive projects. An amount of N\$53 million is provided for this purpose. I want to mention road works catered for, like the Uutapi-Tsandi Road, the Kamanjab – Omakange Road and a major road project that will link Namibia to Angola.

May I share with the Honourable Colleagues the trickle-down effects of labour intensive works? The Government, through its agent, the Roads Authority, has put in place a policy where labour intensive roads are constructed and people within a 5-kilometre radius of the constructed roads are employed for construction purposes. This brings the much-needed cash injection to rural communities.

Apart from that, it also leads the poor to the markets. We have seen the mushrooming of businesses, formal and informal in the North, especially Oshikango owing to the road and rail development in that area. Angola, which is by all standards becoming a flourishing market, is now within reach of ordinary people, because of the road and rail connections. This in turn reduces rural-urban migration.

For major road construction, at least 15% of the work is allocated to SME's through joint ventures with established companies.

Comrade Speaker, many SME's are now directly targeting bush clearing, grading of roads and cleaning of resting places. The SME's are businesses of the poor, the previously neglected people. The Government, through the Tender Board, also directly targets locals for construction of clinics and schools.

The provision of an amount of N\$17 million to the Green Scheme is of great importance to the future of this country. The allocation of N\$91 million for the *Development Bill* will surely create more jobs for our people.

Comrade Speaker, Honourable Members, it is noteworthy to mention that our country is faced with a rapid increase in HIV/AIDS infections. A large number of our people are living with HIV/AIDS and more are being infected every day. The ones that are hardest hit by the disease are the vulnerable section of our society, the mothers and orphans.

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Let us join hands, leaders of a great Nation, in the fight against HIV/AIDS, through awareness campaigns and fight this deadly pandemic head-on. It is, therefore, my wish that a major chunk of money allocated for health goes to the fight against HIV/AIDS.

Comrade Speaker, I am really happy with the amount of money allocated to the education sector. I am certain that a part of this money will go to the upgrading of vocational training. We need vocational training centres all over this country in order to train our learners in skills that will enable them to employ themselves. The insufficiency of such training courses causes school-leavers to flock to Windhoek and other centres in search of work. With these few remarks, I support the Bill, Comrade Speaker.

HON SPEAKER: I thank the Honourable Member and the House stands adjourned for refreshments.

HOUSE ADJOURNS AT 15:50
HOUSE RESUMES PURSUANT TO ADJOURNMENT AT 16:20

HON KAIYAMO: Honourable Speaker, Honourable Members of Parliament, I rise to support the budget as tabled in this House by the Minister of Finance, especially taking the words “*poorest of the poor*” as a starting point without losing sight of the harsh realities of Namibia.

Secondly, I want to be clearly understood that “*poor*”, in my view, does not refer to the bourgeoisie, but to those who do not have opportunities to choose between mixed jam and fine apricot jam or between *kaalgat* and red wine. It is against this background that I want to salute Comrade Saara for bringing a *Pro-Poor* Budget to this House.

The increase in the pension of our senior citizens is a clear sign of SWAPO's commitment to improve the life of the old people. But only the poorest of the poor, those who do not have the chance to choose between jams, between fat-free and not fat-free, should get the N\$370 and not the retired Parliamentarians. I repeat, not the retired Parliamentarians, as is now the case. I would like to see more on this Vote in the near future, more than N\$370.

The Minister in her speech on page 6 told us about the big fish that never pay tax or who try to evade tax. In my humble view, there are some of them driving beautiful cars in our country and who look down upon some of us. The big fish are giving a wrong impression to our young people, because they think by being a big fish you do not have to go to school.

These big fish speak a lot of nonsense in the bars about some of us. The big fish say some of us suffered during the struggle and are still suffering and they are probably better off. Let the Nation keep an eye on these people, by informing the security agencies about these unpatriotic elements and do not allow those unpatriotic officials to go free, those who are working with them.

Comrade Speaker, Honourable Members, the Office of the Auditor-General led by Comrade Kandjeke, is showing improvement in the way they are looking after the Government's books. The reports as you can see are no longer coming to this House after ten years, they now come after one year and this is an improvement we can be proud of. Look at the National Assembly Report to see what I mean. They do this without fear or favour. Some Permanent Secretaries should visit their libraries to read more about the Auditor-General's Reports. When they come to the Committees, public hearings, one realises that some of them do not know what is happening. It will help them not to overspend on their allocation without authorisation of this year.

Comrade Speaker, Honourable Members of Parliament, it is also worth noting how the European Investment Bank extended a loan to the MIDNA Development Fund, an African created institution. The SWAPO Party is clearly in line with serving all the people, even the commercial bourgeoisie. To grant a loan to Old Mutual from the European Investment Bank, is that not a big sign of progress? "*Omake*" (clapping). Even Old Mutual, which was born during the time of the Broederbond is now accredited as credit-worthy institution by the international community because of the SWAPO Government.

Comrade Speaker, Honourable Members, in the light of the abovementioned progress, what about our SME loans? The poor are still struggling – take my word – to get a loan because they do not have guarantees. I fully agreed with Honourable //Garoëb yesterday when he was saying that the Government should help our SMEs to get loans to at least be at *par* with the Afrikaner credit institutions when they started. It is easy to say, “*no, go to the bank*”, but when you go to the bank you will not get a loan unless you have collateral. When these poor people go to our Ministries, they are told they must have an appointment. What I am saying is, let our people stop this attitude of asking our poor people whether they have an appointment when they want to see their elected representatives. (Intervention)

HON TJIHUIKO: Honourable Speaker, may I ask the Honourable Member a question? The Honourable Member is talking about small businesses suffering because of lack of collateral, but I believe that there is a credit scheme in the Ministry of Trade that provides that kind of support service. What is it that he is referring to?

HON KAIYAMO: I hope you are serious, because I can assure you if you go there, they will check whether you choose between mixed jam and apricot jam. If you do not choose between apricot and mixed jam, you will not get into that scheme. I am not quite convinced that the agreement between Bank Windhoek and the Development Bank is really helping our people. It may help those who have the needed collateral.

Honourable Speaker, Honourable Members of Parliament, one can clearly see in the Appropriation Bill how our line Minister...(Intervention)

HON MINISTER OF TRADE AND INDUSTRY: On a Point of Order. I just want to inform and somehow correct the Honourable Member and broaden his information about how the credit guarantee scheme operates. It is in fact not the office, but Bank Windhoek that provides the loans to small and medium enterprise applicants. This is done on the basis of a proper assessment of the business proposal that has been made, squarely on business terms. In terms of this guarantee scheme, 80% of the loan is guaranteed by the scheme and 20% thereof is to be covered by the applicant.

Therefore, it is incorrect to say that the offices of the Ministries are not open for people to come and obtain this information or differences to be made between black jam and red jam. It is in fact Bank Windhoek which is the agent of the small and medium enterprises and they can go there tomorrow. The Honourable Member can try tomorrow and he will find a different situation. Thank you.

HON KAIYAMO: Comrade Ngatjizeko, we have been in this struggle for years. I did not say the doors are not open, the doors are open for sure, but if you go there, you will be sent to Bank Windhoek and they will ask you to choose between mixed jam and apricot jam.

One can clearly see in the Appropriation Bill how our Minister, Comrade Saara, managed to stay loyal not only to the 2004 Manifesto, but to all the Party guidelines and other relevant programmes. Let me quote from one of them: *“As in the past, the mission of the SWAPO Party remains the same, the defence of the interests of and service to the people of Namibia.”* This is the SWAPO Party political programme.

Here we are not referring to SWAPO Members but to all the people of Namibia. This is a Budget for all the people of Namibia, and the Pro-Poor side of it should be seen against the background of the sentiment of, *“the guiding principles to remain the same, that is solidarity with the downtrodden and social justice for the disadvantaged.”* I am quoting from the same document. The majority of them are in the rural areas, as Comrade Saara said.

Comrade Saara clearly on page 17 of her statement referred to the poorest of the poor who are from the rural areas. She referred to the Rural Development Programme: 2005/2006 – N\$13 million; 2006/2007 – N\$15 million, 2007/08 – N\$17 million. It is a lot of money for the poorest of the poor. That is why we must agree that this budget is Pro-Poor.

I would further like to note the tremendous efforts of the European Union as a developmental partner in the Rural Development Programme as well as education in our country. I want to add here that the European Union is giving us money because we are on the right path. This is money from their taxpayers and that is why it must be taken care of.

Honourable Speaker, Honourable Members, I see in this Budget only four main tasks. One is the democratisation of the Namibian society. Some of you may not know that democracy was brought to this country by SWAPO in line with all the progressive forces. This is a fact. (Intervention)

HON DEPUTY MINISTER OF JUSTICE: On a Point of Order. Thank you very much, Honourable Speaker. Comrade Kaiyamo, I used to know you as a man who believed in scientific socialism. I would like to know whether you have changed, because now you are talking about “*structured capitalism*”. I would like to know what your views are with regard to scientific socialism. You are still young and I was hoping that you would bring up this issue within the context of scientific socialism. Thank you very much.

HON KAIYAMO: Comrade, in the struggle we had different terms of reference, even the ideological approach of the Party, but now we have been given different terms of reference by the voters, for development and to bring food on the tables of our people. Those of us who still believe in those ideas are welcome to help to put the food on the table of the poor by using this Budget.

Social justice: Honourable Speaker, on 15th January 1986, we attended a SWAPO party meeting in Katutura near Kentucky. It was a peaceful SWAPO meeting, and we were torn apart by the Police and were arrested including Honourable Ben Ulenga. What I am saying is that social justice in this country was brought by SWAPO. (Intervention)

HON MOONGO: On a Point of Order. I want to ask the Honourable Member a question. I would like to know whether the Honourable Member is aware that during the 1970's SWAPO declared itself as the “*sole and authentic representative of Namibia*” and the SWAPO Party did not want to accept other internal political parties and they did not even want to speak to those parties. How democratic is SWAPO?

HON KAIYAMO: Comrade Speaker, I would like you to correct me. It is not SWAPO who did that, it was the international community who saw what we were

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doing. Comrade Gurirab was there at that time, it was not SWAPO, it was the international community that saw that SWAPO was leading the struggle.

The fourth point is nation-building. I am sure everybody in this House would agree with me that Comrade Sam Nujoma led nation-building in this country. No question about it.

So those are, in my view, the main tasks this Budget calls upon the SWAPO Party to perform, taking into account the historical reality of this country.

As the Ruling Party and, indeed, the dominant political party in this country, SWAPO has to define more clearly the role of the State in the country. What I am saying is, it cannot be left only to the market forces, the State must be involved. (Intervention)

HON MINISTER WITHOUT PORTFOLIO: May I ask my Colleague a question? Honourable Kaiyamo, do you know that around the early sixties SWANU was the organisation which was recognised abroad, worldwide, including ABSO where SWAPO was not, and they acted in such a way that they were reckless, until they were de-recognised and SWAPO was recognised by the world community. But we were not the first one to be recognised, it was SWANU. Are you aware of that?

HON KAIYAMO: I take note of that. (Intervention)

HON MOONGO: On a Point of Order. May I ask the Honourable Member a question? I would like to know whether the Honourable Member is aware that many SWANU members and those who were against SWAPO were locked up in prisons. They suffered in exile because they believed in other parties. That is why this is the attitude of SWAPO, and it is undemocratic.

HON KAIYAMO: Comrade Speaker, when the history of this country is written, we will know what was happening, SWAPO of Namibia is on record

that during the war of liberation some people were caught between the fires. It is on record, it is not a secret, some were caught between two fires, because it was war. (Intervention)

HON DEPUTY MINISTER OF LANDS AND RESETTLEMENT: Honourable Kaiyamo, the story goes that Honourable Moongo was once in the struggle and I would want you to tell this House which Party he represented when he was in exile, if you know? Can you please tell us?

HON SPEAKER: I want you to refer to one another as “Honourable Members”.

HON KAIYAMO: I would like to wait until the Honourable Moongo starts writing his memoirs to learn his history.

The majority of the people in Namibia, especially the rural poor, expect the State to play a key part in the country’s economic development. The State cannot leave the issue of development to the market forces. It is here where the National Planning Commission’s Director General should also be saluted. The Director General urged the public to monitor the implementation of the programmes and to hold those responsible to account. Comrade Helmut Angula further stressed that the rate at which development has been executed has been somewhat cumbersome. The word he used was “*worrisome*”. Let all of us see to it that Ministries increase their efforts in national planning activities by being truthful, all of us, to our respective terms of reference as Ministers, Councillors, Members of Parliament and mostly as patriots. Let us see that the Budget allocations are executed. If money is allocated to a school in Ondobe, we must ensure that that school is built with that money.

Comrade Speaker, the task of nation building and the welding together of the various linguistic, cultural and ethnic communities of our country into a Nation, calls for the ability of the SWAPO Party government to **COMMUNICATE** with every section of our society. This is the task given to SWAPO. It is against that informed background that I would have liked to see an increase in Vote 01, to enable Comrade Pohamba and the Founding President to lead this process of communicating with our various societies.

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Comrade Speaker, Honourable Members, some people are asking, “*Why are those puppets allowed to see the President?*” This is in line with what SWAPO entrusted to them and if we want to maintain peace in this country, we have to ensure that the Office of the President is reasonably funded.

Comrade Speaker, Honourable Members, let me turn to my preferred field, Education, Vote 10, with special reference to Information, Culture and Life-long learning.

I am very happy with the issue raised in this Vote, especially the Sub-Votes on Culture and Life-long learning and I want to see included in the development Budget the building of libraries in all schools and all High Courts.

I trust the National Planning Commission Code Project 2722 – Ondobe Secondary School, Eenhana Primary School, Havana Primary School, Goreangab Secondary School will have libraries.

It is a pity that only one community library in Uutapi is accommodated in this Development Budget. We in the Library Council would love to see at least one community library in every Region, if not in every village.

In the light of the request for more libraries to be built, it will also be appreciated if the salaries of librarians are increased to the same level of the rest of their colleagues in the education establishments.

As teachers and parents we have a duty to educate our children on the functions of libraries and how they can best be utilised. (Intervention)

HON SCHIMMING-CHASE: Mr Speaker, I think it is more a point of guidance and I apologise to Honourable Kaiyamo, but the CoD had 30 minutes and the RP had 35 minutes. We are already five minutes into their turn to speak. I am seeking the guidance of the Speaker.

HON KAIYAMO: I can end up by saying, as a SWAPO cadre I have a historical obligation and right to defend my Government and its Party, especially when the Opposition takes our mission out of context. (Intervention)

HON DR AMWEELO: May I ask a question? Honourable Kaiyamo, I think we are aware that some teachers do not want to teach in the villages because of the problem, apart from libraries, of accommodation. Do you not think it is more important, when a school is built, to include accommodation for teachers?

HON KAIYAMO: Yes, I think it is important that the Minister of Education includes that in his programmes.

The 1999 Implementation of the SWAPO Party Election Manifesto Guide states on page 26: *“Appointments of longstanding and tested and capable cadres in strategic positions in Government and parastatals. It is the position of SWAPO Party functionaries that a substantial (not all) number of management cadres in the civil service and parastatals should be SWAPO cadres.”*

If you are all equal, why do we all not have the same time on this programme?

On the next page it is stated that *“All offices, Ministries and Agencies are directed by SWAPO to ensure that the right people are appointed in the right places in order to deliver and achieve the promises”* – not only SWAPO Members.

With these few words, Comrade Speaker, I support the Bill.

HON MUDGE: Honourable Speaker, Honourable Members, I will be brief and I will not provoke.

It is again an honour for me to stand before this august House to make my contribution on behalf of the Republican Party.

I would like to begin by expressing my sincere appreciation towards those persons who were responsible for having organised the Budget Workshop that was held

before we started this Debate. It was a wonderful opportunity for all of us as Members of Parliament as well as the invited guests and the media to listen to the Permanent Secretary of the Ministry of Finance explaining the Budget and giving some explanations of the figures and also to the other two presenters, Mr. Martin Mwinga of First National Bank and Mr Robin Sherbourne of the IPPR who were requested to take a critical look.

Honourable Speaker, I appreciate this very important move, because although it may seem insignificant, to me it speaks volumes for the Government to open itself up publicly to criticism and advice and I hope I will not be proven wrong when I say that I see this as another sign of the Government growing towards maturity, and I would like to commend this Government under the able leadership of His Excellency, President Pohamba.

But back to the issue at hand, namely the proposed Budget tabled by the Honourable Minister of Finance.

I listened very carefully when the Honourable Minister motivated the Appropriation Bill and my first reaction was a positive one. I could also see the positive reaction of the Honourable Geingob. He was also very happy about what she said.

Maybe I am wrong, but the impression I got was that the Government is starting to show determination to make things work. It is also a fact, as the saying goes, "*talk is cheap but it is money that buys the whiskey*". I prefer to give the Honourable Minister and the Government the benefit of the doubt. There are, however, a few issues that I would like to address without going into too much detail.

I do not view my short contribution today as an opportunity to point out to the government the mistakes they made. I see this as an opportunity to criticise, if necessary, but to do it constructively. Nobody is going to win an election on what they say about the Budget, so let us put politics aside and discuss the proposed Budget in an open and transparent manner and this is what I will attempt to do, not only today but also in the days to come. Having said that, allow me to refer to something that was said during this same Debate last year.

You will remember that I said we have a lot of expertise available in Namibia whom the Government should consult regarding the financial management of our country and the Honourable Minister in reply then said something that confused me a little and I quote:

“The fact that the Opposition Parties are not approached as individual units to make an input in the budget has to do with the fact that Opposition simply does not form part of Government.”

Then she concluded that paragraph by saying: *“We submit the Budget to the scrutiny of Parliament and the public to justify our views, explain our actions, but also to listen and improve where possible.”*

It is so that the Minister can obviously do as she pleases and consult with whom she wants, but if I were in her shoes, I would without any doubt consult as widely as possible. The Government can rest assured that there are many people with expertise in this country who do not necessarily support the Ruling Party, but who are available at all times to make their contribution and to assist the Government of the day. The wheel has been invented and there is no need to reinvent it again.

It is unfortunately a fact that the Government, maybe I should say the first Government after Independence, does not have a good history as far as fiscal targets and fiscal discipline are concerned. That is a fact that cannot be denied or changed.

The result of that is that we are now confronted with a debt stock well above the acceptable norm and it will take us many years to get rid of this burden.

But as far as we are concerned, that is history. We prefer to look at the current situation and the future. The only role history can play is to let you remember what mistakes you made and should not make again and what good things you should keep on doing. For the rest it is exactly what it says, history, something of the past.

So where are we now and what needs to be done? I am not going to go into detail, as I said, but to look at the situation in general. But it is obvious we need more funds for the following:

Amongst them and topping the list is the increase in pensions as requested by Honourable Kaura. You can say his request was politically motivated, but I do not think so. The fact is that the Government imposed minimum wages for farm workers in the region of about N\$600 per month, but at the same time they expect pensioners to live on N\$370 a month. That does not make sense; we all know you cannot live on N\$370 a month.

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We also need more money to properly train our teachers, nurses, Magistrates and Police Officers and to pay them market-related salaries in order to prevent them from leaving the service for greener pastures and this needs to be done as a matter of urgency. We also need to ensure that our Police Officers have enough vehicles to do their job properly.

We need to spend money on the restoration of Government properties, like hospitals, schools, hostels, magistrate offices and courts...(Intervention)

HON DEPUTY MINISTER OF LABOUR AND SOCIAL WELFARE:

Honourable Mudge, you said that the N\$370 for the elderly is not enough and you mentioned that the farm workers are given around N\$600. But are you aware that up to now, even though the minimum wage has been set up and agreed upon, some of your members are not implementing it? Here you want to tell us the N\$370 for the elderly is not enough, but you cannot even think of the person who works for you.

HON SPEAKER: Is it a question?

HON DEPUTY MINISTER OF LABOUR AND SOCIAL WELFARE: Yes, it is a question, Comrade Speaker. When are you going to tell your members to implement that minimum wage?

HON MUDGE: Honourable Speaker, we are pressed for time, so I will just quickly answer that question by saying that I am not quite sure what the Honourable Member means. If he means people working for me personally, I think he is wrong, but in the agricultural sector as far as I know, all the benefits that the farm workers get put them in a position where they are fairly well off.

But I would like to carry on to say that we also need to spend more money on the restoration of Government properties, like hospitals, schools, hostels, magistrates' offices and courts urgently and the same applies for the existing infrastructure. We

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also need to look at the condition of equipment at these institutions and I will come to this when we discuss the individual Ministries during the committee stage.

We also need to train *bona fide* farmers, those from the previously disadvantaged group, to enable them to become actively involved in the agriculture sector and for them to be productive and able to make their contribution to the economy of this country.

We need money to assist these farmers to buy enough livestock in order for them to be in a position to make progress and not just to remain subsistence farmers with a few goats, donkeys and cattle, occupying land that should be utilised productively.

We urgently need more money to address the unemployment crisis and the only way to do it is to create viable and sustainable projects. (Intervention)

HON DEPUTY MINISTER OF JUSTICE: I would like to ask Honourable Mudge a question. Thank you, Honourable Speaker, my question to Honourable Mudge is; is it true that the training you are now providing for the emerging farmers, is the money you source from international donors like the Netherlands, Germany, and not money from the Namibian farmers? Can you deny or confirm that?

HON MUDGE: Honourable Speaker, I think the Honourable Member misunderstood me. When I say “we”, I say the country, Namibia. I said we need money to train farmers properly. So I am not talking about anybody else who gives money to do what. I do not care where the money comes from, as long as we train the previously disadvantaged farmers to become really productive farmers and to have a profitable business.

As I said, we also urgently need more money to address the unemployment crisis and the only way to do it is to create viable and sustainable projects. This will be the only way to solve the unemployment problem and I am talking about projects in basically every single town in this country.

Honourable Speaker, I said last year that the only way to have more money available – and this is no secret, this is common sense – to spend on issues as just mentioned, is

for the Government to either reduce public spending and thereby save or to expand its revenue base.

Income Tax and VAT:

It took us fifteen years to realise that we are losing millions due to the fact that the Government was unable to collect the outstanding domestic taxes. At least something has been done about this and the effort by the Honourable Minister and her staff should be commended because the improvement was significant.

I am also of the opinion that the Government lost a lot of money due to fraudulent VAT claims. My information is that a number of persons registered for VAT and submitted massive claims without even having a business. Again, the Ministry is clamping down on these fraudulent activities and for this they should be commended.

It should, therefore, be clear that money spent on the training of staff at Inland Revenue and at the Ministry will be money well spent and I would like to encourage the Honourable Minister to see to it that the staff is trained continuously.

As far as Government properties are concerned, Honourable Speaker, I wonder whether the Government has any idea how much money is lost due to the unauthorised or maybe authorised use of its motor vehicles? Again we will come to this in more detail when we discuss the Budget of the Ministry of Works and Transport. My comment at this stage is that I am always amazed at the number of Government vehicles to be seen in the streets of Windhoek as well as on our national roads.

I get the impression that almost every senior government official has access to a vehicle to drive to work and back home and even for private purposes.

I do not want to comment too much on the Government Garage, other than to say that this institution should be closed down as quickly as possible. Rather buy your vehicles from local dealers with a full service contract included in the deal, because despite the existence of the Government Garage, a lot of private businesses are sucking millions from the Government by servicing their vehicles and supplying spare parts for the said vehicles.

Honourable Speaker, another area of great concern should be the unauthorised use of simple things like telephones in government offices. I want to challenge you to visit

any Government Office at any given time of the day and I guarantee you, you will find officials on the phone obviously busy with a private call. And then I am not even talking about the loss of productivity.

As mentioned in the Report by the Public Accounts Standing Committee, it is obvious that the Government has no idea of the number and location of houses and other buildings it owns. One can only guess what amount is lost owing to the fact that the Government is deprived of that rental income.

Honourable Speaker, I can carry on and on and you may argue that I am referring to petty issues, but I can assure you, if you add up all these amounts, you will be astonished at the amount the Government is losing every year and something must be done about this as a matter of urgency.

A lot has also been said about capital projects, unnecessary projects we embark on and I do not want to spend too much time on this, because as far as I am concerned it is water under the bridge. Here I am referring to the State House project and the Northern Railway Project.

Honourable Speaker, I took note of what was said about the necessity of these projects, but the fact remains, if you do not have the money, you just do not build them. I fully agree that we should have an appropriate facility for our President, but this project, it seems, is not a State House any more, but rather a State Village project. I would appreciate it if the Minister of Finance could provide us with the facts regarding the initial estimated cost of this project and the projected cost to finish it.

The same goes for the Northern railway line. It will be interesting to see the feasibility study on this project, because I am of the opinion that we will never be able to recover the cost. The taxis will keep on transporting the people much quicker than the train and the bulk of the goods to the North will still be transported by the trucks currently being used, simply because they are getting there faster. (Intervention)

HON MINISTER OF REGIONAL AND LOCAL GOVERNMENT AND HOUSING AND REHABILITATION: Mr Speaker, may I ask Honourable Mudge a very tiny question? Thank you very much. Comrade Speaker, I just want to check my understanding of the very good intentions of the proposals by the Honourable Mudge. He is proposing that Government close down Government garages all over the country, but earlier on he was saying it appears as if Government is losing a lot of

money through private garages that are repairing Government vehicles. Do you not think, Honourable Mudge, that by closing down government garages we are opening up the floodgates for these people to do just what you are trying to prevent?

HON MUDGE: Honourable Speaker, Honourable Pandeni that is exactly why I said if vehicles are purchased, they should be purchased locally and included in the deal should be a service contract. In other words, you have paid for that when you have paid for the car.

As far as Angola is concerned, my information is that they will utilise their harbours rather than to have products being transported to them by rail, because we all know that their rail and road infrastructure is a total mess. But time will tell. (Intervention)

HON DEPUTY MINISTER OF JUSTICE: Through you, Honourable Speaker, I would like to ask Honourable Mudge a question. Honourable Mudge, where is the logic of saying it is much cheaper to transport goods by road rather than by rail? All these trucks damage the roads significantly. How much money do we spend on repairing these roads and transporting the goods to the North and to Angola? The explanation does not make sense. Honourable Mudge, come to reality and tell the people the truth.

HON MUDGE: Honourable Speaker, I think the Honourable Member should listen to what I said. I said, the taxis will keep on transporting the people much quicker than the train and the bulk of the goods will be transported by the trucks. I did not say because it is cheaper. "Quicker" is the word I used.

I said we all know that the infrastructure in Angola is a total mess. But time will tell. The railway line is there, that is why I said it is water under the bridge.

The Honourable Minister said in her motivation speech that Namibia is to become the transport hub of the SADC Region. (Intervention)

HON TJIHUIKO: Can the Honourable Member explain to us in simple language what he means by a service contract, how does it work? How will it be possible for it to be cheaper than having a Government Garage, rather than empowering and putting more money into those who are servicing vehicles at the present moment?

HON MUDGE: If the Honourable member will allow me to do that, I will deal with that issue in detail when we discuss that Vote, as I am a bit pressed for time. I said that the Honourable Minister said in her motivation speech that Namibia is to become the transport hub of the SADC Region. I hope she will be proven right, because if this is not the case then we will do exactly what she said must not be done and that is that our daughters, sons and grandchildren will feel the effect of the debt burden we placed upon them.

We will discuss issues like the mining sector, Air Namibia, NWR, Windhoek Country Club, other State-Owned Enterprises, the fishing sector, land reform and many more in the days to come. But, Honourable Speaker the long and the short of the story is that we must cut back on our expenses and the most important place to start is the size of the Government. I am at a total loss as to the reason why our Public Service seems to be one of the biggest per capita in the world. The Honourable Minister made mention about this in her speech and I would like to encourage her to embark on a mission to have the Government literally cut down to size.

I said last year that I trust that His Excellency President Pohamba will put his foot down and ensure that his Ministers do their jobs properly, in such a way that we will soon see maximum production, zero corruption and where Government officials will be held accountable not only for what they do, but also for what they fail to do. There are serious problems but we trust that the President will act when and where necessary.

There are many things in the Budget that worry us and as I have said, I will talk about that later, but I want to say to the Honourable Minister of Finance, I have great sympathy for her Ministry. The reason why I say this is because I must assume that she has the right intentions, but the load is heavy because of the many mistakes that were made in the past. But, we should not throw the baby away with the bathwater, as a well-known saying in Afrikaans goes.

Honourable Speaker I want to conclude:

We are a big country with a small population, only about 1.8 million people.

We have a multitude of natural resources like diamonds, gold, uranium, copper and zinc to name a few. We have fish and we have cattle and sheep and above all we have precious people, most of who were oppressed for a long, long time. Despite the dark days of apartheid our people showed their character by deciding enough is enough and the past is now history. We should reconcile for the sake of every Namibian, but most of all for those who have still not tasted the fruit of Independence, which is supposed to rectify the wrongs, to create opportunities for those who were deprived of a proper standard of living and also to enable the haves to assist the have-nots to improve their situation, all for the sake of a better Namibia. When it goes well with Namibia it will go well with everyone living and working in our beautiful country.

What are the key words, Honourable Speaker? No doubt: true forgiveness and true reconciliation. Combined with that, not only a willingness but also an eagerness to learn more about one another's history and culture and then as important, for us all to respect each other and to demonstrate it in our daily activities and doings.

I said it last year and I quoted former President Nelson Mandela when he said, "*Reconstruction*", (Intervention)

HON MINISTER OF HOME AFFAIRS: As the Honourable Member mentioned that there is a need to respect each other, I think this is now the time for the Honourable Member to mobilise his colleagues to return the farms to their owners so that you can demonstrate that respect and reconciliation.

HON MUDGE: As I said, Mr Nelson Mandela said, "*Reconstruction goes hand in hand with reconciliation*". He also said, "*To be free is not merely because one has changed but to live in a world that respects and enhances the lives of others*". (intervention)

HON DEPUTY MINISTER OF GENDER EQUALITY AND CHILD WELFARE: We talk about reconciliation brought by the Namibian people, they did not copy that from South Africa, South Africa is no longer in Namibia.

HON MUDGE: Honourable Speaker, there is no doubt in my mind that Namibia *can* become the jewel of Africa, because we have it all. The only ingredient still missing could be the political will to make it work, because then we will have to set aside our differences and put our heads together, no matter to which political party we belong, to find lasting solutions to the problems facing us as a Nation.

Let us never forget that our country is bigger and more important than every human that has walked the soil and those who will come after us. Nobody should therefore be allowed (as the Honourable Abraham Iyambo said) to play Russian roulette with the economic well being of our Nation.

We *have* a President with a vision. Let us therefore join hands and work together for the sake of our country and its people, because it seems as if tough days lie ahead of us, but we will succeed if we are sincere, because we have to, especially for the sake of the poor and the unemployed.

I thank you.

HON GERTZE: Thank you Honourable Speaker, this appears to be some kind of annual chance to speak about matters pertaining to our lives from one year to another. This demonstrates the importance and impact of our national budget on our lives. A lot has been said about the Budget, it being Pro-Poor, Pro-Growth, the good and the bad etc. Now, for me as a layperson in economics, the meaning of a budget must be simple. When we draw up our domestic budget, my wife and I look at our needs and demands and compare that with our total income and allocate amounts, as funds allow. We make cuts as we see fit. The question of debt and overspending obviously comes up and we at times go for overdrafts and loans. Some eventualities for which we would not budget do happen, and at times you borrow from reliable friends and family. Some essentials we *never omit are:* food, medical bills and pharmacy account payments, the children's school fees and uniforms, water and electricity bills. We make sure that we maintain our properties. Buying a new product is not easy, unless we ease one or the other debt.

Apart from savings, we also spoil ourselves when there are windfalls and this is how I would look at a budget. Apart from that, I know budgeting is one of the salient principles of effective administration. In fact, for our purpose here, budget becomes law, in other words once passed it is a Parliamentary Act on spending.

I would be inclined to think that we do here exactly as parents do, secure basic food, shelter, clothes, school and improve on the quality of life for the family.

Honourable Minister of Finance, it is indeed your duty to deliver the Appropriation Bill to this House after having gone through a number of preparations for it. No one really has ill-fated ideas about the requests. Our trouble is that of marrying the funds with achievements. I know that unforeseen events may cause over- or under-spending. This area of supervision is certainly not yours. You have done your job, and I think you did it even earlier than last year.

The old-age pension increase is good news though small. We would want to see that happening in next year's budget as well and ultimately climb the steps slowly and if we can do that every year it will certainly become meaningful.

By the way, there was one thing that came to mind when drawing up this speech and you may use the famous "*point of information*" as an interjection to inform us as to what has happened to the tax rebates of all taxpayers. Around October/November last year, Honourable Venaani asked the Finance Minister when the tax rebates were to be finalised for the tax year 2004/2005. We have already received PAYE forms for the tax year 2005 and 2006 without having received any feedback from the previous year. Will it be fair to expect me to believe that revenue collection has improved significantly while the situation is like that?

Honourable Members, although I feel more or less the same as when I was speaking in May last year, I do not want to sound as if I am issuing a duplicate of my maiden speech of last year.

At this stage again, I must state that amounts appropriated and hence allocated are not really something that would disturb my mind. These amounts are in many cases small or may in any case have very little if no relevance at all, to our lives. My main question is: "*How much do these amounts change the quality of the food our people eat, the houses in which they live, the floors, walls and indeed the blankets in which they sleep?*" I also wonder to what extent previous Budgets have helped our people to reduce their debts at grocery stores, at banks and furniture shops. Have our people bought new clothes for themselves and their children? Do our people look better, not only since last year but also at least over the last six years? Are we able to project improvement to the condition of our people over time? Have we ever measured an improvement in the condition of our people in socio-economic terms?

Yes, we perhaps can and have, in political terms. Apartheid is now less visible than before. There are many self-selected BEE people around.

We may always want to talk about trade deficits, improvement on foreign trade, windfalls from SACU, you name them, but how much do these pro-growth signs prompt us as Government to render our common people capable of seizing opportunities without necessarily getting onto the band wagon of Black Economic Empowerment? How effectively are Namibians able to compete against their SADC and/or international counterparts by way of social empowerment?

These are the little things that matter the most for our poor people.

Mine is an issue of social empowerment. I think that we have failed to empower our people on the ground. We have rather empowered those on the floor to the ceiling, most certainly through Black Economic Empowerment, the very BEE that has become a nightmare to our socio-economic development.

Our ailing education practice is proof of failure to render our young people competitive. I can then ask the question, "*Where has the money for education development gone?*" With its opening this year, Parliament suggested that we discuss matters of National importance in the first week. Topping the list was *Education*. I deliberately refrained from joining that discussion because I stated my position clearly last year. With this year's Debate, most Members of this House recommended a national conference on education. Paradoxically, ETSIP seems to be the answer, but ETSIP, to me, is no reform.

Our post-apartheid approach to education and its perpetuation is tantamount to a breaking down of our infrastructure. We have failed to create the ideal citizen through education. We are failing, not only to undo what apartheid succeeded to do with Bantu Education but to create the new citizen. Bantu Education was made to transform us into faithful servants and it turned white children into relentless masters. We, with our education design, are failing to decolonise our own minds and to instil enterprise into the minds of our children. We are failing to produce enterprising minds. – So, the question is, where did our money for education go?

Let us review the things we do to improve social and economic growth. I shall call them strategies for development vested in the areas I will outline below:

Strategy 1: Seems to be education but it remains a failure and I hope that our new Minister and the new approach will begin to work so that at this time next year we can see the progress in the educational sector.

Strategy 2: Appears to be health. With HIV/AIDS as our biggest concern, ARV treatment, though very costly, is a necessary component for it prolongs life. Honourable Kaura has pinpointed several key shortfalls at our hospitals in the capital. If we speak comparatively about ourselves over time, we must admit that we have continued to fall short in the provision of quality health services.

On the one hand we deny the brain drain in health workers; on the other, many nurses have left our Government hospitals out of frustration and without saying that they are going overseas. So, statistics in our Health Ministry that say that only ten nurses have gone overseas will never show the reality of the brain drain in terms of us losing qualified nurses to overseas hospitals.

Some four years ago, about 50 nurses had to resign from active Government Service in order to study because Government refused to grant them bursaries and time to study (on grounds that nurses were enough and there was no need for training more). I speak about this because I was a trainer of those nurses in terms of language skills. They needed their pensions to invest in further studies. In any case when most of them graduated last year, they joined the private hospitals. Others left for overseas.

We now have an absence of Namibian nurses, *not a shortage*. The quality of service continues to go down (and this is a worrying factor).

Honourable Speaker, I have known the Katutura State Hospital since 1977, when I saw it for the first time. I have known the current Central State hospital since 1989 when I returned to this country. I just do not see how I can be told that the money budgeted for the provision of quality health to our people could have brought us to where we are today.

Strategy 3: Defence: Just as much as defence plays a major role in terms of what the Minister of Defence said last time in terms of employment, skills development and even production, we must ensure that it plays a productive role, especially in peace times like now. It is also important that we introduce Compulsory Military Service to our people. Safety and security are vital for our people and environment. (Intervention)

HON DEPUTY MINISTER OF JUSTICE: Are you aware that the brain drain that you are talking about is a phenomenon of globalisation and Namibia is not unique. All the countries in the SADC Region and in other developing countries are losing skilled labour because of globalisation and the problem is not because we do not provide for the basic necessities for our skilled people, it is globalisation. They go where they are *paid better* and that is the problem. You must address the problem and offer a solution.

HON GERTZE: Yes, but we have to guard against that. You cannot sit and be drained we should also make sure that we drain others then.

I hope that a new approach and strategies for the development of our Defence will yield better results next year.

Unfortunately, most of the time, we are not vigorous and disciplined in the things we set ourselves to do. For example, BEE, which could be a very effective development strategy, is marred by serious misconduct and worse by a lack of punitive measures against those who have violated the trust of the initiative. What is left of the concepts of Affirmative Action and Black Economic Empowerment is that they are reduced to racial inclinations.

What more can one say when it looks as follows?

Of the loans to investments and BEE companies, a total of about N\$1 billion was lost through what we so far know as:

AVID	N\$ 30,000, 000.00
ODC	N\$100,000, 000.00
GIPF (<i>loans so far not recovered</i>)	N\$600,000, 000.00
Ministry of Defence	N\$ 3,900,000.00
TOTAL	N\$733, 900, 000.00

(Intervention)

HON HAMUTENYA: I listened to the tabulation of BEE, does it mean that stealing by black men is by definition BEE? The impression I am getting is that if he is black he is stealing and that is BEE. As far as I know, I have not yet seen a policy

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document of the Government or a law by this Parliament defining what BEE is, so why are we labelling every person who steals as Black Economic Empowerment?

HON GERTZE: I think the companies that I have mentioned and the investment groups are certainly BEE groups. (Intervention)

HON MINISTER OF JUSTICE AND ATTORNEY GENERAL: If it is true that the Honourable Member meant that the list he enumerated is that of Black Economic Empowerment, the money lost by the Ministry of Defence through a British company as far as I know does not involve the animal he is talking about, so why include it in that list?

HON GERTZE: As to the first question, certainly these are BEE as I said. Black Economic Empowerment also refers to the Ministry of Defence. The deals have been made and perhaps the mistake was to make the deals with British Companies and people from South Africa like this famous man in the AVID deal for example. We should have perhaps dealt with other BEE Companies in other countries and not those who are clearly the British who are white and again those from South Africa like Alan Rosenberg, people who are white, we should probably in the future deal with other BEE companies and Investment groups in other countries. But it still comes down to stopping our Black Economic Empowerment; I refer to it certainly as a racist issue. (Intervention)

HON MINISTER OF HOME AFFAIRS: Has the Honourable Member followed all those investigations regarding stolen money? Can the Honourable Member tell us where this money was invested? Do the black people own the Insurance Companies in Namibia or who owns that, is that BEE or the WEE? (Laughter)

HON GERTZE: I could not get the question quite clearly. This time I am not a teacher in the classroom answering questions so I shall continue.

Through corruption and fake deals with public money alone, it is inconceivable to imagine the depth of the dents inflicted on the country's economy. People walk scot-free and even receive further salaries. Under the new budget we again go ahead and request further money as if nothing has happened. These are deeply disturbing episodes.

If I may add wastage: Lawsuits against one Minister recently ran to N\$3 million while in a previous Ministry there was another and all of this because of improper political engagements and lack of shrewd conduct of business. Breakage of State property, errors, etc., may well take us far beyond the line of N\$1 billion. Such money could be put to better use if it were given to our struggling citizens through a well-established Basic Income Grant, for example.

Honourable Minister of Finance, taxing pension savings needs serious review, because these are financial breathing spaces. (Intervention)

HON MINISTER WITHOUT PORTFOLIO: I did not understand what the Honourable Member said. Can he please repeat the statement about the Minister, and what he said about the N\$3 million?

HON GERTZE: Recently there was a lawsuit relating to the land question and the appropriation of farms and there was a court case and we read N\$3 million is gone and I am referring to that plus there was another lawsuit at the Home Affairs Ministry by prison officials who were dismissed at the time which also involved hundreds of thousands of dollars and these are all monies that if you add it to the AVID and the ODC and all those amounts come to over N\$1 billion and we could more effectively use that money and it seems as if these dents are not felt however if these monies could be sparingly kept and used for better purposes we could go further.

So, Honourable Minister of Finance, taxing pension savings needs serious review because these are financial breathing spaces for people who worked very hard over time. (Intervention)

HON DEPUTY MINISTER OF LABOUR AND SOCIAL WELFARE: I hope the Honourable Member is a scholar, if he is, the Honourable Member cannot refer to the money that was awarded as a result of a Ruling of a Court if there was a certain misunderstanding between any Ministry and an individual, because it is not part of AVID or ODC, therefore I want him as a scholar to make a distinction.

HON SPEAKER: You do not have much time to make a distinction.

HON GERTZE: The illusion that if you keep your pension monies in a Unit Trust for six months without withdrawals this would exempt it from taxation is not true – (our people go that route because they believe, but this has been proven not to be true). Instead of earning some interest you end up paying interest to the financial institution. I suggest that pension deductions be done post-tax, in order to allow a net recovery of pension accumulation on date of retirement or resignation. Pension money is the last of the bits of money one has worked for over an active lifetime.

We need to review Housing Allowances *vis-a-vis* Home Loans and taxation. These are things that matter in the socio-economic advancement of our people's lives.

Honourable Speaker, gradual increase in Inland Revenue should not be a problem if State services improve and become free and decent. Hospitals, schools, houses and key public utilities, public safety and security should be areas that must become more and more decent and free. I would opt to place most of my tax money there.

I insist that it is imperative that we as lawmakers design legislation that protects our people against poor service provision and exploitation. We must not forget that our prosperity lies in our own dignity. With a lack of dignity we may not see the need for prosperity.

Why is it that we do not provide quotas of natural resources to towns, villages and communities or even regions under effective local council consortiums to steer their own local development in areas of education, health and infrastructure? They should be able to pay dividends to government like all the others. It has not helped us to provide quotas to a selected few, because we have all seen where it has taken us. The provision of quotas to local authority consortiums will be the kind of Black Economic Empowerment that should undoubtedly be viable.

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With these remarks I thank you.

HON SPEAKER: I am informing Honourable Members from the Ruling party who by the lapse of time have now forfeited their time. The Ruling Party still has plenty of time, if Honourable Geingob would allow the Chief Whip to pay attention to the Speaker, the Chief Whip will accommodate those Members unable to speak today with the time still available to the ruling Party.

This morning the Deputy Chairperson of the Standing Committee on Economics, Natural Resources and Public Administration requested the House to allow the Committee to continue with the work about which it submitted the preliminary report. It was an oversight that the Speaker did not seek the concurrence of the House to do so, but I see no problem with the House allowing it to do so.

The House now stands adjourned under automatic adjournment Rule 90 (a) until tomorrow, 5 April 2006 at 14:30.

THE HOUSE IS ADJOURNED AT 17:45 UNTIL WEDNESDAY 2006.04.05

**NATIONAL ASSEMBLY
ASSEMBLY CHAMBER
WINDHOEK
05 APRIL 2006**

The Assembly met pursuant to the adjournment.

HON SPEAKER: Took the Chair and read the Prayers and the Affirmation.

HON SPEAKER: Any Petitions? Any Reports of Standing or Select Committees? Other Reports and Papers? Honourable Kawana?

HON MINISTER OF PRESIDENTIAL AFFAIRS: Honourable Speaker, I lay upon the Table the Annual Report of the National Planning Commission for the Financial Year 2004 – 2005.

I so Move, Comrade Speaker.

HON SPEAKER: Will the Honourable Minister table the Report? Any further Reports and Papers? Any Notices of Questions? Any Notices of Motions? Any Ministerial Statements? Motions? I have a long list of people who have inscribed for other business. Honourable Booys, yours is last on the list.

LEAVE OF ABSENCE

HON BOOYS: Thank you, Honourable Speaker. Mr Speaker, I move without Notice that leave of absence due to official business be granted to the Honourable Deputy Prime Minister until 12 April 2006.

I so Move, Mr Speaker.

HON SPEAKER: Will the Honourable Member Table the Motion? Ministerial Statements? None. The Secretary will read the First Order of the Day.

**RESUMPTION OF DEBATE ON SECOND READING – APPROPRIATION
BILL**

HON SPEAKER: When the Assembly adjourned on Tuesday, 4 April 2006 in terms of Rule 90(a) of the Standing Rules and Orders, the Question before the Assembly was a Motion by the Minister of Finance that the Bill now be read a Second Time. Any further discussions? Honourable Goreseb?

HON GORESEB: Thank you Honourable Speaker, Honourable Members of the august House.

I have the honour this afternoon to comment on the Budget proposals for the 2006/2007 Financial Year. Namibia has faced many challenges since Independence, 1990. By successfully meeting those challenges, peace and security has been maintained, apartheid policies abolished, and unity for nationhood achieved, through the Policy of National Reconciliation.

One of the major ambitions set out in Namibia's long term vision, VISION 2030, is to become a prosperous and industrialised nation, developed by its human resources, enjoying peace, harmony and political stability.

Mr Speaker, it is in keeping with this ambition, as laid down in VISION 2030, that the Honourable Minister of Finance has come up with this Budget proposal which she termed is '*Pro-poor, Pro-growth*'. The Honourable Minister's noble intentions are clear: that the Budget addresses the needs of the poor while at the same time it stimulates growth.

The success in achieving the stated objectives will largely depend on the political will, strict adherence to fiscal discipline and prompt implementation of the planned programmes.

Mr Speaker, achieving a prosperous, industrialised Namibia with a vibrant economy by 2030 is possible, provided the country continues to invest in human and physical capital and channels that investment into productive activities.

The result would be an economy that is employing its growing labour force, thereby reducing poverty and unemployment and is capable of withstanding adverse global shocks.

Now my question is: If we wish to achieve that objective and if we are trying to take the lion's share from the National Budget and invest that into Defence during peace time, for example, *is it going to be productive?* Is it going to increase growth or alleviate poverty?

With regard to labour, Honourable Members, there has been a concern about our workers' unsatisfactory attitude towards work and inadequate focus on the customers. In this connection our labour has to strive for improved productivity and international best practice, work ethics, in order to enhance Namibia's competitiveness further.

What I mean by that is that our labour force must be very careful so that they must not frighten away our prospective investors with their attitude. It is well recognised that productive work and employment are central elements to development as well as a decisive element of human identity.

Government should therefore continue to create a conducive environment that facilitates private sector growth. A significant part of that conducive environment is the assurance that foreign investors are welcome in Namibia.

Mr Speaker, the current buoyant economic conditions are partly cyclical, in my view, and the result of perhaps temporary favourable regional and global conditions. The responsible fiscal policy or discipline should continue to stand the country in good stead over the long haul and add to the sustainability of the current economic growth.

Here I have the improved revenue collections, which are very positive in mind, as well as the huge revenue from SACU Pool. It is my wish that during the year to come we are going to experience this higher income.

On the other hand, Mr Speaker, I should love to hear from the Honourable Minister of Finance the rationale of running a Budget Surplus for a developing country in need of capital input, such as ours.

To me a Budget Surplus simply means that the projected total revenue exceeds total planned expenditure, which has a contractile effect on growth. In other words, it is going to *retard* the growth, which we wish to achieve. Why not invest the surplus money into developmental activities? Honourable Speaker, this Budget is '*pro-growth*', we have been told, but one is hesitant to accept that statement, once one

carefully analyses the pillars of economic growth in the country, which are mining, fishing and agriculture. These are the primary investments.

One negative element I observed is the impact of unqualified economic growth on the depletion of natural resources, which is very high.

Mr Speaker, concern exists worldwide that the world may be facing serious shortages of essential natural resources within decades and Namibia is no exception in this regard. The President of America, Mr Bush, for example, was very worried about this energy crisis and he instructed his people that by 2015 they must make sure to find an alternative source of energy, owing to the shortage of oil, which might be unaffordable very soon.

One of the most important resources in Namibia is fresh water. The increase in mining activities, in particular in the Erongo Region, which is a welcome sign to alleviate unemployment, poses a threat in the long run for the Kuiseb basin to supply this scarce commodity to all the coastal towns and the existing mining giants and the new entrants, in other words increasing population and mining activities.

Honourable Members, I think that we have to plan in time and not to be caught unprepared. The Budget is silent on the future plans but refers only to income made from selling these resources to the mining activities. What about desalination plants which is an expensive project? However, if we can plan right now, we can make use of seawater in the near future.

Mr Speaker Sir, Honourable Members, the Honourable Minister of Finance mentioned in her budget proposal on the decline in the output of diamonds and the subsequent decline in revenue.

We have to bear in mind, Honourable Members, that diamonds are non-renewable resources and over-exploitation will simply deplete this very important resource and this applies to *all* other non-renewable resources.

Over-exploitation, for the sake of making more revenue, without exploring and activating other sources of income, will in the long run negatively affect our economy and that of generations to come.

Mr Speaker Sir, the current electricity crisis in parts of Republic of South Africa once again reaffirms the Region's inability to provide the commodity of sustainable electricity.

In this regard I appreciate the Honourable Minister's considered effort to budget for the upgrading of the Kudu Gas Field to the tune of N\$750 million.

While our Region is in dire need for affordable sustainable supply of electricity, Namibia is claiming to be Africa's top producer of uranium. Where are our plans in VISION 2030 to start with our own nuclear power plant, like Koeberg in South Africa to process uranium for peaceful purposes, the supply of electricity? Skills and knowledge can *always* be imported while developing our own capacity.

Let me move away from these issues and go back to the very important areas mentioned in the Budget - Education. Mr Speaker, as rightly observed: *"Education is an enterprise aimed at developing the minds so that people are not only capable of grasping and expanding their understanding of life but are also capable of wisely using that knowledge and understanding, in the betterment of themselves and the world around them."*

For that, I welcome the additional funding earmarked to overhaul the education sector of the country after years of unsatisfactory performance of this sector. It will hopefully increase the return of investment in education. I do not want to say much on this issue because I have already made myself clear during my earlier speeches.

Another area which has been mentioned clearly by the Honourable Minister of Finance the primary function of which is to support the poor is the health sector. Many studies clearly demonstrated that HIV/AIDS (when we talk about Health the very problem that comes into one's mind is HIV/AIDS) – contributes to a rise in poverty because it has a very negative effect, and that poverty reduces the ability of the poor with HIV/AIDS to cope with the disease.

Moreover AIDS generates new poverty as people lose employment and housing tenure. Household incomes fall owing to a loss of wage earners and there is rising spending, particularly on medical care and funerals.

Therefore, I recommend a comprehensive response to the HIV/AIDS epidemic that includes the adoption of a multi-sectoral and multi-stakeholders' approach encompassing prevention, treatment, care, and education of the impact of HIV/AIDS.

I welcome the Line Minister's Statement on the status of HIV/AIDS prevalence in Namibia, which shows a slight decrease in the spread of this dreadful disease. There is a light at the end of the tunnel and soon and very soon, Namibians will change their attitude towards sex and assist in the fight against HIV/AIDS.

It is pleasant to note therefore, from the Minister's proposed resource allocation that Anti-Retroviral Treatment coverage will be expanded and the quality of Regional and District Health Services be improved. Increase in allocation of the Health and Social Services by round about N\$190 million over the MTEF period is good news. It is my hope that the Rural Clinics will equally benefit from this proposed resource allocation relating to *transport provision* as well as the *much-needed drugs* for prompt treatment and enabling doctors to visit the rural clinics at least once a month. The reason is those clinics are never visited by the medical practitioners and the people are suffering very much.

Honourable Members, let us touch a little bit on public debt. Public debt is an important fiscal variable, especially because the interest cost of public debt is claiming a *growing* portion of Government expenditure in Namibia.

There is also the fear of the country getting caught in a debt trap. Therefore, it is important to be able to evaluate the size of the public debt and to analyse its implications for future budgets and sound fiscal policy.

The public debt is the cumulative result of the borrowing activities of the State in the past, whether locally or abroad, outside the Budget. On the other hand, each Budget deficit turns to an equivalent addition to the stock of the public debt. So, from both sides, we are just increasing this public debt.

Moreover, while loans that are redeemed or repaid reduce the public debt, debt that is rolled over leaves the amount of public debt unchanged. Consequently, the public debt continuously increased in nominal terms.

The debt to Gross Domestic Product (GDP) ratio is estimated according to the Minister to reach 32.3% at present, which represents a slight drop from 33.8% at the end of the previous Financial Year. The *absolute* level of debts is estimated to be N\$12.8 billion at present. The cause of this rapid increase, according to the Honourable Minister of Finance, is the result of the high Budget Deficit of 2003/2004 Financial Year and additional borrowing, in view of redeeming the Government Bond GC-05.

Besides the said increases, numerous contingent liabilities are not added to the debt list to get the real picture. So if you add the public liabilities which the Government is incurring then the picture of the debt goes very high.

Honourable Members, these Government guarantees create exposure risk for

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Government from possible defaults like *Sesura Pharm*: we estimate this to be in the tune of N\$2.6 million. Then there is *Windhoek Country Club* to the tune of N\$101 million.

Again more newly issued guarantees have been entered into such as:

Namibia Broadcasting Corporation

Namibia Wildlife Resorts

Air Namibia (twice)

Ongopolo Mining & Processing (which is Private Sector) and,
Agribank

These debt stocks are contributing factors for a relatively poor growth performance in Namibia.

In conclusion, Honourable Speaker, I am worried that there was no mentioning of privatisation on the Honourable Minister's Budget proposal. It seems that this process has lost steam.

I recommend the privatisation of some State-Owned Enterprises. I propose that we stop guaranteeing State-Owned Enterprises and some Private Enterprises.

The increase in the pension of the elderly of N\$70 is a welcome move, as well as the Social Grant to orphans and vulnerable children. This will increase the cash support to the poor and increase their buying power, which will eventually boost the economic activities, in particular in rural areas. That is a good move.

The creation of the Anti-Corruption Commission is also a move in the right direction. Corruption only favours the corrupt, impoverishes the Nation and drains its economy.

For the Commission's effectiveness, financial support and assistance are much needed, especially in its infancy state.

Personnel expenditure continues to absorb the major share of the budget. There was mention of N\$5.534 million, leaving fewer funds for capital investment. The Civil Service needs to be the right size, in line with WASCOM Recommendations.

With these few observations I support the Budget Proposal.

I thank you, Honourable Members.

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HON SPEAKER: I thank Honourable Goreseb. Honourable Tsheehama? Point of Order.

HON B AMATHILA: Honourable Speaker, through you, I would like to make an appeal to the Members of SWAPO here in the Parliament that we are only allocated 100 minutes today and we have 9 speakers. The time has not been extended and by 17:45 the House has to close. So each and every Member – there are 9 of them – will be entitled only to 12 minutes each. If not they will definitely cut into the time of the others and there are many speakers who would like to take the floor. This is just a general appeal to the Members to stick to 12 minutes.

HON SPEAKER: Well I suggested that before we closed yesterday and this arrangement should have been done earlier. Honourable Tsheehama?

HON MINISTER OF SAFETY AND SECURITY: Thank you Honourable Speaker. I will be very short. I will cut some of the things out.

First and foremost, I should like to congratulate the Minister of Finance, Honourable Saara Kuugongelwa-Amadhila for having tabled a good National Budget for the Financial Year 2006/2007 in this august House. I salute the Honourable Minister for a well-balanced National Budget. As for now, we all know what is in store for us and what is expected from us in order to achieve the desired economic growth and to improve the living standards of our people. This budget gives priority to poverty alleviation by emphasising the development of the rural areas, where most of the poor reside.

I am particularly happy to inform this august House that the Budget addresses the programmes that are contained in the SWAPO Party Election Manifesto of 2004. It really answers the call of this Manifesto by ensuring that the quality of health and education services has improved, creating opportunities for economic growth and new jobs through investments and productive services, ensuring that the vulnerable people in our society have a secured income, just to mention but a few.

Honourable Speaker, I am particularly touched by comments made by *some* Members of the opposition parties and so-called economists who continue to mislead the Nation

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by portraying that the economy of Namibia is going down. Now some of these comments are so reckless, misinforming the Nation and give wrong impression of the performance of the Namibian economy. Yes, we may have some problems here and there but, overall, the Namibian economy is doing quite well. (Intervention)

HON RIRUAKO: I appreciate that I was given the permission to say what I want to say. Are you not in a position to tell where the economy is headed to, where the economy is directed? Where the good of the economy is reflected before one can say it is good? Good in what?

HON MINISTER OF SAFETY AND SECURITY: Yes. I am coming to that. Yes. We may have some problems here and there but on the overall, the Namibian economy is doing quite well with only 16 years of Independence. The Government has done a lot by investing heavily in infrastructure such as the building of new schools, hospitals and clinics, construction of roads, the extension of the Northern Railway Line, the extension of the Trans Caprivi Highway, the opening of the second phase of the Maerua Mall, just to mention a few. So the Namibian Government accepts constructive criticism.

We *do* accept constructive criticisms, but not criticisms that *undermine* the State. The fast developments in areas such as Windhoek City, Oshana Region, Oshikoto Region, and Ohangwena Region, to mention but a few, are an indication of the presence of a large population living in these areas as *opposed* to other regions and towns.

This dispelled also the Motion that *every* development goes to the Northern Regions. No one has the right to complain or shed crocodile tears to an investor putting his or her money where *he* or *she* thinks is the place where money is available and where huge profits could be made.

I would like to make it categorically clear that most of the developments (Intervention)

HON RIRUAKO: The Government is here to guide where the money is needed. It cannot be invested in the same directions. There must be a balance across the country.

HON MINISTER OF SAFETY AND SECURITY: Yes, Chief. Let me make it categorically clear here that *most* of the developments in these areas are not because of Government money, Chief, but the individual cash of an investor. These are individual people, not Government money.

Honourable Speaker, it must be understood that where there is buying power – buying power is what is being considered for an investor to put his money there. If there is no buying power and when we are talking about buying power we are talking about the overwhelming majority of the people in a certain, given area. People know they are poor but if we have 5 000 or 10 000, each one buying N\$5 in a certain shop, we have a lot of money. That is a lot of money.

May I then comment on the following developmental matters that deserve the consideration of this august House:

Development Budget

I support the concern of the previous speaker on the poor implementation process of the Development Budget. It is true that there is a need to re-look at this situation urgently so that we can find where the problem lies.

Security and Administration

I would like to quote from the Honourable Minister of Finance in her Budget Speech. *“For the economy to grow, we need to provide the basis for peace and stability. Crime, be it physical abuse or white collar offences, needs to be fought and the sovereignty of our country defended. The rule of law must be upheld and protected. Therefore, an additional allocation of the N\$383 Million over the MTEF period for combating crime and the safe custody of prisoners is made.”*

I fully agree with that. In order for the economy to grow, we need to provide the basis for peace and stability, and therefore we must invest heavily in crime prevention, detection, and investigation. Yes, crime is the major threat in this country and is always associated with poverty, unemployment, illiteracy, hunger, disease *et cetera*. My one million dollar question is: How on earth are we going to combat crime and maintain Law and Order in the country without enough resources? We should be honest with ourselves. The Ministry of Safety and Security is one of the Ministries that *should* have been prioritised in terms of Budget Allocation. (Interjection)

HON MEMBER: He is well dressed today. He looks beautiful.

HON VENAANI: He looks like Mobutu today. Honourable Minister, are you aware that out of the Police Officers one third of them (close to 40%) are protecting VIP's – fewer than 100 Namibian citizens are protected by more than a 1 000 or 800 Police Officers? Is that ratio good enough to protect the economy?

HON MINISTER OF SAFETY AND SECURITY: Mobutu actually puts on a tiger colour thing, I am putting on a more revolutionary attire...(laughter) Yes. It is true we have to protect the VIP's and that protection is not even enough because if you look at the list of our Ministers most of them are almost not protected on a daily basis. So we still need to train more Police Officers who can give that service where they are needed.

Skills Development

Though the Government has invested heavily in education since Independence and *still* continues to do so, there is a need to enhance the level of skills of our people, *especially* the young ones and school dropouts – those are Grade 10 and Grade 12. We should aim at developing their skills by either increasing the number of Vocational Schools where they can be trained in various fields or skills or encouraging the employers to embark on on-the-job training. This will be the only way to impart skills to our Nation in order to manage the affairs of the country. I am particularly happy that the Ministry of Education is looking seriously into this matter and I hope very soon, and spectacularly, the problems will be solved.

Mining and Energy

With the recent power supply interruptions in South Africa and the effects it had for Namibia, it is high time for the Government to think and explore other possibilities of alternative power generation before it is too late. I welcome the move that *Nampower* has taken, in consultation with the Government, to develop a comprehensive Financing Scheme or plan for the Kudu Gas Power Plant. *Nampower* should think of sourcing of electricity from neighbouring countries such as Zambia, which would

improve power supply to Caprivi Region and eventually allow for power from Zambia to Windhoek. Zimbabwe could also be one of the alternatives.

Green Scheme

The Government is supporting various agricultural projects aimed at alleviating unemployment in our country such as the Green Scheme and irrigation projects along the Kavango River. The mandate of this scheme is to promote local cultivation and production of various crops along our perennial rivers for local consumption. These projects will not only improve agricultural activities but also encourage food self-sufficiency.

Old Age Pension Adjustment

I have to applaud the Honourable Minister of Finance for having appropriately considered our senior citizens with an additional amount of N\$70.00 per month. This is a welcome decision indeed. The SWAPO Government has always maintained the philosophy of doing things scientifically, systematically, methodically and precisely to the satisfaction of the people, as opposed to the unrealistic demands by the opposition parties of N\$500.00 per month at a go, which could not be sustainable economically.

Honourable Speaker, Honourable Members of this House, let me just conclude. All of us should acknowledge the fact that (Intervention)

HON MOONGO: I would like to know, since he is the Minister of Safety and Security, as to the safety of the State House, which was smashed by a car. How safe is the State House if the Minister fails to explain to us?

HON MINISTER OF SAFETY AND SECURITY: It is very safe indeed. So all of us should acknowledge the fact that the Namibian economy is being run professionally and there should be someone to be showered with praises that is none other than the Honourable Saara Kuugongelwa-Amadhila, the Honourable Minister of Finance, and I would like to assure her and her team of our unwavering support. I congratulate the Honourable Minister. Thank you.

RT HON PRIME MINISTER: The title of my contribution to the 2006/2007 Appropriation Bill is, *'In Search of Sustained and Shared Growth'*.

The Honourable Minister of Finance must be commended for a clear Budget presentation on March 6, 2006 to this august House. As she rightly stated:

"Optimal utilisation of the Nation's finances requires the setting of priorities. Prioritisation means tough decisions."

In my view, the Minister of Finance made tough decisions with judgement and wisdom. Given the constraints of the resource envelope, the Minister has succeeded to meet the competing demands of welfare, social services and economic growth imperatives. The Minister has further succeeded to reach certain milestones. These include:

1. Reduction of the Budget Deficit from 7.2% of GDP recorded in 2003/2004 to 3.6% in 2004/2005 to 1.1% for 2005/2006.
2. The increase in revenue collection by 23%, as compared to the previous year.
3. Gradual decrease of debt stock of 33.7% of GDP for 2006/07, to 33.3% for 2007/2008 and (*to 32.4% for year 2008/2009) is projected.
4. Pulling off the first sovereign credit rating by Fitch Ratings and therefore putting Namibia in a small circle of countries with investment grade quality.
5. Namibia received "BB" rating for domestic long-term debt and "BB-" for long-term foreign debt.
6. Achieving a Budget Surplus of N\$ 114 million.

These are no mean achievements. These feats contribute to the strengthening and deepening of our economic fundamentals of micro-economic stability, stable and secure financial systems, limited price distortions and openness of economy to foreign direct investment.

Of great significance, however, is that the Budget focuses on growth and poverty reduction. Some Members of this august House have attempted to downplay the significance of this Budget orientation. The balance between welfare expenditure and growth investments is well articulated in this budget. Let me just highlight a few examples:

Welfare allocations

- Increase in social grants for senior citizens.
- Allocation to orphans and vulnerable children.
- Increase of Anti-Retroviral Treatment coverage.
- Recruitment of more nurses to expand patients' care.
- Commitment to sectors.

Investment in growth

1. Investment of N\$388 million into brainpower development as additional allocation to the Education and Training Sector Improvement Programme (ETSIP).
2. Strengthening the financial capacity of the Development Bank of Namibia to fund economic development.
3. Boosting the productive capacity of sectors of mining, fishing and agriculture. During the Medium Term Expenditure Framework these sectors will receive N\$2.6 billion.
4. Tourism development will receive N\$475 million during the Medium -Term Expenditure Framework.
5. All in all, 20% of the Government's expenditure will be allocated to the productive and infrastructure sectors during the Medium Term Expenditure Framework.

In search of sustained and shared growth

The current Medium Term Expenditure Framework clearly responds to the goals agreed at the Forth SWAPO Government First Cabinet Retreat, which was held in Swakopmund in November 2005. The retreat identified 5 cardinal objectives for sustained and shared growth. These are:

- (a) human capacity building;
- (b) industrial development;
- (c) mobilisation of domestic savings for investment;
- (d) attracting foreign direct investment;
- (e) socio-economic upliftment of women, youth and senior citizens.

For the Fourth SWAPO Party Government, growth is to be anchored in the achievement of these fundamental goals.

Government understands well that growth is primarily a function of innovation, investment and entrepreneurship. Innovation implies the capacity to combine different ideas in order to produce a new product, service or a solution. The role of knowledge and ideas can therefore not be over-emphasised in the innovation process. Education and training is thus crucial in the acquisition and application of ideas and knowledge to production and distribution. The total allocation to the sector of education and Training is N\$ 3,179,618 billion, an increase of N\$846,509 million from the previous year. This clearly demonstrates the commitment of the SWAPO Party Government to human capital development. Human capital development is the best way to achieve a shared growth. In addition human capital development is one of the economic fundamentals, which promotes growth.

With respect to investment promotion I am gratified to note that an Inter Agency Committee is working on guidelines for the formulation of the Charter by the Financial Sector. Among the issues to be addressed by the guidelines are:

- principles pertaining to increased access to financial services and affordability thereof;
- shareholding activism aimed at increasing the participation of the formerly disadvantaged groups in terms of management and ownership of financial institutions;
- commitment to the reduction of capital outflow through increased investment in the domestic activities in Namibia.

I believe these initiatives will create a national capacity and opportunities for directing national savings into investment portfolios. Namibia does not lack national savings. Namibia suffers from capacity deficit to manage and direct national savings into investment.

Another critical element in growth is entrepreneurship. This acumen is a missing link in the chain of growth promotion and enhancement. Entrepreneurship is a form of human capital. Developing an entrepreneurial culture requires training, mentorship and acquisition of new ideas and the creation of a conducive environment for enterprise development. The establishment of the *Development Bank of Namibia* is therefore a step in the right direction. The strengthening of the Bank's capacity to

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offer a full-house service to entrepreneurs as envisaged in this Budget is indeed commendable.

Conclusion

The basis for sustained and shared growth is in place. This is due to Government's commitment to socio-economic transformation. We are speaking here of the role of a Developmental State in socio-economic transformation. The private sector should now respond to State inputs and vigorously pursue the path of growth and development. In this way the synergy for Public Private Partnership will be strengthened.

Once again, we thank the Minister of Finance and her collaborators for a job well done. I support the 2006/2007 Appropriation Bill.

I thank you.

HON SPEAKER: May I appeal to the House for a chance to project concurrence whether we break for tea or continue and I will opt to break for tea but at the same time to impress upon the Honourable Ministers that if we observe 20 minutes and come back exactly at 16:00 it is in the interest of the House and also for those Honourable Members who undertake the floor to have adequate time. If that is acceptable to the Honourable Members the Assembly is adjourned until 16:00.

HOUSE ADJOURNS AT 15:40

HOUSE RESUMES PURSUANT TO ADJOURNMENT AT 16:00

HON MANOMBE-NCUBE: Thank you Honourable Speaker. Today is an important day for me as a Member of this august House. The 5th of April marks the completion of a full year in service of the Namibian Nation in my role as a Member of

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Parliament. I also remember my colleagues with whom I was appointed by his Excellency the President of the Republic of Namibia.

My appointment indicates the commitment of our SWAPO Government and its leaders to ensure that the voices of all segments of our Nation are heard. This commitment is essentially a democratic one. It is one that redefines democracy itself, in terms of the need for it to deepen democracy in our Nation and therefore must be commended.

I thank my constituency across the Nation for the support they have given me in my first year of service to them. I also thank all the Members of this august House for the support and encouragement you have given me.

To kick-start with my presentation, I thank and congratulate the Honourable Minister of Finance for her well-prepared and well-presented Statement on the 2006/2007 National Budget. I entirely support the Budget, although I would like to make a few comments on it.

Honourable Members, I believe that the overall outlook of the Budget, as presented, clearly stipulates that our fiscal policy is perhaps profoundly being consolidated and still within manageable terms. However, I think that we can still do our utmost to try to reduce the budget deficit, though it is quite commendable to learn that the Budget Deficit was decreased from a staggering 7.2% of the GDP in 2003/2004 Financial Year down to 3.6% in 2004/2005. I have no doubt that this positive trend will persist and that the Government will eventually reconcile its revenue and expenditure ratio.

However, what boggles my mind somewhat is the unreasonably high Government debt stock both locally and foreign amounting to 33% of the GDP. I trust that the Honourable Minister, as she pointed out in her Budget Statement, will take all the necessary steps to address this debt stock and I have no doubt that under the able leadership of the SWAPO Party Government we can maintain the debt stock and gradually service it until Namibia is eventually a debt-free nation.

Honourable Speaker the Medium Term Expenditure Framework as projected for 2005/2006 and 2007/2008 and the programmed budgeting for the Ministries contains a considerable amount of positive prospects for development even though some Ministries seem to struggle to cope with the new Budget approach, as per the Statement of the Honourable Minister.

Honourable Members, as I mentioned during my contribution to the 2005/2006 Budget Debate last year, I am still confident that the proposed move from line-item budgeting to programme-based budgeting as provided for with the MTEF will be achieved and that the Government Ministries will base their programmes and activities on Medium Term Plans. However, I urge all the Ministries to make a concerted effort and take concrete actions to make Budget Allocations and incorporate people with disabilities in their programmes and activities or design specific programmes aimed at addressing their needs and then brief the Office of the Prime Minister in due course if they have not already done so. This is not something I am calling for as an individual, but the inclusion and advancement of people with disabilities is clearly stipulated in the SWAPO Party 2004 Election Manifesto, which his Excellency the President continues to urge the Ministries to use as a guiding document in their programmes and activities.

Honourable Members, as clearly spelt out in the African Continental Plan of Action on Disability, which was ratified by this august House following the Motion by the then Prime Minister Honourable Dr Theo-Ben Gurirab, inclusion is promoted and encouraged, as opposed to exclusion. Therefore, the need to include the needs of persons with disabilities in all activities (and I underline *all* activities) as a means to attain an equal society for all cannot be over-emphasised. Honourable Speaker, for the sake of clarity I would like to quote the Objectives of the Continental Plan of Action for the African Decade of Persons with Disabilities (1999-2009) and I quote:

“The declaration of the decade calls upon African Union Member States to study the situation of persons with disabilities, with a view to formulating measures favouring equalisation of opportunities, full participation and their independence in society.” Amongst other actions, Member States are called upon to:

- Formulate or reformulate policies and national programmes that encourage the full participation of persons with disabilities in society and economic development;

Otherwise, I will encourage all Members to get hold of this booklet from the Prime Minister, as well as the office of the Disability Advisory; it is obtainable there.

Honourable Speaker, Honourable Members I believe that unless the issues that I have just quoted from a very important continental document (that was also ratified by our country) is concretely addressed by Government through budgetary allocations as well as by other stakeholders and social partners, we will be talking about the empowerment of persons with disabilities until we turn blue and, at the end, all the talking will be in vain. I am not discouraged at all, because black people fought for

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their liberation and women were fighting for empowerment. It was basically the same situation since everybody had those anti-feministic tendencies, but the women were never discouraged and continued until they won the fight and today they are empowered to quite a large extent. (Intervention)

HON KAIYAMO: Comrade Speaker I want to ask the Honourable Member a question. I was listening carefully: she said that black people fought for their Independence, is it only black people who fought for this country?

HON MANOMBE-NCUBE: No. I said they fought for their liberation and they were liberated, as we all know how black people have been discriminated against, it is not a secret.

I believe that as women have been empowered to quite a large extent and today we have full representation. The same will happen to people with disabilities in our country and our continent.

Even though there is some increment to the Budget Allocation of the Ministry of Health, the reason I am so concerned and emotional about the Budget Allocation to the Ministry is because there are a number of problem areas that need to be addressed as a matter of urgency. These are (amongst others) the Orthopaedic Workshops and technical workshops of the Ministry, which are constantly out of stock while they have the important duty to create assertive devices for persons with disabilities. Thus quite a number of persons with disabilities struggle to obtain these devices, on which they depend for mobility and performance of their daily activities. The lack of transportation especially ambulances in semi-urban and rural areas is also a matter of grave concern and needs to be addressed. Therefore, I call on the Honourable Minister of Finance to consider allocating more money to the Health Ministry in the future.

Honourable Speaker, to stress further why I am so concerned about the Budget Allocation of the Ministry of Health, I would like to focus the attention of this august House on the Abuja Declaration of 2001 by AU Heads of State and Governments, during which occasion they affirmed their commitment to address the scourge of the HIV/AIDS pandemic in Africa. They also agreed to support the Health Budgets of Member States to be increased to at least 15% of the GDP. In our case, I think we are quite below this call.

Honourable Members the establishment of the National Council on Disability Act (Act 26 of 2004) was enacted by Parliament, which provides for a Council to be established that will deal with the implementation of the National Policy on Disability. However, although its establishment is necessitated by Law, the Council has not yet seen the light of day. Mindful of the low Budgetary Allocation to the Ministry of Health and Social Services, which is the Line Ministry tasked with the establishment of the Council since the Rehabilitation Division is now under its jurisdiction, I call on the Honourable Minister of Health and Social Services and his Deputy to make an allocation in their Budget for the establishment and operation of this long-overdue National Council on Disability. In the same vein, I would like to call upon this august House to consider making provision for sign language interpretation of the Parliamentary Debates inside both the National Assembly and the National Council Chambers. This will enable the hearing-impaired people to follow debates and stay abreast of the issues discussed.

The situation of people with albinism is also a big bone of contention. These people, especially those living in rural areas, lack information as to know how they should protect themselves from getting skin diseases. I think that comprehensive awareness-raising campaigns need to be earmarked.

Honourable Speaker, for the National Institution for Special Education, there are three cluster schools: one for the hearing impaired, visually impaired and mentally impaired. Now, the problem is the learning material and question papers for the school of the Visually Impaired Learners, which are produced in South Africa, while the service centre of the Visually Impaired in Pasteur Street, Windhoek-West, has the Braille Production Unit, where they have also produced the Braille Ballot Papers for the 2004 elections, VISION 2030 Document, Public Service Charter on employment and the National Council Act on Disability.

Therefore, Honourable Members, I think that instead of importing Braille material at quite an expense, I would like to recommend that it be produced here in Namibia. That way the money going to South Africa can be invested here in our own country.

I shall do injustice to the Honourable Minister of Finance if I do not thank and congratulate her in person for the increase in the old age and disability grants from N\$300.00 to N\$370.00, as well as the countrywide Registration of Orphans and Vulnerable Children, OVC's for assistance and grants.

Thank you and we hope that more increments will follow. I trust that the development goals, fiscal consolidation and the MTEF (as proposed in the Financial Year

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2005/2006 and pursued this Financial Year 2006/2007 by the Honourable Minister) are imperative and able to be implemented, if we all unite and work together as a team. I fully support the 2006/2007 Budget.

I thank you.

HON NAMBINGA: Thank you, Comrade Speaker. I am taking the floor to add my voice to those who have spoken before me.

I wish to commence by congratulating the able Honourable Minister of Finance for a well-considered Budget. Comrade Speaker, it is very pleasing to note that our deficit has been brought down from 7.2% to 3.6%. This confirms how capable we are, as a country, in managing our financial affairs. It is equally pleasing to note that we have arrived at a consensus on what our priorities are, in light of the established fact that our need for resources remains higher than the resources available. I am sure that this consensus will continue to guide us as a Nation and as a Government to run our financial affairs.

Comrade Speaker, I know that, only during a Budget Debate, such as the present, Members of this august House are privileged to speak out from their hearts freely on everything and without the sanction of being ruled Out of Order. Having therefore congratulated the Honourable Minister of Finance. Let me extend further congratulations to the whole SWAPO party Government for its achievements during a very short period of time of 16 years only.

To mention but a few, as has already been reflected by other speakers, the establishment of institutions for higher learning such as the University of Namibia (UNAM) and the Polytechnic are quite commendable achievements. The construction of 273 classrooms under the auspices of the Education Ministry and the supply of electricity to 315 locations in the rural areas through the Rural Electrification Programmes are without doubt commendable.

Comrade Speaker, may I further add the Government's awareness campaign on HIV/AIDS pandemic, this is indeed an achievement. I must concede that I personally never realised how effective this campaign was until early Sunday morning on the 26th of March 2006. On this particular Sunday morning at about 02:00 (this is a true story), I was on my way to Windhoek and I stopped to fill up my vehicle at the service station at Omafo in the Oshana Region.

In the process, I happened to notice an attractive motor vehicle, a (pickup) bakkie, driven into the service station. There were two occupants in it, a male driver and his female companion. The man appeared to me neatly dressed and presumably inebriated. He stepped out of his vehicle and proceeded to request condoms from the petrol attendant. Unfortunately, he was told that there were none available. His partner appeared to be fast asleep in the vehicle and she, too, appeared to be inebriated. The man then turned to all of us who were present and requested condoms from us. Unfortunately we did not have any to give to him. It was then that he remarked in disappointment that *“our government is advising us to use condoms but our business people are not serious.”*

My point here is that I had an opportunity to witness the effectiveness of the Government’s Awareness Campaign. Look at these people. One could not think that they would think of the importance of a condom, to be very honest. I was more than impressed and, as I said, I must admit I never knew how effective this campaign was. So we *must* therefore congratulate ourselves as a Government in evoking a sense of awareness and responsible behaviour among our people. We are doing a good job.

An equally important achievement, Comrade Speaker, is the Government’s increment of the pension grant for our elderly people from N\$300-00 to N\$370-00. This underlines the concern of the SWAPO Party Government about the well being of our senior citizens and that it has therefore devoted itself to increasing the pension grants consistently, as money becomes available. We do not criticise the issue of the amount, we give an increment as the money becomes available.

We greatly anticipate the opening of the Cardiac Unit to improve the capacity of our existing health infrastructure. This, Comrade Minister, is a notable achievement.

Comrade Speaker, I am aware that we envisage a developed and new economic future for our country through VISION 2030. (Intervention)

HON DEPUTY MINISTER OF JUSTICE: Thank you very much. Honourable Nambinga, I will be very disappointed if the condom you referred to was intended for the companion or was it intended for other purposes?

HON NAMBINGA: Comrade Speaker, this is a serious matter and I said I was impressed. I did not ask for whom it was intended. However, the fact of the matter remains, as I said, if you look at these people you honestly would not have thought that they would have thought that it was important. I do not care for whom it was intended. The very fact they knew the importance of condoms is a demonstration that our campaign is working.

I further know that by VISION 2030 we want to realise the improved quality of life for all our citizens, the level of which to be equal to that of our counterparts in the developed world. We now have 24 years from today to realise this vision and get our country to that level.

In doing this, Comrade Speaker, it will not be easy within that period but yet it is possible. It is possible, provided that we make concerted efforts and work harder towards the objectives of that vision and we have to do so right now.

First of all, as a step towards VISION 2030, we must try to establish as many Vocational Institutions in Namibia as we can, in order for our children to be taught subjects of their choice and interest, instead of their having to study subjects that are not relevant to our development needs and also subjects in which they have no interest.

Secondly, we must make sure - particularly as parents - that every child is *forced* to go to school in accordance with our laws. This is very important because some of the children who do not go to school may, if educated, have the potential to develop this country.

Thirdly, we must introduce incentives for those exceptionally talented students, particularly in the field of science, to complete their studies with the specific aim of equipping them with the necessary skills required for the development of our country. I must mention here that no development in any country was brought on a silver platter. We have the tendency to think that the Developed Countries must continue to support us and yet we tend to forget how these countries became developed. Therefore there is a need for us to seriously study and work hard towards the achievement of VISION 2030. If we fail in this endeavour I am afraid that VISION 2030 will become a pipe dream and no kind of Government will be able to succeed. I am sure that we can succeed, provided we are serious and work hard.

I am happy that we have already introduced a piece of legislation in this august House to deal with the social evil of money laundering. This legislation is a good

independent move because money laundering can seriously jeopardise our country's efforts towards economic development.

My other concern, Comrade Speaker, to bring to the attention of this august House, is the issue of *Air Namibia*. Whereas we are responsible for the National Airline in our country, just like any other Government, I am aware that any medium business establishment is bound to experience difficulties. I am afraid that the issue of *Air Namibia* has continued for quite some time now and we want to stop wondering whether the problem with *Air Namibia* is a managerial one or otherwise. I shall underline the importance of a National Airline but we have seriously to analyse the problems of this airline. I think that we can no longer afford to continue pumping money into an institution, which consistently incurs financial losses every year. We, as a Government, should therefore consider setting up a Task Force to enquire into this matter and to come up with recommendations for finding a sustainable solution to this perennial problem. I am afraid that the problem *may* not be a managerial one. It may be a question of whether this is a viable business; I do not have an answer now, all that I am saying is that we *must* put up a Task Force to identify the actual problems so that we can plan accordingly and address this issue of *Air Namibia*, *once* and for all.

Lastly, Honourable Speaker, I wanted to comment on the recent increase on the levies charged for heavy vehicle licences, by that I mean the Mass Distance Charge. I personally feel that this increment was not well considered. Alternatively, it should have been approached in a different manner. I am aware that there *is* a need to maintain our road infrastructure and that this can only be achieved by increasing licence levies on the road operators. I have to say that we cannot rely on loans and donations from foreign countries for our development. However, the manner in which we implemented the licence levies should be properly considered. The road truck licence levies were increased during the previous year and have incidentally been increased this year. I should have thought it would be best to increase the petrol and diesel fuel levies by a cent or two, in order to avoid an adverse effect on the cost of living. However, as it stands, this levy increase imposed on the owners of heavy trucks will be passed on by the latter to their consumers, which is the general public. We should realise that the heavy vehicles are actually transporting goods from railway stations to various destinations. We could use trains well, in fact, but trucks will remain to be at the service of this community and that is something we cannot delete. In other words, it is the general public, which, in the end, will have to bear the costs of Mass Distance Charges imposed upon the heavy trucks. Nobody should cherish any illusion that heavy truck owners will absorb the increased licence levies without passing these on to us.

Comrade Speaker, with these few words I support the Bill.

HON DIERGAARDT: Thank you, Mr Speaker. Honourable Speaker, Honourable Members, I rise to speak in support of the Appropriation Bill for 2006/2007. I do so mindful of the remarks by the Honourable Minister of Finance that this is a '*Pro-poor, Pro-growth*' Budget.

I wish to echo the sentiments of those Speakers before me in this debate and in so doing congratulate the Honourable Minister of Finance, her Deputy and her entire staff, for a job well done.

The Budget of a country is an important instrument that can, if effectively and strategically employed, assist in the reduction of poverty through job creation. I can approve of the increase in the Old Age Pensions announced by the Honourable Minister and even though it may not address all the needs of these vulnerable people in our society, it is indeed a step in the right direction. We indeed owe a great deal to the elderly of this country. Their sacrifices enable us to feel the old African-American spiritual: "*We may not be what we would want to be but thank God we are not what we used to be.*"

The allocation of N\$750 million over the MTEF period for the development of the Kudu Gas Field is particularly welcome, considering the fact that, as proven recently; we can no longer solely rely on South Africa for our electricity supply. Recurring shortages and unreliable supply were undermined and counter-productive to economic growth, something so critical in the fight against poverty. This allocation, in my opinion, is forward-looking.

The allocation to the Anti-Corruption Commission will be further welcome to the fight of the SWAPO Party Government against corruption. Of late, much has been said about corruption. Now that the Commission is established it is my hope that Namibians will stop the bad habit of spreading rumours, gossip and backstabbing. Such an attitude undermines the noble policy of National Reconciliation. Let us take whatever evidence we have to the Commission to deal with it in a professional way.

The suggestion by the Honourable Minister that *Air Namibia* needs to enter into strategic alliances to benefit from economies of scale is kindly and deserves our full support. The Board and Management of *Air Namibia* should immediately embark upon exploring such strategic alliances with international partners.

Honourable Speaker, the important role that tourism plays in job creation, poverty reduction, and economic development should never be under-estimated. In this connection I would like to call on the Minister of Environment and Tourism to make more resources available for the training of Namibians who are working in the tourism and hospitality sector. I am convinced that through training and skills upgrading, we will be able to improve service delivery. Here I am referring to workers at resorts, cleaners, and front desk personnel at accommodation establishments, managers and many others tasked with various responsibilities within the hospitality sector.

Mr Speaker, an important consideration is our children as our hope for the future. The responsibility to consolidate our Independence rests on the shoulders of our children. Although we often say that the youth of today are the leaders of tomorrow, what is not said is that the youth already has the ability to influence the course of events today. It is tragic to see street children begging on our streets. It is tragic to see how our youth, our hope, our future is being pushed aside by society. May I, in this regard, repeat the words of Former President Nelson Mandela of South Africa: *"There can be no clearer manifestation of the fall of a community than the way it treats its children."*

It is in view of this that I express appreciation and value the Budget allocation made with regard to the Registration of Orphans and Vulnerable Children (OVC 2). In the words of the Honourable Minister: *"Properly identify OVC's and ensure that the system is extended to all the needy children."*

With regard to the Development Budget, I welcome the increase because I believe that the Development Budget, if implemented vigorously and timeously, can help stimulate economic development through job creation.

However, Honourable Speaker, it is worrisome to note that the Development Budget is never utilised fully and, as a result, we do not derive the full potential benefits from this very important mechanism.

Honourable Speaker, national reconciliation is paramount to peace and development. Much has been done at a political level to entrench National Reconciliation in this great Nation. However, as a member of one of the very large number of churches in Namibia, I am of the opinion that the church in general has a very important role to play in this regard.

It is, therefore, with pain and shame that I have to admit and paraphrase the words of the late Dr Martin Luther King Junior who once said: *“Sunday mornings are still the most segregated hours in the life of Namibians.”*

Honourable Speaker, inasmuch as this is a very distressing and depressing situation, I wish to re-iterate my appreciation for the very critical role the church has played in the life of the Namibian Nation, especially during those dark and twilight days of oppression and apartheid. Our churches must continue to sustain the hope of people who have been tempted to grow despondent.

In conclusion, Honourable Speaker, HIV/AIDS poses a serious health problem, not only in Namibia but worldwide. Equally, much has been said and written on HIV/AIDS as being the greatest challenge of all times. It is, therefore, crucial to place leadership at the core of this challenge. Although we have made good progress in setting up frameworks and Institutions to address the scourge of HIV/AIDS in Namibia, much more still needs to be done.

I therefore urge all of us to rededicate ourselves to the fight against HIV/AIDS and I call on all fellow Honourable Parliamentarians to abide to our commitment for the survival of all humanity. We should not overlook the urgency of the moment.

Honourable Speaker, with these remarks, I give my full support to the Budget presented by the Honourable Minister of Finance and I thank you.

HON DE WAAL: Thank you, Honourable Speaker, Honourable Members. Much has already been said about this year’s Budget, which makes it difficult to make a contribution without repeating what other people have already said.

I shall thus confine myself to some specific issues, which I believe can make a difference to the well being of all our people.

Honourable Speaker, we have now been talking for many years about a small, efficient and well equipped, well-paid Civil Service. However, in her Budget Statement the Honourable Minister of Finance had to admit that during the last three years the number of civil servants has increased by 6% per year.

Our Civil Service currently employs 4.3% of the total population of Namibia, compared to only 2.1% for the whole of Africa. Similarly, we spend 14.8% of our Gross Domestic Product on personnel, compared to only 7.2% for the rest of Africa.

We are thus spending more than twice as much on personnel as the rest of Africa. One, therefore, does not need to be a rocket scientist to realise that there is something very wrong and that drastic steps need to be taken, because the spending on personnel is driving out spending on growth and development. (Intervention)

HON MINISTER OF JUSTICE AND ATTORNEY-GENERAL: On a Point of Order, Honourable Speaker. For clarity's sake, I should like to ask the Honourable Member a small question. When the Honourable Member is making that comparison, a lay person like me would like to know, when you say the rest of Africa in comparison to Namibia, how do you arrive at that? If it is the rest of Africa, it means you have taken an average.

HON MEMBER: What is your source?

HON MINISTER OF JUSTICE AND ATTORNEY-GENERAL: Yes, and the source must also be disclosed. There must be a country whose percentage could easily be compared to that of Namibia, other than to take blanket, bloated and generalised figures.

HON DE WAAL: Honourable Minister, it is quite clear to me that you have not listened to the speech of the Minister of Finance the day she introduced the Budget. Perhaps you were too busy preparing your Ministerial Speech. I am quoting this from what she said.

Honourable Speaker, what bothers my mind is that we all speak about this problem, but nobody is actually *doing* something about it. (Intervention)

HON TJIHUIKO: Honourable Speaker, may I ask the Honourable Member a question, please? Honourable De Waal, I just wanted to know about the civil servants that we have now: the big number that we are talking about. I understand that that was the price of peace that we have to pay, otherwise we could have created a situation whereby either those who were in the country would be excluded from the system because of the previous administration that we had in the country. How best could this have been done to keep the reconciliation and peace that we have in the country now, if we had not paid the price of having the big Civil Service that we have now?

HON DE WAAL: It is a very valid point, Honourable Speaker, that the Colleague is raising, but if you look at what happened after Independence, we took in all the civil servants, which was the right thing to do. Then we had the problem with the PLAN people and we took them in as well, which was also the right thing to do. However, then after that is where we should have kept the Civil Service at one level, which we did not do. You *cannot* continue to increase the Civil Service. We have agreed upon that so many times. I am not talking about the PLAN people. I am not talking about taking over the second-tier authorities and all those actions. That was the right thing to do. However, we are finished with that now and I am coming to say to you that in the last three years, the Civil Service has grown by 6% per year. So, where are we going to stop?

However, Honourable Speaker, I am saying what boggles my mind is that we all speak about this problem but nobody is actually doing something about it. In a previous Budget contribution where I also addressed this problem, I said that when we all, including Government, agree that the best way to go is north, we find Government either moving west or east or south, but seldom north.

Surely, when Cabinet discussed the current Budget Framework before approving it, this matter must have been discussed. I, therefore, find it strange that, once again, in this Budget we are providing for the filling of yet another 2 571 vacant positions.

In addition, Honourable Speaker, on page 27 of the “Macro-economic and Budgetary Framework” document the following is stated: “*Despite Government’s decision to freeze non-essential posts during 2005/2006 to 2007/2008 across Government, the turnout reveals a different situation.*” I am quoting from a Government document. “*The chart below shows that Government personnel increased by more than two thousand for the Financial Year 2004/2005.*” This is after we have already taken in the PLAN people.

Honourable Speaker, how does one reconcile the following statement by the Honourable Minister of Finance with the above actions and I quote from her speech: *"This does not have to involve any laying-off of civil servants."* (Intervention)

HON DEPUTY MINISTER OF REGIONAL AND LOCAL GOVERNMENT AND HOUSING AND REHABILITATION: On a Point of Order. May I ask the Honourable De Waal a question? Yes, my question to Honourable De Waal is that on the issue of the bloated Civil Service or Public Sector, can Honourable De Waal make a linkage to the Private Sector as a source of alternative employment? For the past sixteen years, while Government was able to address the unemployment or to curb the growth of the Civil Service, how much profits has the Private Sector reaped in this country and how much has the Private Sector invested in trying to expand the employment sector as an alternative to the Public Service, so that we could have an equilibrium between the two? We realised there is a lot of repatriation of money by these companies. What is the balance there and what can we do in order to expand the economy? (Interjection)

HON DE WAAL: Honourable Speaker, I think the Honourable Member is failing to look at the Budget in a holistic way. What we are saying is that we need money to invest in growth projects, like the Green Scheme, like aquaculture, like tourism. However, if we spend all the money on a large Civil Service, you will have no money to spend on those things that will grow the economy.

So, whichever way you argue, the bigger your Civil Service, the less money will be available for growth and for poverty reduction.

Honourable Speaker, I should like to quote from the Minister's speech. She says: *"This does not have to involve any laying-off of civil servants, but it could be achieved through controlling the filling of vacancies by limiting it to only essential ones."*

We agree, we do not want to lay off civil servants - it is not necessary - but we also agree with the Minister of Finance that we could do it by not filling vacancies. Now, if you say that it can be done by not filling vacancies, how should it be that in the same Budget you provide for another 2 571 vacancies?

Honourable Speaker, if we know the answer, as the Minister of Finance and the Cabinet obviously do know, why do we not do it and stop talking about it?

Honourable Speaker, I was recently fortunate to read through a strategy document of one of our Ministries and I want to read to you some interesting extracts from that document: The slogan adopted at the Strategic Planning Workshop, ***‘Don’t work harder; work smarter’***, *compels the staff to think in a manner that is creative and innovative and requires a flat structure that will allow flexibility and greater dependence on technology.*”

The document then goes on to say the following: *“The production flow analysis enabled the Management to realise that the restructuring proposal that was formulated after the December 2004 Strategic Retreat of the Ministry was not feasible for various reasons. This proposal called for an increase in staff complement by an additional 700 staff. This would result in an increase of remuneration packages from the current N\$39 million to N\$100 million. Under the current plan, however, the strategy is to have zero increase in the number of staff, yet to double or triple the current production output and reward performance.”*

Honourable Speaker, this shows us that the whole problem of a large Civil Service is not unsolvable, there are people who are doing the right thing – they just need our full support.

I cannot help but get the impression that unfortunately Cabinet still, up till this day believes that they can solve the problem of inefficiency by throwing more inefficient people at the problem.

If we can correct this problem - about which everybody is talking but nobody is doing anything - then we will have more money to alleviate poverty and to stimulate economic growth.

Honourable Speaker, while I am on the issue of the Civil Service, I want to ask the Honourable Minister of Finance in her answer to the Debate to give us the correct figures for the number of Civil Servants currently employed.

On Page 12 of the *“Estimates of Revenue of Expenditure”* document we are told that the number of filled positions at present is 77 876 and that we are now funding 80 447 positions, an increase of 2 571. Yet in calculating these two figures, no provision is made for *any* staff for the Ministry of Environment and Tourism and for the Ministry

of Fisheries and Marine Resources. They are given as zero staff. So, I do not know whether this figure is correct.

In addition, Honourable Speaker, the graph on page 21 of the 'Macro-economic and Budgetary Framework' document indicates that the staff component for 2004/05 was already more than 86 000. I do not know whether this figure refers to the Staff Establishment, but if it does, it will be helpful if we say so in the document.

Honourable Speaker, the next issue that I want to address is a request from the Honourable Minister of Finance, namely: *"I encourage the Members of this House to familiarise themselves with the programmes outlined in the MTEF book. I wish that the discussion will centre on activities and important outcomes achieved by each Vote and not on line items."*

Honourable Speaker, I have no problem with this request. However, looking at the contents of the programmes, as well the targets outlined in the MTEF document, it will still take some time before we can actually concentrate on activities and outcomes.

Maintenance of Government buildings is currently a somewhat topical issue. I looked at the targets or objectives of the Ministry of Works, Transport and Communication, related to maintenance, and to my shock and dismay, the only target I could find was on page 412 of the MTEF document which relates only to the following: *'Decentralisation of the Directorate Maintenance Functions'*. That is the only target. For the whole maintenance function there is just one target and that is to decentralise, expressed as a percentage of the functions that are decentralised.

Now, according to this target, the Ministry intends to decentralise 20% of the function during 2005/2006, 10% during 2006/07, and 10% during 2007/2008. During 2008/2009, the last year of this three-year rolling budget, the Ministry will not continue with decentralisation, for that particular column is blank.

Honourable Speaker, according to this target, the Ministry will decentralise 40% of the function and then it will stop the decentralisation process, for reasons known only to itself.

Mentioned this target only to illustrate the uselessness of some of the targets in the MTEF document, and we can discuss it if people want to. We really need to look at that. Although the decentralisation of the maintenance function is of interest, surely this is not the core function of the Directorate?

The core function of the Maintenance Directorate is to maintain Government property. We would, therefore, like to see targets and objectives relating to the core function. For instance, how many government houses were due for maintenance during 2005/2006? How many of these houses were actually maintained? How many Government houses are due for maintenance during the rest of the MTEF period and how many do the Directorate *intend* to maintain in each Financial Year?

This type of target or objective would relate to the core function of the Directorate; it would be understandable to everybody. It would be measurable and, in addition, we could discuss the outcome of such a target, as the Honourable Minister of Finance has requested us to do.

Before we can, therefore, agree to the request of the Honourable Minister of Finance we need tangible, up-to-date and sensible targets and objectives to discuss.

In addition to the above problem, our current process of budgeting does not allow for the outcome of last year's Budget to be discussed during this financial year. We are discussing this year's Budget, but there is no information about the outcome of last year's Budget and that creates a big problem.

In other words, while we are now discussing the 2006/2007 Budget, we have no information about the outcome of the 2005/2006 Budget. Many Members have referred vaguely to this problem: for instance, the execution of the Capital Budget. What percentage was actually executed until the end of the last Financial Year, and so forth?

We can, therefore, not decide whether the Directorate of Maintenance has in fact maintained the number of Government houses that it had as its target for 2005/06.

Honourable Speaker, without proper targets, as well as reliable and correct figures, it is impossible to discuss the outcomes of programmes and activities, as was suggested by the Honourable Minister of Finance.

However, Honourable Speaker, I am absolutely convinced that without a proper discussion of the outcome of the previous Budget, Parliament cannot claim to have fulfilled its oversight function, as is stipulated in the Namibian Constitution. I therefore want to make a proposal in an effort to make such a discussion possible.

We all know that it is physically not possible for the Honourable Minister of Finance (as well as all the other Ministers) to give us the information about the outcome of the

previous Financial Year during the following Budget Debate, which normally takes place during March. It is simply not possible because there is not enough time.

This should, however, not be used by us as an excuse not to honour our Constitutional obligation towards the people of this country.

I therefore propose, Honourable Speaker, that we formalise an Annual Debate during the June/July session of Parliament, which will be called the 'Budget Outcome versus Budget Targets Debate.' By June this year the outcome of last year's Budget should be known to the Minister of Finance, the National Planning Commission, as well as to all the other Ministers.

The Minister of Finance, in co-operation with the National Planning Commission and the Bank of Namibia, can then produce a document called 'Budget Outcome versus Budget Targets for the Financial Year 2005/2006.' Such a document can then contain all the relevant outcomes of the 2005/2006 Budget and will serve as a base document for the Budget Debate of next year's Budget.

I hope, Honourable Speaker, that you and the Honourable Minister of Finance will take this request very seriously and that we shall have our first discussion of this nature during June/July of this year.

Honourable Speaker, the Honourable Minister of Finance said that this year's budget is a '*Pro-growth and Pro-poor*' Budget. My problem with this statement is not so much about whether the budget is *Pro-growth* and pro-poor, but rather whether we are administering the country in a way that will stimulate growth and assist the poor. We can only claim '*Pro-growth and Pro-poor*' if the total national cake is included in the Budget and is then allocated to stimulate growth and to alleviate poverty.

What is happening currently is that Government first allows the thieves and the crooks to take their share of the cake – as has happened at the Social Security Commission and elsewhere. Then they allow the bloodsuckers, like *Air Namibia* and others, to take their share of the cake. Then they allow the reckless Managers to waste another portion of the cake, as has happened with the *Uri Kubis Project* and others.

After all the above have taken their share of the national cake, the rest is then given to the Honourable Minister to divide between the rest of the people of the country.

Only when we administer the country in such a way that we protect the national cake and properly distribute the whole cake amongst the people, can we truly speak of a '*Pro-growth and Pro-poor*' Budget.

As long as we continue to entertain self-enrichment schemes, reckless management and outright theft, we cannot claim that we are administering the national cake in the interest of our people.

Honourable Speaker, I do not want to say much about *Air Namibia* in this debate, because by now it is quite clear to me that Government is not in control of *Air Namibia*. Instead, *Air Namibia* is in control of Government and Cabinet can do nothing about it, except to continue to throw money at it, in order to avert a national scandal.

Honourable Speaker, at the beginning of the current Iraq war the Americans were talking about their 'strategy' in Iraq. However, nowadays they no longer talk about their strategy, but instead demand an 'exit strategy' from their President because the cost of the war has simply become too much. Cabinet will thus be well-advised to immediately work out an 'exit strategy' in order to de-link itself from this bloodsucker, because if Cabinet Members do not, *Air Namibia* will continue to suck Government's blood until it will look like an advanced AIDS case.

Honourable Speaker, another issue that needs our attention is the road between Okahandja and Wilhelmstal. This road is in a bad state and very dangerous because of the many potholes. Our country is internationally known for our extensive and well-maintained infrastructure, as well as for the cleanliness of our country.

The current state of this road is not helping to maintain that positive international perception and to say the least, is downright dangerous to our people – and we all know who travel on that road.

What concerns me more is that there is apparently no immediate plan on the Table to resurface or rebuild this road. The only information I could find was in the 2004 Annual Report of the Roads Authority – and, by the way, the 2005 Report is not yet available although we are already in 2006 - which is a sad state of affairs.

According to this Report there are two projects for this road, namely TR 7/1 phase 1 and TR 7/1 phase 2. However, phase 2 states that it is only a Feasibility Study and that the construction costs are not yet known.

This means that we will have to live with this road for the foreseeable future, unless the Honourable Minister of Works, Transport and Communication can help us to get this project on the priority list. (Interjection)

HON MEMBER: Which road?

HON DE WAAL: Okahandja-Wilhelmstal - the Swakopmund road. It is very bad news; it is a shame. In the meantime, Honourable Speaker, I believe that our people in charge of road maintenance can do better. I looked at them working when it was raining and the cars were running up and down through these potholes and they were sort of happy-go-lucky.

The Municipality of Windhoek has special teams with small trucks that run around and repair potholes. There can, therefore, be no reason why the Roads Authority cannot do the same.

Honourable Speaker, another problem of this road is the habit of holiday-makers, while they are travelling to throw their empty beer bottles, beer cans, cool drink bottles and other rubbish out of the windows of their cars. It was shameful to look at the filth along this road just before Christmas last year when the grass was still not long enough to hide the rubbish from sight.

I, therefore, feel strongly, Honourable Speaker, that the NBC can, in exchange for the subsidy that we are giving them, run continuous programmes to educate our people so that they can understand the value of a clean country. The NBC can, amongst others, conduct interviews with prominent people, like the President and the Prime Minister, to assist them to get this message across.

In conclusion, Honourable Speaker, I shall make a deal with the Honourable Minister of Finance, namely that if she and her Cabinet Colleagues stop the subsidies to *Air Namibia* and one or two other Parastatals and if they do not make provision for the filling of another 2 571 vacancies in the Civil Service and if they use the money that was allocated for these purposes to invest in the Green Scheme...(Intervention)

HON MINISTER WITHOUT PORTFOLIO: On a Point of Order. May I ask a tiny question to the Honourable Member? You are advancing, through the Speaker, a very interesting point about which I have also been thinking on occasion. Now you are talking about NBC educating the people because we are giving them a subsidy. Do you not think it will be more appropriate and effective if this is made a project of the Ministry of Environment and budgeted so that it continues all the time without depending on the subsidies that we give to NBC?

HON DE WAAL: Yes, Honourable Minister, thank you for that. Yes, of course, we can ask the Honourable Minister of Tourism to look into this, because I think he is the Line Minister responsible for that. However, in the end it is not something where you can make money. The NBC cannot get an income by promoting cleanliness of the country. We shall have to do it either on our cost or on their cost. However, the beautiful thing about a radio station is that you have twenty-four hours a day in which you can broadcast. So, it does not really cost much to broadcast fifteen minutes longer. (Interjection)

HON MEMBER: Fifteen minutes cost money; every minute costs money.

HON DE WAAL: In any case, if money is available, Honourable Speaker, let us by all means put some money there and let us educate our people to do a number of things: To look after Government property; not to waste Government vehicles; not to steal the doors of Government houses; not to litter the countryside; not to cut down all trees that took forty or fifty years to grow. We must educate our people on all these things, so that we can have a clean and nice country that people would want to come and visit.

Honourable Speaker, I said that I shall make a deal with the Honourable Minister of Finance, that if she does these things...(Intervention)

HON BOOYS: May I ask Honourable De Waal a very small question? Honourable De Waal, thank you very much. I know that you are very vocal on the increase of the old-age pension (which you feel because they are Namibians) and also I know that you are very vocal on unemployment; you are very much anti-unemployment - you have sympathy for those who are not unemployed. Are you telling this House that you prefer the pension money for the elderly people to be

increased, but the university degrees and the school-leavers must not get such a large amount from the Government and simply be dropped on the street? You are talking about scrapping these vacancies, which in my view means we simply drop them on the streets. Is that what you imply?

HON DE WAAL: Honourable Booy's, first of all we need to correct our education system, and one thing that I feel very strongly about, which was said today by the Honourable Minister of Police, is that Vocational Training *must* be implemented. Everybody in this country - I have three children and I can tell you not all three of them will get a degree from a university. It is not possible. The one will perhaps become a mechanic; the other one will maybe become an architect; the other one may become a bank worker, so we must start there.

We shall continue with the entrepreneurs' training and then you must create the right conducive environment for small and medium enterprises to start. Those people of whom you are talking, who come from University. They should not go to the street but instead they must be encouraged and helped to start their own businesses.

However, let me tell you, Honourable Booy's, what is one of the biggest problems in this country. It is the lack of properly educated people who can actually physically do work - plumbers, welders, carpenters, those people - because you can have a person with a Master's Degree in Engineering, but *unless* he has those people available, he cannot start a business. So, you must look at the issue in a holistic way.

Our social spending, such as pensions and child welfare and so on, that is a different story. We must do it - there is no doubt about that in my mind - we must do that. (Intervention)

HON DEPUTY MINISTER OF LABOUR AND SOCIAL WELFARE: Comrade Speaker, may I ask Honourable De Waal a question? Honourable De Waal, through the Speaker, you are really making a very important point. You even quoted me, although you did not say it, especially on the issue of the school graduates who should not be thrown away, but they must set up businesses. Where are they going to get resources? The resources are not only money. (Interjection)

HON MEMBER: Land.

HON DEPUTY MINISTER OF LABOUR AND SOCIAL WELFARE: Land is the problem. Where are they going to get land to get settled, because land here is owned privately and it is *so* expensive? Can you give a solution there?

HON DE WAAL: Actually, you should not ask me that question. You should ask this question to the Government. However, while you are asking me, let me answer you as follows.

The other day I met a young Oshiwambo-speaking lady who went on a training course to Europe, and while she was there she worked for a company that took tourists on city trips - I think it was in London or somewhere. When she came back, she managed, as a student at that stage, to start a company in Katutura and she came to address us, as a group of business people in town here, to explain to us the service that she is rendering now and to ask us please to make use of her service when we get people here. I can assure you that 99% of those people who were listening to that young girl will make use of her service. That is what I am talking about. It is not only about land, Honourable Member.

Let me just clear one other thing. In the heydays of the National Party in this country, there were more than a 100 000 white households in this country. Only about 5 500 were farmers. Why am I saying this to you? I am saying this to you because I want to tell you that whatever you do, my friend, everybody in this country will never, ever be a farmer. The country is simply too small.

So, what do we need to do? We need to do what the Ministry of Trade and Industry did. They started with these small buildings in Swakopmund and Windhoek and Otjiwarongo where people can go and hire a small office or work space where they can start a business. Somebody during this week made a point about the mixed jam and the strawberry jam. He was referring to the 20%. We have these loan schemes, but the loan scheme says you can ask for N\$100 000, but if you get the N\$100 000, you must pay in N\$20 000. The problem is the people do not have the N\$20 000. They might have the knowledge; they might have the education, but they still do not have the N\$20 000.

So we, as a Government, must devise a plan to solve the problem. (Intervention)

HON TJIHUIKO: Honourable Speaker, I am not the Minister of Trade, I wish I were the Minister of Trade. I just want to find out, that ever since yesterday I have

heard the story of the 25% of this credit going into trust. What I know is that 80% is guaranteed by the fund, 20% is your own contribution and 10% is the bank contribution. I do not know whether the Scheme has changed but perhaps the Minister of Trade should advise us correctly here.

HON DE WAAL: Honourable Speaker, I hear what the Colleague is saying, but that is really not the point. The point I want to make is that we must create a situation where these youngsters who have will, enthusiasm and energy can come and say, *"Listen, I have worked in a factory in Windhoek producing whatever, but I now want to have my own small factory."* (Interjection)

HON MEMBER: Where is the money?

HON DE WAAL: It must come from Government. (Interventions) Where else do you want it to come from? I cannot give it to you; the Government must give it. (Interjections)

My friends, let me tell you another thing. If you want to know where the plumber is in Windhoek, go and look for the Cadillac. If you find the Cadillac, you will know that is the plumber who is staying in that house. People think we must all wear ties to have money. It is wrong! The people who are making money are the people who have skills, who can work, who can produce. Whether you are producing a flower or a vegetable or a belt or a shoe, whatever you produce, you are making a contribution. However, currently we are a *sick* Nation. As we are standing here we are a sick nation. We are a Nation of importers and traders. We only import and trade. (Intervention)

HON NAMBAHU: Thank you very much, Comrade Speaker. My question is on his remarks regarding the need to encourage young school-leavers to open up businesses and not to fill the vacancies in government. If we are going to encourage them, would it not be a good thing for us to advise those who have been in the system before and who have accumulated experience and capital, to be able to go into businesses and

those who do not have the experience and the money, to come into the system and accumulate and then we can advise them to go and set up businesses? Is it really fair for us to advise those that are coming in?

HON DE WAAL: Honourable Speaker, we can advise them to leave the service, but let me tell you, how many years have we been independent now? Sixteen years. Those people are old; they will leave in any case one of these days. Most of them have left already. Here sits Viljoen: he has left the Civil Service. Now he has a private business called 'Member of Parliament'. That is how you do business. (Laughter) (Intervention)

HON MINISTER OF LANDS AND RESETTLEMENT: Thank you, Comrade Speaker, Honourable Member. You mentioned that Namibia imports food, especially from South Africa. It is now rainy season, it is green and we still import food from South Africa.

Will you support this idea, for instance? If one travels between Okahandja and Otjiwarongo, you come across a road where on the western side of the road is a huge mountain. If you look at the eastern side, it is just *flat* and green and if one calculates how many hectares, it is perhaps 200 000 hectares. How many farms are there? There are two, three farms belonging to two or three people, over the whole huge area. If we take that part, we pay whether a 100 million or whatever, we divide it into 100 hectares and we create opportunities for people to produce food. We say: no more importing food from South Africa. Those who want to farm with chickens should be given five hectares; those who want to farm with vegetables receive ten hectares; cattle 200 hectares. Do you not think we shall resettle many people and then they will produce themselves and then we have our own food security? Will you support the idea?

HON DE WAAL: No, Honourable Speaker, I will not support that idea because it is not feasible. Firstly, if you want to farm with chickens in this country or if you want to fatten cattle, you must still import the maize meal. We are importing the maize meal. You cannot produce a chicken in this country ... (Interjection) Yes, mahangu, there I agree, now you are talking. You cannot produce a chicken in this country.....(Intervention)

HON MINISTER OF LANDS AND RESETTLEMENT: I do not only mean chicken, I said, those who want to farm by growing crops, we give those a 100 hectares, those who want to farm with chicken say 5 hectares, those who want to farm with pigs may be 10 hectares. That is what I said. Will you support the idea?

HON DE WAAL: I support the principle of the idea but, Minister, we must be very '*down to earth*'. If you talk about cattle farming and you give somebody 200 hectares, you are killing him. You cannot farm on 200 hectares with cattle, not even with goats.

The answer is right but the area that you are choosing is wrong. If you want to grow vegetables or crops or all those kinds of produce, the Green Scheme is the answer. You are right. The Government is correct: go to the water because this year is an exceptional year. This year - you do not know this country - but next year, be careful. It will look like this carpet next year or the year after and what will the people do then? Then you must give food aid again.

No, let us do what the Government has done, they have done the right thing. Let us get the Green Scheme off the ground next to the rivers where there is constant water every year, whether it is dry or not.

Honourable Speaker, I am concluding. I said that I will make a deal with the Honourable Minister if she takes these amounts that were allocated for the things that I have mentioned to invest in the Green Scheme, aquaculture – there is a *huge* potential for aquaculture – renewable energy about which we must wake up because one day we shall sit here and the electricity will go out and we shall not know what to do. Therefore, renewable energy is of utmost importance and we must not be asleep; we must not wait for the other people to invest in this sector to produce and then we start to import again. Let us produce ourselves. Let us work at the promotion of tourism. Then, Honourable Minister I shall agree with you that your Budget is in fact '*Pro-poor and Pro-growth*'. I thank you, Honourable Speaker.

HON SPEAKER: I thank the Honourable Member. I have 4 Members from the Government Party and they have less than 15 minutes to divide that time among them. Honourable Ankama?

HON DR ANKAMA: Comrade Speaker, Distinguished Members of the eminent House, I am standing up to make a contribution to the Budget for the second time since I came to the House of Parliament. I have been trying to understand and learn how the National Budget is determined, the forces and the ingredients involved and, eventually, how it comes to be shaped for presentation here. Not being an Economist, I shall try to confine myself to a proletarian contribution and point of view.

Generally speaking, budgets set standards in terms of revenue collection and expenditure. Strict collective discipline, sound management and sensible spending are the essential 'nuts and bolts' for the Budget to remain within its set benchmarks.

Therefore, I am in total agreement with the Finance Minister, Comrade Saara Kuugongelwa-Amadhila's accent on the focus on policies aimed at bringing down the Budget deficit and the total debt stock. This is from her statement for the Budget 2006/2007 on page 1, as well as on pages 6, 7 and 8.

Success, no matter how small it may be, remains success and should be celebrated. As such I would like to urge that we congratulate ourselves to show pride of our own achievements as a Government in view of the chains of successes attained in running our economy, as underscored by the Finance Minister on page 3 of her Budget Statement on March, 16th this year, that:

- 1) Our efforts to address imbalances and at the same time keep Public Debt at low levels are paying off;
- 2) That our good track record on fiscal consolidation is a confirmation of our fiscal policy and;
- 3) that the investment undertaken by the Private Sector, both from Namibia and from abroad, are also evidence that Government's macro-economic policies have been successful.

Comrade Speaker, Honourable Members, our economy progressively shows a steady growth, as highlighted by the Finance Minister in her analysis of the economic review and outlook on page 9 of the Budget statement. It at best develops in a character and manner towards favouring the poorest of the poor of our people in that it recognises the plight of our pensioners, the vulnerable, disabled, the sick and the orphans. For example the top-up of the pensioners' grant with N\$70 from N\$300 to N\$370 per month is worth noting, given our small economy and its past record.

The trend of the Budget to enable Registration of Orphans and Vulnerable Children, as well as the additional amount to expand provision of the Anti-Retroviral Treatment to the furthest needy and sick are among the top priorities of our Government and to reach and benefit the masses at the grassroots level, the people who elected us into this House and onto other political structures.

The Budget not only strengthens our economic potential but also directs our planning, management and collective efforts in its execution towards intended goals. It, therefore, cannot be overlooked without discussing the relevant factors that have to reach its known objectives, outlined for VISION 2030.

Productive Sector:

The Minister has not neglected her social responsibility, such as provisions of social programmes through the Ministry of Health and Social Services and that government is charged with productive sectors, to run a business if you like, which should thereby stimulate and widen economic development for the country. Such productive sectors, amongst others, would include Mining, Fishing, Agriculture, Wildlife and Tourism and many more.

Mining:

Mining has helped many developed countries to be what they are today. Whether such minerals were mined from developed countries themselves or acquired dubiously from the still-developing world, they gave birth to industries and hi-tech products. The afore-mentioned has improved the lives of people in what is known today as developed countries of the world.

Given the place and times in Namibia as a country, in terms of exploration of new mines and other natural resources, as well as the gravity, we add value to our products and the skills development thereto attached, such as with the diamond polishing plant. Namibia should be seen as grooming itself into a powerful industrialisation renaissance. The Budget Allocation to this realisation is, therefore, praiseworthy and of great benefit.

Fishing:

Fishing should be seen as our 'second diamond'. It is healthy food that our people must be encouraged to eat. The Fishing Sector brings a great deal of capital income through job creation, taxation and export earnings. With Aquaculture Fishing projects

expanding inland, our people will not only be able to have plenty of fresh water fish for consumption but the poorest of the poor will have tangible economic spin-offs from owning small-scale aquaculture projects, such fish selling and home-based fish preserving and processing factories.

Agriculture:

Namibia's Agriculture, both communal and commercial, is inclined to improve for the better. New methods of land management and crop production are constantly reaching out to the 'grass roots' people, while the Agriculture Extension Unit Staff are also available to advise, especially in communal areas where the majority of our people lives. This Budget is realistic, as it apportions a substantial amount to this effect.

Wildlife and Tourism:

This Sector could be the '*bread basket*' of our Nation. Wildlife and Tourism have the capacity to bring in more capital in Namibia, provided we take a serious step to rehabilitate our rich natural environment, vigorously invest in its management, and market Namibia internationally as the best destination.

We are unique and especially blessed with the long coastline, the oldest desert in the world, the Namib, and the fauna and the flora. With the refreshed management of our Namibia Wildlife Resorts (NWR) and the amount budgeted to kick-start it, one expects Namibia to attract the world of travellers to our doorsteps on a daily basis. Tourists bring money along; everybody knows this. When they come down to your house you will be able to get some extra spin-offs.

Comrade Speaker, Honourable Members of Parliament, there are two areas of interest that I *want* to highlight in relation to the Budget and these are:

1. The Anti-Corruption Commission.

The SWAPO Government has put in place an Anti-Corruption Commission, a mechanism and a positive move to root out corruption or corruptive practices, the nests that harbour them and would-be agents of corruption. The start-up funds allocated thereto are of great significance in order to achieve the goals. It is now up to the team put together for this purpose to make this Institution a living testimony.

2 The Office of the Auditor-General.

With the Anti-Corruption Commission now in place, the Auditor-General's Office will play a vital complementary role. The Auditor-General's Office, for example, should be commended for having done a *good* job for providing sound annual financial Reports to this House on *all* Ministries and other Government agencies and entities, which receive money from our Annual Budget. Financial Reports have been tabled in this House and referred to Parliamentary Standing Committees, especially the Public Accounts Committee of which I am Deputy Chairperson. These have been critically scrutinised and follow-ups made to visit Ministries and entities on financial concerns or invitations have been issued to officials from such Ministries and agencies to brief the Committee on concerns raised in the Reports (Interjection)

This familiarisation exercise and inter-actions, resulting in financial reports and recommendations from the Auditor-General, have brought about undisputable and positive results, *all* of which have contributed (if that is true) to:

- a) a better service delivery to all our people, including the poor,
- b) improved and strict financial management;
- c) ethical financial practices and accountability;
- d) down-sizing of the budget Deficit; and
- e) enhanced national economic growth.

I do not need to make any further elaboration, because the various Reports on actions taken by the Parliamentary Standing Committee on Public Accounts have recently been tabled in the House by the Chairperson, Honourable De Waal.

Finally, Comrade Speaker, Fellow Parliamentarians, our '*Pro-poor, Pro-growth*' National Budget is attributed to practices and programmes of good governance and how they are going to improve the quality of life of our people, according to the SWAPO Election Manifesto of 2004, page 11. The SWAPO Election Manifesto emphasises that democracy, accountability, honesty and commitment to service the requirements, which the SWAPO Party considers necessary for the good governance and that good governance is *all* about partnership of all stakeholders (Intervention)

HON SPEAKER: Please summarise the last sentence.

05 April 2006

**DEBATE SECOND READING APPROPRIATION BILL
HON DR ANKAMA**

HON DR ANKAMA: I just have one page that is about a common purpose in our efforts. Comrade Speaker, in this relation some Government policies and good democratic governance should be accredited to the imagination and good leadership (Intervention)

HON SPEAKER: The House stands adjourned under Automatic Adjournment, Rule 90(a) until tomorrow 14:30.

THE HOUSE ADJOURNS AT 17:50 UNTIL 2006.04.06 AT 14:30