



Wes-Kaapse Provinsiale Parlement Western Cape Provincial Parliament IPalamente yePhondo leNtshona Koloni

WCPP 11/4/4

REPORT OF THE STANDING COMMITTEE ON THE PREMIER AND CONSTITUTIONAL MATTERS ON THE 2023/24 ANNUAL REPORT OF THE DEPARTMENT OF THE PREMIER AS FOLLOWS:

The Annual Report Programme for the 2023/24 fiscal year was distributed through newspaper advertisements and invitations to stakeholders, promoting public participation and engagement.

The Standing Committee on the Premier and Constitutional Matters convened on 7 October 2024 to discuss key sections of the 2023/24 Annual Report of the Department of the Premier, specifically Part A: General Information, Part B: Performance Information, and Part D: Human Resource Management.

1. Introduction

The Premier and the Director-General (DG) commended the Department for its effort in compiling the Annual Report, which included authentic in-house photographs reflecting the team's dedication. The report covers the transition from the sixth to the seventh Administration, a period marked by challenges such as load shedding and climate-related disasters, highlighting the need for innovative energy solutions and the role of local authorities.

In response, a comprehensive energy programme was developed to add 5700 megawatts to the provincial energy supply. The Department faced severe budget cuts due to inflation and unresolved wage agreements, impacting on its ability to deliver essential services. Despite these financial pressures, there was a strong commitment to financial stability and sustainability, alongside efforts to address climate change and water management.

Both the Premier and the DG highlighted the Department's mission to build a trustworthy government and its key priorities, including job safety, well-being, innovation, culture, and governance. The ongoing recovery from COVID-19 and the impacts of floods and fires were acknowledged, along with a job's strategy aimed at achieving a trillion-Rand economy and creating 600 000 jobs over the next eight to nine years.

Operating with a budget of just over R2 billion, the Department reported a slight underspending of 1.2%, primarily due to staffing costs.

The DG expressed pride in the team's ability to effectively deliver services despite the challenges, reinforcing the shared goal of making a positive difference in people's lives.

2. Summary of key discussions

2.1 Budgeting and financial management

The Premier outlined the adverse effects of severe budget cuts on service delivery across health, education, and social development, intensified by wage agreements. There were calls for increased

financial support from the national disaster budgets. The Department reported fruitless expenditure and highlighted strict debt management policies for irregular expenditures.

2.2 Climate change and environmental management

Severe weather events, such as floods and extreme heat, were identified as significant challenges. The establishment of the Water Council, integrated with the Energy Council, was emphasised as essential for managing climate risks. Proactive budgeting for disaster management and the nomination to the Climate Under 2 initiative were discussed, alongside plans to host the Earthshot Prize to showcase regional climate efforts. It was noted that climate change has been mainstreamed across government, with dedicated discussions included in the upcoming budgetary processes for the next three years, encompassing disaster management, water, and energy. A Member enquired about the specifics of the funding, particularly the R1 181 000 donation allocated for climate change initiatives. The Department clarified that officials from various sectors, including Local Government and the Department of Environmental Affairs, were selected to participate in climate-related training and courses.

2.3 Commissioner for children

Discussions regarding the office of the Commissioner for Children reaffirmed its operational independence and the department's supportive role. The Committee recognised challenges in filling critical positions due to recruitment issues, despite a ring-fenced budget. While the department has facilitated office space and comprehensive reporting, internal challenges remain that affect staffing effectiveness. The Department reiterated a commitment to assist the Commissioner and emphasised the importance of prioritising the filling of vacancies. Additionally, questions arose about monitoring the success of youth development programmes, reflecting a desire to evaluate the effectiveness of initiatives aimed at empowering young people.

2.4 Education and youth development

The Premier highlighted the urgent need to resolve funding issues in education, with ongoing negotiations with National Treasury to secure salary increases for both education and health departments. Youth development programmes, particularly the Premier's Advancement of Youth initiative, were acknowledged for their positive impact, with approximately 40.1% of the total budget allocated to education. Improvements to the online school admission system were also noted.

2.5 Energy initiatives and support

A budget allocation of around R760 million for energy initiatives was discussed, focusing on municipal power procurement, renewable energy project preparation, and aiding municipalities in transitioning to sustainable energy solutions. Pilot programmes for renewable energy in municipalities were outlined, along with funding for grid generation and support for small and medium-sized enterprises (SMEs). A new Municipal Project Preparation Facility was established to assist municipalities with energy market solutions, while energy efficiency programmes aim to enhance municipal energy practices.

2.5 Energy provision and climate change

A comprehensive 5700-megawatt energy plan was presented to enhance energy supply and address the impacts of climate change. The Department emphasised the urgency of achieving financial stability in light of increasing natural disasters.

2.6 Energy crisis and inequality

The discussions highlighted the exacerbation of inequality due to the energy crisis, with wealthier households able to invest in solar and battery systems while poorer households remain underserved. The rollout of energy packs, which include solar panels, battery systems, and lighting facilities, was initiated to support vulnerable communities, particularly in schools and shelters, thereby enhancing educational opportunities.

2.7 Future solutions and community engagement

Efforts are underway to explore localised microgrid solutions for rural areas where traditional infrastructure is costly. Collaborations with universities are being pursued to develop low-cost battery and inverter systems to improve energy access for vulnerable communities. Additionally, revisions to building standards are being considered to incorporate energy-efficient solutions.

2.8 Irregular, fruitless and wasteful expenditure

The discussion on irregular, fruitless and wasteful expenditure highlighted the following issues:

- 2.8.1 Irregular Error: An expenditure of R4 800 resulted from an official's poor judgment and failure to seek necessary advice, leading to disciplinary action.
- 2.8.2 Overpayment of Graduate Intern: Payments totalling R19 500 continued after a graduate intern's departure due to a supervisor's oversight in notifying Human Resources. This prompted the department to improve internal communication and controls.
- 2.8.3 Historical Irregular Expenditure: An instance from 2010 involved the overpayment of an official's salary by R319 000, which was later validated based on the official's qualifications.

To prevent future occurrences of irregular and fruitless expenditures, the department is implementing stricter controls and enhancing training initiatives. These measures include improved internal communication, regular oversight, and a focus on compliance with established financial protocols.

2.9 Intergovernmental relations

Ongoing disputes with the national government regarding wage negotiations and budget allocations were addressed, along with a commitment to support the Office of the Children's Commissioner in overcoming staffing and facility challenges.

2.10 Policing resources and community safety

A significant concern was raised about the underfunding of the police force, with approximately 17 000 officers currently serving, far below the 28 000 needed for effective community safety. The Premier noted that while policing was a national competency, budgetary decisions at the national level directly impacted local safety. Additionally, questions were raised regarding budget allocations, particularly the shift of funds from social services to ICT programmes, raising concerns about potential negative effects on vulnerable communities. The Premier emphasised the importance of schools as safe environments for learners, linking education to community safety. The safety plan aims to create schools that not only provide education but also foster a safe atmosphere, addressing the impact of gang violence on students' mental health. This plan relies on data-driven approaches and collaboration across sectors, ensuring that schools can operate free from violence and trauma.

3. Public participation

3.1 Public Input

Mr Stellar emphasised the vital role of education in enhancing health and security within communities. He pointed out that effective health and security institutions relied on a strong educational foundation. Mr Stellar shared concerns about parents unawareness of the trauma their children faced in their communities, suggesting that this ignorance stemmed from a lack of education. He stressed that as education continues to decline, so too will community welfare. He further noted the growing impact of climate change, asserting that education is essential for preparing youth to navigate these challenges. He concluded by highlighting that schools must be equipped to educate children on safety and resilience, regardless of the challenges they may face.

Ms Gqangeni addressed the need for enhanced support in youth entrepreneurship, particularly in township areas. She shared insights from her own experience in starting a company that helps individuals legally establish their businesses. Ms Gqangeni highlighted that many young people possessed innovative ideas but were hindered by a lack of knowledge and access to resources necessary for business development. She enquired about the availability of resources aimed at assisting youth entrepreneurship and how efforts are being made to equip young people with the tools they need. Additionally, she asked about the engagement with relevant stakeholders to ensure impactful support and whether there are initiatives focused on practical education and assistance for aspiring entrepreneurs.

3.2 Response from the Department of the Premier

The Department acknowledged Mr Stellar's points regarding the connection of education, health, and security. They expressed commitment to addressing these issues through ongoing budget discussions and initiatives aimed at improving educational infrastructure and support systems. The Department reiterated that fostering a safe and informed community is a priority, and they are exploring strategies to enhance educational opportunities while also addressing the trauma experienced by children in vulnerable situations.

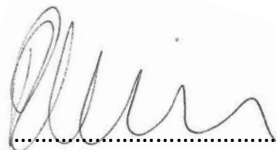
Ms Gqangeni's input on youth entrepreneurship in township areas was acknowledged, highlighting the support available for small and medium-sized enterprises (SMMEs). A key programme is the Booster Fund under the Department of Economic Development and Tourism and the Department of Agriculture, which provides around 78 million to help startups, focusing not just on funding but also on mentorship from successful entrepreneurs to improve their chances of success. Luvuyo Rani, the founder of Silulo Ulutho Technologies, was mentioned as a great example of someone guiding new businesses. The Premier's Skills Forum was also highlighted for its efforts to connect education with job needs through practical training and apprenticeships. Additionally, the importance of simplifying complex regulations was stressed, with the Red-Tape unit that is in place for entrepreneurs to report their challenges.

4. Information requested

The Committee requested the Department to provide detailed information regarding gifts, donations, and sponsorships received in-kind, specifically pertaining to the allocation of R1 181 000 for climate change initiatives.

5. Conclusion

The Chairperson expressed appreciation to the Department of the Premier, the Members and the public for their participation during the session.



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CHAIRPERSON: STANDING COMMITTEE ON THE PREMIER AND CONSTITUTIONAL MATTERS

DATE: 8 November 2024