

# PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

## ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

FRIDAY, 28 JULY 2023

### COMMITTEE REPORTS

- 1. Report of the Standing Committee on the Premier and Constitutional Matters on the 2021/22 Annual Report of the Department of the Premier, dated 11 October 2022, as follows:**

- 1. Introduction**

The Annual Report Programme for the 2021/22 financial year was advertised in newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.

Members of the Standing Committee on the Premier and Constitutional Matters deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management of the Annual Report of the Department of the Premier on 11 October 2022.

- 2. Overview**

For the 2021/22 financial year, the Department of the Premier (herein after “the Department”) reported that in April 2021 the Provincial Cabinet approved the Provincial Recovery Implementation Plan to ensure recovery from the economic downfall that took place during the COVID-19 pandemic period. The Plan identified the key actions from the Western Cape Recovery Plan (RP), which included COVID-19, jobs, safety and well-being as government’s overarching priorities.

The priority of the Recovery Plan is creating jobs and the Western Cape Government’s (WCG) aim is to support private-sector led job creation through infrastructure-enabled growth and mobility. Adequate infrastructure enables the economy to grow and investments to take place; also by enabling entrepreneurs or small businesses, the private sector can grow their businesses and increase job opportunities.

The Premier and the Director-General met with Dr Ramokgopa, the Head of the Investment and Infrastructure Office in the Presidency, to deliberate on the improvement

of the state infrastructure in the province. The Premier reported that sustainable employment opportunities can only materialise when the province significantly accelerates the rate and quantum of fixed investments.

The Department has supported the development of key provincial transversal policies and strategies namely, the Alcohol Harms Reduction Research Synthesis Brief, a Gender-based Violence Policy Brief, a Nourish to Flourish Policy Brief, which focuses on food security, and a Violence Prevention in Schools Policy. The Department also provides a guiding role to all the departments in terms of the priorities of government.

### **3. Key findings**

- 3.1 In terms of the Recovery Plan, jobs were created through the Expanded Public Works Programme (EPWP) via the Department of Health and the Department of Transport and Public Works.
- 3.2 Employment opportunities decreased by 157 000 jobs due to COVID-19; however, in quarter one, 35 000 jobs were created and in quarter two, 46 000 jobs were created.
- 3.3 The Department enabled data management tools in response to COVID-19 that resulted in managing safety and security, violence prevention and overall access to real-time data to improve service delivery and institutional performance. The Provincial Data Office plays a key role in increasing access to quality data and establishing a new data ecosystem for the Western Cape.
- 3.4 There have been data breaches within the local government sector, the WCG, the harbour and Transnet. The budget for cyber security is increasing to assist in mitigating the risks within WCG.
- 3.5 The Department adopted the Problem-Driven Iterative Adaptation (PDIA) programme to improve safety in the province. The PDIA programme comprises of three teams focusing on identifying and analysing Fixed Capital and Property Development, Commuter Mobility, and Safety. Harvard University donated R2,76 million towards this programme via Wesgro to coordinate and support the programme. Wesgro transferred the unspent funds to the Department resulting in an over-collected revenue during the 2020/21 financial year.
- 3.6 R2 286 405 million was spent for the use of specialist research and advisory services towards the reconfiguration of the Provincial Training Institute into a future-fit training, learning and development academy that will be incorporated into the WCG People Management Strategy.
- 3.7 The United States Trade and Development Agency (USTDA) resolved to fund in-kind professional services valued at \$1 196 900 for the preparation of a feasibility study to assess the technical and commercial viability and recommend a model to deploy broadband infrastructure to expand network connectivity in the Western Cape Province. The feasibility study will be used to inform the scoping of the broadband 2.0 requirements.
- 3.8 The Premier in his State of the Province address on 15 February 2022, indicated the creation of two new departments, one department named the Department of Mobility. While this Department is being established, the Ministry of Mobility temporarily resides within the Department of the Premier until 31 March 2023. The policy team within the Department is formulating the strategy documents, ie annual performance plans and budgets.
- 3.9 As part of the WCG citizen-centric culture, the Premier, along with the WCG Ministers and staff hosted the First Thursdays Cape Town Initiative where citizens and businesses could have the opportunity to have one-on-one engagements. The Premier also schedules unannounced visits to health facilities, Cape Access centres,

- schools and other service delivery facilities. These initiatives aim is to improve service delivery.
- 3.10 The Department engaged with Dr Ramokgopa, the Head of the Investment and Infrastructure Office in the Presidency, to accelerate the N7 highway interchange project that will run up until the year 2030.
  - 3.11 As part of the Alcohol Harms Reduction Research Synthesis Brief, the Cabinet gave the Department and legal services the go-ahead in February 2022 for the amendments to the Liquor Act of 2003. The Department have been engaging with the private sector regarding the reduction of alcohol harms. The Alcohol Harms Reduction Research Synthesis Brief focuses on two strategies; the first strategy would be to implement minimum unit pricing to ensure that cheap and damaging alcohol do not flood the market and the second strategy would be to limit trading times.
  - 3.12 A policy brief on gender-based violence is currently being drafted by the Department, Minister S Fernandez has been tasked to lead the project.
  - 3.13 The Department is focusing on mental wellbeing, particularly, post COVID-19, internally and externally to communities. There has been an increase in cases relating to stress but the Employee Health and Wellness Programme is in place to assist all staff of the WCG.
  - 3.14 Key interventions take place at the After-School programme where various activities are offered for the youth. This programme is run by the Department of Cultural Affairs and Sport. The Department of the Premier also engages with the National Department to discuss matters relating to youth, women and people with disabilities to encourage youth development and job creation. The four elements for youth development are skills training, psychological support, career guidance and mentorship.
  - 3.15 The Department reported that they have been meeting with stakeholders to accelerate the energy transition in South Africa. The acceleration of Small-Scale Embedded Generation (SSEG) is contributing significantly towards driving sustainable local energy.
  - 3.16 The vast amount of underspending within the Department amounts to R8,5 million that was allocated for permanent accommodation for the Office of the Commissioner for Children. The Department is in the process of negotiating with the existing tenant and will provide this accommodation to the Office of the Commissioner for Children once the building becomes vacant. Currently, the Department provides the Office of the Commissioner for Children with rental accommodation. An additional reason for underspending is due to the process of appointing staff in vacant posts.
  - 3.17 There is currently no provision in legislation, or any directive determination issued by the national minister that allows a public service employer in the national or provincial government to suspend or remove an employee purely because they have been charged with a criminal offence, ie gender-based violence. However, if that criminal offence constitutes alleged misconduct within the employment relationship, the employer would be able to suspend the employee. The two requirements are that the alleged misconduct would have to be serious and the second is that there must be a possibility that the continued presence of the person in the workplace could compromise an investigation.
  - 3.18 There are three cases of fruitless and wasteful expenditure which amounts to R13 629,27. The cases relate to a SARS penalty imposed for failure to pay Value Added Tax (VAT) within 30 days of receiving the invoice for imported services and an air travel ticket that was not utilised by an interview candidate and the supplier was not notified timeously.
  - 3.19 The Area-Based Teams (ABTs) is an initiative that started during the COVID-19 period that is embedded in the Western Cape Safety Plan where sources of data are collated to provide an insightful, granular picture of crime trends in each area. The

data is shared with government stakeholders and community members within each team to empower them to understand and address the drivers of violence in their local areas.

#### **4. Information requested**

4.1 The Committee REQUESTED that the Department provide the Committee with the following information by 15 January 2023:

- 4.1.1 A list of all the public-private partnerships with Western Cape Government.
- 4.1.2 A copy of the organogram of the Provincial Data Office.
- 4.1.3 A breakdown of the skills development programme.
- 4.1.4 A report on the government campaigns that creates the Citizen-Centric Culture.
- 4.1.5 A list of the focused hotspot areas where ABT initiative are situated.
- 4.1.6 Copies of the Alcohol Harms Reduction Research Synthesis Brief, the Gender-based Violence Policy Brief, the Nourish to Flourish Policy Brief and the Violence Prevention in Schools Policy.
- 4.1.7 A report on the Premier's Advancement of Youth (PAY) internship programme for the year under review.
- 4.1.8 A copy of the Recovery Plan and the Jobs plan that were adopted in April 2021.
- 4.1.9 A report on the work done by Douglas Knowledge Partners as mentioned on page 153 of the 2021/22 Annual Report.
- 4.1.10 A list of the communication consultants that were used for the development and roll-out of the For You campaign.
- 4.1.11 A copy of the business plan and the list of courses offered relating to the Provincial Training Institute.
- 4.1.12 A report on the succession training and plans for vacancies after officials retire from the Department.

4.2 The Committee further RESOLVED:

- 4.2.1 To conduct an oversight visit the Provincial Training Institute.
- 4.2.2 To have in-camera meetings with the Department on Cyber Security on a bi-annual basis.
- 4.2.3 To invite the Department of Mobility to provide an update on the N7 highway interchange project.

#### **5. Conclusion**

On behalf of the Committee, the Chairperson wishes to express its appreciation to the Premier, the officials of the Department of the Premier and the Members for their participation during the session.

## **2. Report of the Parliamentary Oversight Committee on the Annual Report of the Western Cape Provincial Parliament for the year ended 31 March 2022:**

### **1. Introduction**

The Annual Report of the Western Cape Provincial Parliament (the WCPP) was tabled for the 2021/22 financial year in terms of section 60(1) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act 10 of 2009), (FMPPLA) and referred to the Parliamentary Oversight Committee (POC) on Wednesday 21 September

2022 (refer to “ATC 106-2022”). The Annual Report (AR) of WCPP serves to provide a record of the activities and performance of the administration of the WCPP and to promote accountability for decisions made during the financial year under review. The performance of the WCPP is measured against the performance targets and budget outlined in the WCPP 2020/21–2024/25 Strategic Plan, including the Annual Performance Plan of the WCPP for the 2020/21 financial year.

The purpose of FMPPLA is to regulate the performance and financial management of the legislatures in South Africa in a manner consistent with its status in terms of the Constitution; to ensure that all revenue, expenditure, assets and liabilities of Parliament and provincial legislatures are managed efficiently, effectively and transparently; to provide for the responsibilities of persons entrusted with financial management; and to provide for matters connected therewith. In compliance with the spirit of Section 4 of the Act, the Committee considered the AR of the WCPP to maintain oversight of the performance indicators and financial management of the WCPP for the specific financial year under review. In addition to regulating the financial management of the WCPP, the FMPPLA mandates the POC to conduct oversight over the performance information, governance and human resource functions of the Institution through its annual reports. Section 4(1)(b) of the FMPPLA provides the Committee with this mandate.

The members of POC deliberated on the various sections of the Annual Report of the WCPP for the 2021/22 financial year, as follows:

- 1.1.1. Part A: General Information,
- 1.1.2. Part B: Performance Information,
- 1.1.3. Part C: Governance,
- 1.1.4. Part D: Human Resource Management, and
- 1.1.5. Part E: Financial Information.

The Annual Report of the WCPP 2021/22 was tabled on time, according to Treasury and other prescripts. The Annual Report programme for the 2021/22 financial year was advertised in the three official languages of the Western Cape in various newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.

## **2. Overview**

The Committee met on 11 October 2022 at 08:00 where it was briefed by the Auditor-General of South Africa (AGSA) on the audit outcomes of the 2021/22 financial year for the WCPP. After the briefing by the AGSA, the Committee was briefed by the Audit Committee (AC) whose role is to ensure that the WCPP functions according to good governance principles, complies with accounting and audit standards and monitors that appropriate risk management arrangements are in place. The AC also monitors the adequacy and reliability of the financial information provided by the WCPP.

The methodology of the Committee was to meet with these stakeholders to benefit from their findings and possible concerns with the aim of assisting the Committee to have a constructive oversight engagement with WCPP.

Thereafter, the Committee met with the WCPP beginning with introductory comments made by the Speaker, Deputy Speaker and the Secretary of the WCPP.

A section-by-section oversight discussion ensued with the management of the WCPP on the aforementioned parts which comprise the AR of the Institution.

### **3. Audit opinion**

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2021/22 financial year of the Institution, having obtained clean audit report. This audit opinion remains unchanged from the 2020/21 financial year.

The AGSA raised no findings with the Institution on compliance with laws and regulations, predetermined objectives nor internal control deficiencies.

### **4. Corporate governance**

Corporate Governance regulates the exercise of power within an Institution with the aim to ensure that the Institution's purpose is achieved, which encompasses:

- the creation and ongoing monitoring of an appropriate and dynamic system of checks and balances to ensure the balanced exercise of power within a company;
- the implementation of systems to ensure compliance with legal and regulatory obligations;
- the implementation of processes to identify and manage risks to the sustainability of the Institution's business; and
- the development of practices which make and keep the Institution accountable to the Institution's identified stakeholders and the broader society in which it operates.

During the 2021/22 financial year, the Audit Committee completed the following assurance engagements, as follows:

- Records Management (Assurance);
- Management of Government Motor Transport (Assurance);
- Regulatory Compliance (Assurance);
- Research Management (Assurance); and
- Protection of Personal Information Act (Assurance).

During the 2021/22 financial year under review, seven invoices with an accumulated value of R168 571,77 were settled in excess of the 30-day payment regulation. The reasons related to the breakdown of internal controls in submitting the invoices timeously for payment. However, the Institution investigated and identified the root causes which caused the internal control breakdown and implemented remedial mechanisms with the aim to avoid a future recurrence of such internal control weaknesses. Notes 34 and 35 of the Annual Financial Statements refers to the fruitless and wasteful, as well as the irregular expenditures during the year under review.

No fraud and corruption activities were detected or reported during the 2021/22 financial year.

### **5. Performance information**

In terms of the performance indicators for the year under review, the Institution achieved 25 indicators, compared to the 33 predetermined indicators that were set at the beginning of the 2021/22 financial year. This resulted in eight performance indicators not being met, primarily from Programme 1: Governance, Leadership and Administration; Programme 2:

Parliamentary Support Services and Programme 3: Public Engagement. A synopsis of the overall performance indicators, can be summarised as follows:

<b>Programme</b>	<b>Performance Indicators/Planned targets</b>	<b>Achieved</b>	<b>Not/Partially achieved</b>
<b>Programme 1: Governance, Leadership and Administration</b>	<b>9</b>	<b>7</b>	<b>2</b>
<b>Programme 2: Parliamentary Support Services</b>	<b>11</b>	<b>9</b>	<b>2</b>
<b>Programme 3: Public Engagement</b>	<b>11</b>	<b>7</b>	<b>4</b>
<b>Programme 4: Members' Support</b>	<b>2</b>	<b>2</b>	<b>-</b>
<b>Total</b>	<b>33</b>	<b>25</b>	<b>8</b>

## **6. Financial management**

For the year under review, the Western Cape Provincial Parliament spent R157,425 million from a budget of R169,711 million, which resulted in an under-expenditure of R12,282 million (92,7% budget spend). During the 2020/21 financial year, the Western Cape Provincial Parliament spent R142,944 million of an appropriated budget of R151,928 million, which resulted in an underspending of R8,984 million (94% budget spend).

The under-expenditure of R12,282 million for the 2021/22 financial year occurred under the following programmes:

- Programme 1: Governance, Leadership & Administration (R8,390 million);
- Programme 2: Parliamentary Support Services (R734 000);
- Programme 3: Public Engagement (R1,021 million); and
- Programme 4: Members Support (R1,597 million).

In addition, the Institution's total estimated revenue budget of R72 000 was over-collected by R425 000, which resulted in a departmental receipt of R413 000. The over-collection on revenue occurred under the following line items:

- Sale of goods and services other than capital assets (R15 000);
- Interest, dividends and rent on land (R182 000);
- Sale of Capital Assets (R16 000); and
- Financial Transactions in assets and liabilities (R138 000).

During the 2021/22 financial year the Institution recorded three cases of irregular expenditure with a total value of R693 791 which was condoned, as well as two cases of fruitless and wasteful expenditure with a total value of R2 160 which was reported.

## 7. Recommendations by the Committee

Reference	Resolution	Action date
<p>Page: 29</p> <p>Heading: <i>“Precinct Management”</i></p> <p>Matter: The Committee notes that the WCPP and Department of Transport and Public Works signed a service level agreement (SLA) on 12 October 2021, which includes that a maintenance schedule be implemented to track the progress of maintenance matters against the SLA.</p>	<p>That the Institution brief the Committee on the SLA that was included, including the maintenance schedule for the 2021/22 financial year and the User Asset Management plan for WCPP.</p> <p>The briefing should also include the exact physical parameter of the WCPP, including how members and staff can safely access the Institution from the C&amp;D garage.</p>	<p>Briefing to be scheduled by the Parliamentary Oversight Committee.</p>
<p>Pages: 51</p> <p>Heading: <i>“Subprogramme: Hansard Services”</i></p> <p>Matter: The Committee notes that the Institution aimed to improve the administrative efficiency relating to the Hansard Services.</p>	<p>That the Institution brief the Committee with an actual live demonstration on how to find and extract information from Hansard on the WCPP website.</p>	<p>Briefing to be scheduled by the Parliamentary Oversight Committee.</p>
<p>Page: 69</p> <p>Heading: <i>“Subprogramme: Public Education and Outreach”</i></p> <p>Matter: The Committee notes that the Institution increased opportunities for the public to participate in the Legislature’s activities.</p>	<p>That the Committee be briefed by the Parliamentary Monitoring Group on the accessibility of extracting information from its website, including how the WCPP can adopt a similar approach.</p> <p>That the Committee also be briefed by the Public Education and Outreach Unit (PEO) on its collaborating activities with the Committees Support Section on managing inputs received via petitions from the public; including a briefing from the delegation who visited the Scottish Parliament and lessons-learned in terms of the management of petitions.</p>	<p>Briefing to be scheduled by the Parliamentary Oversight Committee.</p> <p>Briefing to be scheduled by the Parliamentary Oversight Committee.</p>



	That the PEO brief the Committee on how it plans to enhance public participation in the House and Committees meetings for the 2022/23 and 2023/24 financial years.	Briefing to be scheduled by the Parliamentary Oversight Committee.
Page: 77 Heading: “ <i>Subprogramme: Enabling Allowance</i> ” Matter: The Committee notes that the enabling allowances are in place to compensate members of WCPP for expenses relating to official travel, accommodation and telecommunication.	That the Institution brief the Committee on the implementation and management of the enabling allowances against the FMPPLA.	Briefing to be scheduled by the Parliamentary Oversight Committee.

## 8. Information requested from WCPP

- 8.1. The Committee REQUESTED that the WCPP provides the Committee with the following information by 28 February 2023:
- 8.1.1. A copy of the Public Education and Outreach database, as indicated on page 69 of the Annual Report.
  - 8.1.2. A report on the Institution’s plan to respond to its current practise of partial working from home for employees in terms of the Working-from-home policy, considering load-shedding and connectivity challenges, as indicated on page 99 of the Annual Report.
  - 8.1.3. A legal opinion on whether members are considered as staff of the Institution, as verbally referred to in the meeting of Tuesday, 11 October 2022.
  - 8.1.4. A copy of all the internal polices which were amended from the start of the 6th Provincial Parliament to date.

## 9. Input received from the public

Members of the public were provided an opportunity to pose questions or make oral submissions, based on the contents of the 2021/22 Annual Report of the WCPP. However, no members of the public were present in the meeting to pose questions or to make oral submissions.

## 10. Conclusion

The Committee commends the WCPP for maintaining an unqualified audit with no findings on predetermined objectives or compliance with laws and regulations.

The Committee will continue to engage with the Institution on its budget, performance indicators and the implementation of legal requirements, including any outstanding matters that were identified in the sections, which contains the Committee’s request for information.

## **11. Acknowledgments**

The Chairperson expressed the appreciation of the Committee for the inputs of the various role-players, such as the Auditor-General of South Africa and the Audit Committee, to enhance the oversight work of the Committee which relates to the Annual Report of WCPP for the year ending 31 March 2022. In addition, the Committee thanked the presiding officers and the WCPP administration for their efforts and contributions in this regard.

### **3. Report of the Standing Committee on Finance, Economic Opportunities and Tourism on the annual reports of the Provincial Treasury and the Western Cape Gambling and Racing Board for the year ended 31 March 2022, dated 29 November 2022.**

#### **1. Introduction**

The Annual Report programme for the 2021/22 financial year was advertised in newspapers, inviting stakeholders and members of the public to attend and participate in the virtual meeting and discussions.

Members of the Standing Committee on Finance, Economic Opportunities and Tourism (the Committee) deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management of the Annual Reports of the Provincial Treasury and its Entity, the Western Cape Gambling and Racing Board, on 1 November 2022.

Members of the public were also given an opportunity to pose questions and make oral submissions. The Committee did not receive any input from the public for this Annual Report deliberation.

#### **2. Overview**

The Committee considered the Annual Reports of the Provincial Treasury and its Entity; Western Cape Gambling and Racing Board (the Board).

Before proceeding to the consideration of the Annual Reports, the Minister, the Head of Department, the respective Chief Executive Officer and Chairperson of the Board were given an opportunity to make opening remarks.

The Provincial Treasury and the Board received clean audit outcomes for the 2021/22 financial year.

### **3. Deliberations on the 2021/22 annual reports**

#### **3.1 Provincial Treasury: Findings/Concerns and Observations**

3.1.1 Minister M Wenger, Minister of Finance and Economic Opportunities, reminded Members that the year under review was still during the COVID-19 pandemic, which was a difficult time for all. It was a year that required ongoing agility in terms of fiscal management during the budget process as well as the supply chain processes. The Provincial Treasury was instrumental in guiding the Western Cape Government departments and navigating through the COVID-19 crisis, given its mandate to drive good financial governance across the provincial and

- local government spheres. The Provincial Treasury excelled in its mission to build capacity in the public sector by being adaptive, innovative and supportive.
- 3.1.2 The year under review was also a period where municipalities required guidance, particularly vulnerable municipalities. Provincial Treasury officials have started to resume their visits to municipalities, post-COVID-19. A hybrid approach was also being used to set up physical and virtual meetings so that there was more engagement between municipalities and Provincial Treasury officials.
- 3.1.3 All the municipalities in the Western Cape operated differently, therefore, it was impossible to have a “one-size-fits-all” approach. The Provincial Treasury worked with municipalities to determine what their specific vulnerabilities were, and the strategies needed to address the challenges over time. In the case of Beaufort West Municipality, the Provincial Executive took the decision to intervene, and National Treasury assisted with preparing a recovery plan for the Municipality, which the previous Provincial Minister of Finance signed off on in the last financial year. The Provincial Treasury has been working very closely with Beaufort West Municipality and there were early signs of progress.
- 3.1.4 In terms of Kannaland Municipality, it was being charged with instability at a political level, which was not in the immediate control of the Provincial Treasury. Political instability inevitably damages the quality of public administration. There were very few people who wanted to be public officials in that type of environment. This created a vulnerability, which the Provincial Treasury needed to provide guidance on. The Provincial Treasury added that it acted in accordance with the law when it identified municipalities that were in distress or if there were instances of instability that threatened the financial sustainability of a municipality.
- 3.1.5 The Provincial Treasury was focused on unlocking value from good governance. The first intervention was to invest in its employees and to seek talent with digital skills as well as people skills. The Provincial Treasury has been looking at accelerating digitisation i.e., moving to digital platforms and automating certain functions and tasks.
- 3.1.6 The Procurement Dashboard is a user-friendly web-based dashboard developed by Provincial Treasury. The Dashboard has allowed users to filter key information in respect of the departmental procurement plans. The Dashboard consists of approximately 4 000 tenders and assists suppliers to access and plan for future tender opportunities. This was especially important for small businesses, who could prepare to participate in government opportunities.
- 3.1.7 It was a challenge to navigate Public Private Partnerships (PPPs). The PPP framework was complicated and was currently under review at a national level. Provincial Treasury has always been interested in the prospects that well-designed and appropriate PPPs would have for unlocking capacity partnerships and financial partnerships for service delivery. There was a pipeline of PPPs that other departments were beginning to explore, and Provincial Treasury was playing a supportive role with this. From a fiscal perspective, the Provincial Treasury supported the formation of a project preparation facility to support the development of PPPs, where these are appropriate mechanisms.
- 3.1.8 In 2016, Provincial Treasury did a Public Entity Review, which was a desktop analysis of how the Western Cape public entities fared against other entities in the country. This study showed that the Western Cape Government was performing well. Currently, post-Zondo Commission, the Provincial Treasury has started looking at what the entities were doing and where they could improve in terms of performance. The Provincial Treasury has engaged with a service provider to look at the laws and regulations that impacts on the public entities. Provincial Treasury has assessed the financial health of public entities, the findings of the Zondo Commission, and the requirements that the public entities

need to have in terms of operating expenditure as well as capital expenditure. This study is almost at completion and the output of this work will result in a guideline for accounting officers to refer to so that they can better manage their public entities.

- 3.1.9 In terms of procurement, the Provincial Treasury played an enablement role as well as an enforcement role. This included data management and technology services. The first phase of a procurement process was procurement planning. A procurement planning tool was created as an information technology application procedure. The toolkit allowed government departments to plan better in the procurement space. Government departments were able to plan in terms of budgets for procurement. It was even possible to plan pre-budget because the toolkit managed the departments' performance and their expenditure in the procurement space. This information allowed departments to "pitch" for their budgets and assessed their prior year's performance in respect of procurement.
- 3.1.10 The Committee noted the Provincial Treasury's Western Cape Supplier Evidence Bank initiative; however, a question was raised about the avoidance of subjectivity when assessing or reviewing suppliers, especially within a regulatory environment. The Provincial Treasury indicated that Supply Chain Management's role was to "squeeze out" inappropriate subjectivity. However, this did not remove the need for qualitative assessment, which had an inherent subjectiveness to it. The system was designed from conception, through the contract management process, to limit inappropriate levels of subjectivity.
- 3.1.11 The Provincial Treasury indicated that it was introducing Artificial Intelligence (AI) and machine-learning into its programmes. The Provincial Treasury used two platforms; the Microsoft Power BI Platform, and the second was a platform called Zoho, which was an advanced Customer Relationship Management software used for some machine-learning in terms of trends in audit queries and outcomes. AI was a simulation of human intelligence processes, which relieved the Provincial Treasury of manually compiling and reporting, essentially automating the reports that it had. Accompanying this, was the machine-learning services through Microsoft Power BI, which assisted with reporting requirements that were needed by departments. This included the asset management dashboard capability, the automated conflict of interest tool, and the municipal dashboard that indicated vulnerable municipalities and interventions that were implemented. The Provincial Treasury's Data Centre was assisting in terms of automated reporting and providing this information to stakeholders that required certain information.

### **3.2 Western Cape Gambling and Racing Board: Findings/Concerns**

- 3.2.1 The Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996) stated that the Western Cape Gambling and Racing Board (the Board) required five out of seven board members to be present for a meeting to be quorate. Currently, the Board consisted of five board members. This was a possible risk in terms of being quorate for meetings if one member is unable to attend a scheduled meeting.
- 3.2.2 In terms of illegal gambling activities, the Board continued to engage with law enforcement agencies to curtail illegal gambling activities. The Board was also involved in awareness programmes, which involved public engagements with communities. For the year under review, the Board investigated 68 reported or identified allegations of illegal gambling. In terms of responsible gambling initiatives, the Board has created a responsible gambling committee, attended by the Board and members of the gambling industry.

- 3.2.3 The Board's ability to become financially self-sustainable has been an ongoing discussion for some time. The Board received its revenue from statutory fees and cannot generate its own income in any other form other than increasing the gambling offerings within the Western Cape gambling industry.
- 3.2.4 The Board's current lease for its premises will expire at the end of October 2023. The lease was held by the Department of Transport and Public Works with funding provided by the Provincial Treasury. However, the Board was advised that it should not rely on government structures and should seek funding for its future accommodation. The Board secured a surplus of R16,8 million from the previous financial year, ring-fenced for its future accommodation needs. The Board indicated that it was more economical to purchase accommodation than to enter into another lease agreement.
- 3.2.5 The Board indicated that Corporate Social Investment (CSI) was imposed through license agreements and conditions. The contributions were monitored through various committees within the Board. The Board also undertook visits to the casinos to monitor the work being done in respect of CSIs.
- 3.2.6 Generally, when casinos applied for licenses, it was done on a competitive bid basis and the requirements were set out in terms of the Request For Proposal (RFP). This meant that when a casino received its license, the commitments that were made in the application, then became the casino's license conditions. This was why the CSI and shareholding agreements of casinos differed from place to place. For Caledon Casino, the Empowerment Trust and the Overberg Community Trust each hold 10% of the Casino's preference shares. The Board oversees the projects funded by Caledon Casino. The Board receives reports from the Casino on a quarterly basis. The Board also assesses the Trusts' beneficiaries and the types of businesses that they operate. The Casino's license conditions were also audited to ensure that the correct CSI amounts were paid to the Trusts.
- 3.2.7 There were several amendments made to the Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996) over the last few years. Provincial Treasury has been doing a lot of research for the new gambling policy. This background research has concluded, and it has laid the groundwork for a policy document, which has also been finalised. The Provincial Treasury was in the final phase of consultations and will deliberate on the policy with the Board. Once this part of the process has concluded, a green paper and white paper will be drafted.

#### **4. Resolutions/Actions**

The Committee REQUESTED the following:

- 4.1.1 A report on the Public Entity Review that Provincial Treasury undertook in 2016, the recommendations that stemmed from this Review, and the most recent review undertaken on public entities;
- 4.1.2 A report from the Provincial Treasury on the section 139 process that was undertaken and how it was applied in respect of the Central Karoo matter;
- 4.1.3 A copy of the expenditure review from the Provincial Treasury in respect of learner transport and a brief report on issues identified and the recommendations stemming from the review;
- 4.1.4 A report from the Provincial Treasury indicating a monthly breakdown of the expenses incurred through the procurement office for goods and services for the 2021/22 financial year;
- 4.1.5 A report indicating the vacancies within the Provincial Treasury and how long these positions have been vacant;

- 4.1.6 A report from the Provincial Treasury on the successes and challenges of their pilot programme using machine-learning, and the details in respect of the roll out of this initiative going forward;
  - 4.1.7 A report from the Provincial Treasury updating the Committee on the implementation on the Integrated Financial Management System (software), which they discussed in the previous year's Annual Report deliberations;
  - 4.1.8 A copy of the revised gambling policy that the Provincial Treasury will complete at the end of November 2022;
  - 4.1.9 An update from the Provincial Treasury on the totalisator and horseracing recommendations and consultations in respect of betting sports;
  - 4.1.10 A report from the Western Cape Gambling and Racing Board informing the Committee what the Board's recommendations would be for the filling of vacancies, the term of office for board members, and any proposals to streamline the process for the recruitment and appointment of board members;
  - 4.1.11 A report from the Western Cape Gambling and Racing Board that provides an update on the court cases that were listed in its 2021/22 Annual Report;
  - 4.1.12 A consolidated report from the Western Cape Gambling and Racing Board on all the casinos and its Corporate Social Responsibility requirements and spending in the Western Cape, the casinos' licensing conditions and whether they are fulfilling all their conditions in respect of Corporate Social Investment. The information should be provided for the last quarter of the financial year;
  - 4.1.13 A sample/example of a Corporate Social Investment agreement/requirement that is included in license agreements given by the Western Cape Gambling and Racing Board to casinos, and an explanation on how the parameters of the CSI are determined for casino license holders; and
  - 4.1.14 A report from the Western Cape Gambling and Racing Board listing the new entrants that were given licenses during the financial year.
- 4.2 The Committee RECOMMENDED that the Provincial Treasury be commended for continuously being one of the best performing departments in the country and for receiving an unqualified audit outcome, yet again.

## 5. Conclusion

The Chairperson thanked the Minister, the Provincial Treasury and the Western Cape Gambling and Racing Board for their preparation and responses to questions raised by the Committee members, and for their hard work and dedication during a difficult financial year.

## 4. Report of the Standing Committee on Community Safety, Cultural Affairs and Sport on the annual reports of the Department of Community Safety and the Western Cape Liquor Authority for the 2021/22 financial year

The Standing Committee on Community Safety, Cultural Affairs and Sport, having deliberated on the annual reports of the Department of Community Safety and the Western Cape Liquor Authority for the year ended 31 March 2022, reports as follows:

### Introduction

The Western Cape Provincial Parliament's Annual Report Programme for the 2021/22 financial year was advertised in newspapers inviting stakeholders and members of the public to attend and participate in the discussions. The Committee deliberated on the annual reports of the Department of Community Safety (the Department) and the Western

Cape Liquor Authority (WCLA) on 28 October 2022 as part of its oversight function. The Minister and the Head of Department were given an opportunity to make opening remarks. Likewise, the Chief Executive Officer and the WCLA's Governing Board Chairperson were afforded the same opportunity.

The Department and its Entities were examined on:

Part A: General Information;

Part B: Departmental Performance Information; and

Part D: Human Resources Management of the Department's Annual Report.

Members of the public were also given an opportunity to pose questions and to make input during the discussions. The public input is recorded in this report.

## **1. Western Cape Liquor Authority**

Key points from the discussion:

1. This year marks 10 years since the establishment of the Western Cape Liquor Authority.
2. The Department is in process of drafting instructions and guidelines regarding the minimum unit pricing for alcoholic items and the trading hours for legal liquor outlets.
3. A total of 116 liquor licences did not have their liquor licences automatically renewed. The WCLA started implementing section 64 of the Western Cape Liquor Act of 2008 (Liquor Act). This legislative provision allows for the non-automatic renewal of liquor licences, thus requiring persons or businesses to resubmit applications for liquor licences.
4. Additional junior liquor inspectors have been appointed and deployed to various area-based teams (ABTs). In many ways, the extra capacitation and the implementation of section 64 of the Liquor Act have a symbiotic effect.
5. The WCLA also reported improved revenue collection due to better renewals management and fee increases. The revenue has been re-invested into the WCLA to further enhance its self-sustainability.
6. The WCLA had an over collection of R4,4 million, which Provincial Treasury returned for reinvestment into the WCLA. This year the over collection stand at R6,8 million.
7. There are no reward incentives for whistleblowing to report illegal liquor trade.

## **2. Department of Community Safety**

Key points from the discussion

1. The deployment of Law Enforcement Advancement Plan (LEAP) officers to the 13 priority areas, including the 10 areas with the highest murder rate, is seen as a direct strategy to compensate for the under resourcing of South African Police Service members.
2. The Department is negotiating with the City of Cape Town to include amendments to the Western Cape Community Safety Act, 2013 (Act 13 of 2013), that allow the Western Cape Police Ombudsman (WCPO) to investigate complaints about members of the various municipal policing and law enforcement structures. Any consensus and agreeance to the extension of the WCPO's investigative powers will be subject to the pending legal opinion sought by the Department and the City.

3. The Department's engagement with the SAPS has seen an increase in the 2022 December deployment of additional SAPS members to the province.
4. The Department aims to increase the rollout of K9 units. The units are used to further enhance the effects of municipal policing.
5. The funding allocation for the Youth Safety Ambassador Programme was only funded until 31 March 2022.
6. The 150 investigators employed work within the City of Cape Town's Safety and Security Directorate. The investigators work across the different structures in the Directorate, such as the LEAP, the Strategic Information Management Services (SIMS) and the Cape Town Metropolitan Police Department.
7. Chrysalis graduates have been deployed to community service centres (CSCs) at various SAPS stations, largely assisting with administrative tasks. This support significantly assists the SAPS to deploy its members to more operational policing duties.
8. The Department has submitted its recommendations to Provincial Treasury to roll out the Chrysalis Academy structure to other areas of the Western Cape.
9. Counterparts from other provincial departments have consulted the Court Watching Brief Unit on how to replicate and roll out the Court Watching Brief Programme in those provinces.
10. The Department indicated that it is not able to fund insurance and/or life cover for neighbourhood watches (NHWs). The reasons include the high cost to cover thousands of NHW members as well as several legal restrictions to fund such cover for individuals. The Department also does not subsidise any funeral cover or a standard danger allowance to NHW members.
11. The Department paid R200 000 in legal fees, following a wrongful arrest conducted by a LEAP officer.

### **3. Public input on the annual reports of the WCLA and the Department of Community Safety**

Mr D Carelse gave an oral submission on matters related to the concerns that trading of second-hand goods at scrapyards promote crime. He suggested that the City of Cape Town should issue second-hand goods permits to scrapyards to clamp down on illegal scrap yards in order to fight related crime. He raised a concern that there was no copper mine in the Western Cape, but copper is exported from the Western Cape. He requested the legislation to reclassify copper as a precious metal that requires more stringent requirements to obtain a second-hand goods trading permit.

Ms NV Mbombo questioned the issuing of liquor licences, especially in informal settlements. She reported that there was a challenge of illegal shebeens that are selling alcohol in Atlantis. Due to these illicit shebeens, crime has increased in the area and there was a high murder rate in Atlantis. She requested that police must close shebeens at 22:00 for safety reasons. She asked for provisions to be made for neighbourhood watches regarding benefits and compensation. She further highlighted that some of the neighbourhood watch members in Atlantis were shot at and are now disabled. Their cases were not resolved. She asked why and what happened to those cases because they were supposed to be prioritised.



#### **4. Requests for information**

The Committee requested that the Department of Community Safety must submit:

1. The legal opinion drafted on the extent of the Department's oversight over and the funding of municipal policing and law enforcement structures, particularly the LEAP.
2. Request the Department of the Premier to submit a detailed report of the outcomes of the internal investigations of departmental officials linked to the sexual harassment case of the previous Minister of Community Safety, Mr A Fritz.
3. A breakdown of all the training offered to Chrysalis learners for the 2021/22 financial year.
4. A copy of the research study that was conducted as part of the national customised sector indicator on research as determined by the Civilian Secretariat for Police Service (CSPS). In particular, the Western Cape findings that were incorporated in the national consolidated report compiled by the CSPS.
5. The expected timelines to amend the Western Cape Community Safety Act, 2013 (Act 3 of 2013).
6. An explanation of the Department's considerations to provide funeral cover and/or standard danger allowance to registered NHW members. In addition to this, submit the Department's plans to increase the funding to NHWs in vulnerable and impoverished areas.
7. Details of the case of wrongful arrest of the LEAP officer for whom the Department paid R200 000 to cover legal proceedings. The information should include the Crime Administration Service (CAS) number and the role of the Western Cape Police Ombudsman in the investigation, if any.
8. An indication of the Department's Employment Equity targets and the plans to employ especially African women to in management positions and differently abled persons.
9. A list of the grievances lodged during the 2021/22 financial year. The details of the grievances lodged should be included in the submission.
10. A narrative on the impact of the Court Watching Brief in respect of the court cases that would have been lost were it not for the monitoring and reporting role of the CWB Unit.

#### **5. Resolutions**

The Committee resolved to:

1. Request quarterly and annual reports from the City of Cape Town's Safety and Security Directorate on its implementation of the Law Enforcement Advancement Plan (LEAP), which forms part of the Western Cape Safety Plan.
2. Request the WCPP Research Unit to conduct research on the issuing of permits to scrapyards under the Precious Metal Act, 2005 (Act 37 of 2005), to benchmark this process to international best practices and whether or not there is a manner to reclassify copper as a highly regulated metal.
3. Request the Western Cape Police Ombudsman to brief the Committee on all open investigation cases and the reasons for certain cases not being addressed.
4. Congratulates the Department of Community Safety for reaching 90% of its targets, as well as for achieving a clean audit for the 2021/22 financial year.

## **5. Report of the Standing Committee on Education on the Annual Report of the Western Cape Education Department for the 2021/22 financial year**

The Standing Committee on Education having deliberated on the Annual Report of the Western Cape Education Department for the year ended 31 March 2022, reports as follows:

### **1. Introduction**

Annual reports are key instruments for departments to report on performance measured against performance targets and budgets as outlined in the strategic plans and annual performance plans of departments. The Standing Committee on Education deliberated on the Annual Report of the Western Cape Education Department (hereinafter the WCED or the Department) on 14 October 2022 as part of its oversight function.

The Western Cape Provincial Parliament's Annual Report Programme for the 2021/22 financial year was publicised in newspapers. Stakeholders and members of the public were invited to attend and participate in the discussions. Before proceeding to the deliberations on the Annual Report, the Minister and the Head of Department were given the opportunity to make opening remarks.

The Department was examined on:

Part A: General Information;  
Part B: Performance Information; and  
Part D: Human Resources Management.

Members of the public were also allowed to pose questions and to give input during the discussions.

### **2. Overview**

The Minister of Education, Hon D Maynier, together with the Head of the Department, Mr B Walters, provided an overview of the successes and challenges faced by the Western Cape Education Department (WCED) during the 2021/22 financial year. The Minister stated that the 2021/22 Annual Report of the WCED highlights the WCED's commitment in providing quality education for every child, in every classroom, in every school in the Western Cape – a quality education that results in greater opportunity for all learners in the province.

There are four important performance areas for the Department which are:

- Improvement in learner performance;
- Improving the learner retention rate;
- Ensuring that learners have access to technical, agricultural, vocational and skills subjects to fully participate in our economy; and
- Ensuring that schools are safer, more secure places of learning.

The Annual Performance Plan for the 2021/22 is based on the strategic plan developed in 2020. Each of the seven budget programmes reported on in the report reflect the strategic objectives of the WCED as defined in the strategic plan.

The WCED indicated in the Annual Report that a number of factors need to be considered such as the ongoing impact of the COVID-19 pandemic on schools, particularly with

regards to rotational school timetables and Temporary Revised Education Plans (TREPs), continued high learner migration into the province; severe fiscal constraints which do not keep pace with learner growth and inflow into the province; the psycho-social wellbeing of educators and learners; food and job security; and the scourge of violence and gangsterism in communities.

The seven programmes of the Department rely on effective and efficient administration for its success.

### **3. Key points of discussion of the Annual Report**

- 3.1. The National School Nutrition Programme (NSNP) grant is a programme for poverty alleviation introduced to maintain the rights of children to basic food and nutrition. The WCED through the NSNP feeds primary and high school learners in Quintile 1, 2 and 3. It also feeds selected Special Schools and targeted learners in Quintile 4 and 5.
- 3.2. The WCED's brand-new online ordering function was activated from 17 May to 1 June 2021. This was for schools to order their textbook requirements for the 2022 school year. 1 398 schools accessed the CEMIS ordering tool for textbooks whilst 500 schools submitted a top-up textbook order for the 2022 school year.
- 3.3. The WCED reported that it would implement and expand inclusive education in public ordinary schools. The number of Learning Support or remedial teachers working in public ordinary schools was increased from 614 to 624 in 2021. Learning Support Teachers (LSTs) are the first line of additional support at schools for learners who experience barriers to learning. The interventions of Learning Support Teachers contributed to improved literacy and numeracy competencies of learners in primary schools, particularly learners at the foundation stage.
- 3.4. The WCED embarked on the Early Childhood Development (ECD) function shift between the Department of Social Development (DSD) and the WCED, through consultations, workstream meetings, ECD sector engagements and various ministerial meetings. The smooth transition of the ECD sector is ensuring effective subsidy payments as well as positive staff morale and communication with ECD stakeholders.

### **4. Public comments**

Mr M Mbiko, a member of the Nyanga Development Forum, Ms CA Thethi, from Equal Education, Mr S Pooly, a member of the public, Mr D Magina, from Equal Education, Mr P Links, a member of the public, Ms Q Dimi, from Equal Education, Mr M Hoffmeestas, the Secretary of the Bishop Lavis Development Forum, Mr E Daniels, a member of the public, Mr M Hendricks, from Equal Education, gave inputs on the Annual Report. The Minister and the Head of the Department duly responded to the issues raised by all members of the public.

## **5. Recommendation**

The Committee recommended that:

- 5.1. The Department of Basic Education, the national Department of Social Development, National Treasury, the WCED, the provincial Department of Social Development and the Provincial Treasury brief the Committee on the National Funding Framework for Early Childhood Development's conditional grant criteria, what the conditional grant may be spent on by provinces and how the grant relates with other child support grants.
- 5.2. The WCED investigates the reasons why Plumstead High School has not received new textbooks in the past six years.

## **6. Conclusion**

The Committee expressed its appreciation for the information provided by the Minister, the Head of Department, and the officials of the Western Cape Education Department. The Committee appreciated the oral submission made by members of the public. The Committee also wants to thank everyone who participated in the deliberations.

## **6. Report of the Standing Committee on Health on the Annual Report of the Department of Health for the 2021/22 financial year.**

The Standing Committee on Health, having deliberated on the Annual Report of the Department of Health for the year ended 31 March 2022, reports as follows:

### **1. Introduction**

The Standing Committee's Annual Report meeting was published in newspapers inviting stakeholders and members of the public to attend and participate in the discussions.

The Standing Committee on Health (the Committee) deliberated on the Annual Report of the Department of Health on 25 October 2022, as part of its oversight function. The Minister and the Head of Department were allowed to make opening remarks.

The Department was examined on:

Part A: General Information,

Part B: Departmental Performance Information; and

Part D: Human Resources Management of the Department's Annual Report.

The Committee gave members of the public an opportunity to give input during the meeting. No members of the public were present, and no input was received.

### **2. Overview**

The Minister of Health, Prof N Mbombo, provided an overview on the successes and challenges faced by the Department during the 2021/22 financial year.

The Minister reported that the period under review has been challenging for the Department of Health. The Department started the year under review with zero COVID-19 infections, however, on 11 April 2020, the number of confirmed positive cases escalated at an alarming rate which caused great anxiety in the province and beyond. The Department constructed Intermediate Care Facilities as a response to alleviate pressure in

various health facilities across the province. In addition, 57 Testing and Triage Centres were constructed across the public health platform.

The Minister indicated that to curtail the spread of the COVID-19 in various communities, she started a Behavioural Change Campaign. The aim of the campaign was to educate people about the transmission of COVID-19. She stated that the COVID-19 has proven that Nurses are the backbone of the health system and the World Health Organisation declared 2020 as the Year of the Nurse and Midwife.

The Department had to contend with significant service pressures, as a result of the COVID-19 pandemic and the budget cuts. In addition, alcohol and gender-based violence also presented challenges to the health service. Despite these challenges and significant financial constraints, the Department achieved the best health outcomes for the people of the Western Cape and the citizens have the longest life expectancy in the country.

Dr Cloete, the Head of Department, also made opening remarks. He indicated that the 2020/21 financial year has been unlike any other, the COVID-19 pandemic has been a real test of humanity, and much has been learned from the COVID-19 pandemic.

The pandemic saw the Department re-imagine health care in a matter of weeks, rapidly deploying response interventions to contain the virus and limit the loss of life. Dr Cloete informed the Committee that the Department has focused on key health-system capabilities, namely leadership, governance, service delivery models, infrastructure, and information systems. The Department received a clean audit during the financial year under review.

### **3. Key points from the discussion on the Annual Report of the Department**

- 3.1 During the 2020/21 financial year, the Department had 33 615 employees, 65% were health professionals, 35% were administrative support staff and 89% were permanently employed.
- 3.2 The Department reported that women made up 72% of all employees with 55% of senior management positions being held by women.
- 3.3 In terms of race, the department reported that 35% of its employees were Black, 13% were White, 50% were Coloured and 2% were Indian.
- 3.4 During the 2020/21 financial year, the provincial public health system saw a total of 9.6 million primary care contacts excluding contacts at home and community-based care settings.
- 3.5 The Department collected a revenue surplus of R14, 655 million.
  - 3.5.1. Patient fees were the main source of revenue for the Department during the 2020/21 financial year.
- 3.6 During the year under review, none of the Emergency Medical Services (EMS) were discontinued although many, including HealthNet Services, were substantially impacted by the various lockdowns imposed, and the corresponding impact of Outpatient Department services.
- 3.7 The Department reported that ambulance, rescue, and patient transport services were provided from 49 stations excluding four satellite bases in five rural districts and four Cape Town divisions with a fleet of 258 ambulances.
- 3.8 During the year under review, the Western Cape conducted a total of 1 431 748 COVID-19 tests across the public and private sectors, 283 434 confirmed COVID-19 infections in 280 302 individuals, and 11 474 deaths were reported.
- 3.9 During the 2020/21 financial year, the Forensic Pathology Service logged 10 086 incidents, and 9 759 medico-legal cases were admitted, which resulted in 9 566 post-mortem examinations in the Western Cape.

- 3.10 The national Department of Health has initiated the Ideal Clinic (IC) Programme as a way of systematically improving and correcting deficiencies in Primary Health Care Clinics (PHC) in the public sector.
- 3.11 The entire 2020/21 financial year saw a de-escalation of services across a variety of service areas, in order to allow the Department of Health to focus on the COVID-19 response. The Ideal Clinic Realization and Maintenance Programme was also affected by such de-escalation and re-prioritisation.
- 3.12 The Department stated that 94 Primary Health Care facilities achieved Ideal Clinic Status in the 2020/21 financial year, a significant decrease from the 2019/20 financial year.
- 3.13 An earmarked amount of R20 million was received in the adjustment budget for the roll-over of the Health Emergency Centre Tracking Information System and the strengthening of capacity within the Provincial Health Data Centre. A request to roll-over the R12.5 million unspent from this fund has been made to the Provincial Treasury.
- 3.14 During the financial year under review, Programme 7: Health Care Support Services recorded an under expenditure of R14.960 million and Programme 8: Health Facilities Management recorded an under expenditure of R18.017 million.
- 3.15 The Department reported that the expenditure on capital investment was 98.4% in the 2020/21 financial year.
- 3.16 The Department has an approved Fraud and Corruption Prevention Plan.
- 3.17 The Department further reported that 150 Professional Nurses successfully completed the Nursing Specialty Training Programme, and 363 Community Service Nurses were placed in health facilities to fulfil their community nursing service obligations.

#### **4. Public input**

The Committee proceeded to the public hearing on the Annual Report of the Department of Health. No members of the public were present, and no input was received.

#### **5. Resolutions**

The Committee Resolved:

- 5.1 That during the debate on the Annual Report of the Department of Health in the House, the Chairperson should table a motion to thank all the Department of Health's personnel in the province for the dedication and resilience they showed during the peak of the COVID-19 pandemic in the Western Cape.
- 5.2 To express its gratitude to Dr. Cloete, the Head of the Department of Health in the province, for his leadership during the COVID-19 pandemic. In addition, the Committee resolved to buy a suitable gift for him from the WCPP gift store as a token of appreciation from the Committee.
- 5.3 To invite the Department of Health to brief the Committee on its Employment Equity Plan.

#### **6. Information requested**

The Committee requested the Department of Health provides it with the following information by Monday 12 December 2021:

- 6.1 A detailed breakdown of information on the positions that are occupied by the 13% of white employees within the Department of Health in the 2020/2021 financial year.
- 6.2 A report on the positions filled by black employees in senior management positions.

- 6.3 A report on the allocation of ambulances and EMS personnel per district in the Western Cape.
- 6.4 A report on the allocation of personnel for the Forensic Pathology Services in the rural areas.
- 6.5 A detailed breakdown of staff allocation in all the district hospitals in the province.

## **7. Conclusion**

The Chairperson thanked the Members of the Committee, the Minister, the Head of Department and all the officials of the Department for their preparation and responses to the questions posed by the Committee.

## **7. Report of the Standing Committee on Social Development on the Annual Report of the Department of Social Development for the 2021/22 financial year**

The Standing Committee on Social Development, having deliberated on the Annual Report of the Department of Social Development for the year ended 31 March 2022, reports as follows:

### **1. Introduction**

The Standing Committee's Annual Report meeting was published in newspapers inviting stakeholders and members of the public to attend and participate in the discussions.

The Standing Committee on Social Development (the Committee) deliberated on the Annual Report of the Department of Social Development (the Department) on 18 October 2022, as part of its oversight function. The Minister and the Head of Department were allowed to make opening remarks.

The Department was examined on:

Part A: General Information;

Part B: Departmental Performance Information; and

Part D: Human Resources Management  
of the Department's Annual Report.

Members of the public were also given an opportunity to pose questions and to make input during the discussions.

### **2. Overview**

The Head of the Department of Social Development, Dr Macdonald provided an overview of the performance of the Department during the 2021/22 financial year.

Dr Macdonald reported that despite the challenges associated with the COVID-19 pandemic, the Department remained focused on its strategic priorities which include child protection services; providing services to persons living with disabilities; addressing gender-based violence; strengthening families and supporting individuals and families with substance use disorders.

The outcomes of the Department for the period under review were guided by the Western Cape Recovery Plan and were aimed at addressing the plight of vulnerable families and individuals seeking social welfare services and support for women and children who have become victims of interpersonal violence, especially gender-based violence.

The economic impact of the COVID-19 disaster has seen substantial growth in demand for social development services, alongside budget cuts experienced by the Department, with a 0,4 percent reduction for DSD in the 2022/23 financial year, before taking inflation into account. The HOD reported that this has meant that the Department had to make extremely difficult trade-offs to maintain, and where necessary, expand the most critically needed areas of service delivery to the people of the Western Cape.

The HOD reported that slow economic growth has hampered households' recovery from the pandemic. Unemployment continued to grow, which has worsened food insecurity in the province. The Department ensured cooked meals and food parcels reached 270 802 people during the financial year under review. This included cooked meals at community kitchens, supported by the Department through food vouchers, dry goods, and food parcels, which reached 96 500 qualifying beneficiaries. Further efforts to assist vulnerable households during the period under review included the provision of temporary work opportunities to over 2 000 people through the Expanded Public Works Programme (EPWP). The Department allocated resources towards humanitarian relief to alleviate some of the pressure many of poorer households were facing due to the loss of income brought forth by job losses.

### **3. Key points from the discussion on the Annual Report of the Department**

- 3.1. The Department reported that it remains committed to its statutory obligation to ensure the protection and care of vulnerable children. Through community-based child and youth care prevention and early intervention services, 8 834 children were provided access to developmental support during the 2021/22 financial year.
- 3.2. During the financial year under review, the Department strengthened diversion services in the province by facilitating the training of 26 probation officers in the areas of self-image, sexual education, personal violence, coping mechanisms, and life skills.
- 3.3. In addition, school-based crime prevention programmes were prioritised and reached 5 806 learners with behaviour conduct disorders.
- 3.4. During the period under review, a total of 35 616 foster care cases were loaded into the web-based Foster Care Management System. The capture of all remaining foster care cases is envisaged to be completed by the first quarter of 2022/23.
- 3.5. The Department continued to support the Early Childhood Development (ECD) sector while working through the year under review towards the full shift of the function to the Western Cape Education Department from 1 April 2022.
- 3.6. The Department has provided integrated family strengthening and reunification programmes that focused on building resilient families. These programmes include support for homeless adults, with the number of bed spaces in shelters for homeless adults increasing from 2 031 in 2020/21 to 2 208 by the end of the 2021/22 financial year.
- 3.7. It was reported that 37 shelters for homeless adults were funded across the province.
- 3.8. During the financial year under review, regular engagements and training sessions were held with the sector and funded non-profit organisations (NPOs) to enhance practitioner care and support to persons with disabilities and parental support structures in the province.
- 3.9. In addition, two specially adapted 16-seater vehicles for the transportation of children with intellectual disabilities were handed over to Nomaxabiso Day Care Centre and Beaufort West Association for the physically disabled, respectively, during the 2021/22 financial year.
- 3.10. Furthermore, a third vehicle was handed over to the Vrolike Vinkies in April of the 2022/23 financial year and the fourth vehicle will be handed over during the 2022/23 financial year.



- 3.11. During the term under review, six additional fully operational GBV shelters were opened in the province in response to an increase in gender-based violence (GBV) during the COVID-19 pandemic.
- 3.12. The Department has established a Western Cape Government Transversal Gender-based Violence Forum, which meets monthly and contributed to the Western Cape Government Gender-based Violence Implementation Plan, which was adopted by the Cabinet in September 2021.
- 3.13. The Department reported that the rights, safety and well-being of the older persons were supported through the provision of community-based support services.
- 3.14. The Department strived to improve access to services for persons with SUDs, which threaten the health, safety and well-being of communities in the province by expanding its community-based treatment services to rural areas in Beaufort-West, Stilbaai, Ceres and Villiersdorp.
- 3.15. During the financial year under review, 12 615 youth accessed skills development programmes at community-based organisations and Youth Cafés across the province.
- 3.16. The Department reported that over 999 000 packs of sanitary pads were distributed to 223 schools across the province to preserve the dignity, well-being and health of young girls and women in schools through the Sanitary Dignity Project.
- 3.17. The sustainability of the NPOs, continued to receive attention as many NPOs face diminishing revenue streams. Interventions focused on enhancing governance processes and practices for improved sustainability included 37 training sessions facilitated with 887 NPO leaders from 584 NPOs.
- 3.18. The Department reported that it will continue to prioritise community-based and residential care services to children and adults in conflict with the law.
- 3.19. In response to the increased food insecurity, the high demand for food relief and increased homelessness, the Department will continue to implement COVID-19 relief programmes aligned with the Western Cape Recovery Plan.
- 3.20. It was reported that youth in conflict with the law remains a concern for the province, specifically youth involved in violent crime.
- 3.21. The Department will continue to redress interventions in support of persons living with disabilities including mainstreaming, supporting, and promoting the rights, well-being and socio-economic empowerment of persons with disabilities, their families and caregivers so that they have an equal opportunity to participate in all spheres of life.
- 3.22. During the 2020/21 financial year, sexual offenses related to GBV counted for 6,9 percent, and 6 456 of these were contact crimes.
- 3.23. It was reported that violence against women and children was fuelled by substance abuse. The Department provided a range of Substance Use Disorder (SUD) services during the financial year under review, including prevention, early intervention, treatment and aftercare services to ensure the effective reintegration of clients into their communities of origin and the society at large.
- 3.24. The Department managed to fill various positions in the approved departmental organisational structure and has appointed 145 social work graduates, on contract, who were holders of the national Department of Social Development (NDSD) social work bursaries.
- 3.25. The Department allocated 52 staff bursaries in specialised fields, where a shortage of skills exists, namely, addiction care, child and family studies, clinical social work, probation services, and forensic social work. Furthermore, 18 addiction care bursaries were awarded to people who are nonemployees of the Department to increase the availability of qualified professionals in this area.
- 3.26. The Department reported that it will continue to engage and strengthen the relationship with the courts to improve referrals of children and adults in conflict with the law to appropriate diversion services and programme.

- 3.27. The Department also reported that there was no legislation that provides for residential facilities for people living with disabilities. People living with disabilities that need residential facilities end up in old age homes and the Older Persons Act, 2006 (Act 13 of 2006), prohibits any person younger than the age of 60 from being accommodated in an old-age home.
- 3.28. The Department further reported a growing number of unregistered treatment facilities for substances abuse in the province as a challenge. It was reported that no legislation guides and regulates the Department to close down the illegal treatment facilities. The Department can only ask the Municipalities to enforce their By-Laws.

#### **4. Public input**

The Committee proceeded to the public hearing on the Annual Report of the Department of Social Development. Ms Florence from Women to Women NGO and Ms Lisipho Daniels from Mayihambe NGO in Langa gave oral submissions. The Head of the Department and departmental officials duly responded to the input made by the members of the public.

#### **5. Resolutions**

The Committee RESOLVED to:

- 5.1. Invite the Department of Community Safety, the South African Police Service and the Department of Social Development to brief the Committee on the holistic approach or programmes in place to address the challenge of gang violence and gender-based violence in the province.
- 5.2. Conduct an oversight visit to the DSD service offices and funded NGOs in Langa and other Cape Flats communities.

#### **6. Recommendations**

The Committee recommended that:

- 6.1. The Department should consider allocating additional specially adapted 16-seater vehicles in Beaufort West and other rural areas for the transportation of children living with disabilities.
- 6.2. The Department should thoroughly investigate if there are any victims of sexual harassment within the Department.
- 6.3. The Department should develop a plan for the placement of social work graduates.

#### **7. Information requested**

The Committee requested the Department of Social Development to provide the following information by Wednesday 31 November 2022:

- 7.1. Detailed information on the number of children that were murdered in the province during the 2021/22 financial year.
- 7.2. Detailed information on the children and women who were abused and assisted by the Department during the financial year under review.
- 7.3. Detailed information on the total number of NPOs in the province that are registered, unregistered and funded. The information should include the geographic area and region.
- 7.4. A consolidated report on the service provided by the funded NPOs in the province.

## **8. Conclusion**

The Chairperson thanked the Members of the Committee, the Head of the Department, departmental officials, and guests for their preparation, input, and responses to the questions posed by the Committee.

## **8. Report of the Standing Committee on Human Settlements on the annual reports of the Department of Human Settlements and its entity, the Western Cape Rental Housing Tribunal, for the 2021/22 financial year**

The Standing Committee on Human Settlements, having deliberated on the annual reports of the Department of Human Settlements (the Department) and its entity, the Western Cape Rental Housing Tribunal (the Tribunal), for the year ended March 2022, referred to it, reports as follows:

### **1. Introduction**

As part of its oversight function, the Standing Committee on Human Settlements (the Committee) considered the Annual Reports of the Department and the Tribunal on 17 October 2022. Annual reports are the key instruments for departments to report on performance measured against their performance targets and budgets as outlined in their strategic plans and annual performance plans. In addition hereto, it accounts for the success of each programme that was implemented.

Standing Rule 111(1)(a) of the Western Cape Provincial Parliament provides the standing committees with the mandate to consider departmental annual reports submitted in accordance with the Public Finance Management Act, 1999 (Act 1 of 1999).

The Annual Report Programme for the 2021/22 financial year was advertised in newspapers to invite stakeholders and members of the public to attend and participate in the discussions.

The Committee deliberated on Part A: General Information, Part B: Performance Information, and Part D: Human Resource Management.

The Minister of Human Settlements was afforded the opportunity to provide an overview of the key issues contained in the reports.

### **2. Western Cape Rental Housing Tribunal**

#### **2.1 Overview**

Mr L Cloete, Chairperson of the Western Cape Rental Housing Tribunal, informed the Committee that there were many challenges during the year under review. This was attributed to the country being subjected to various stages of the COVID-19 lockdown in terms of the regulations issued under the Disaster Management Act, 2002 (Act 57 of 2002). He advised that although the Tribunal was able to deliver on its mandated services, its operations were still affected in various ways.

The Tribunal received new improved office space. The Customer Relations Management (CRM) System, which came into operation on 1 April 2021, allowed the public to lodge complaints remotely via the Western Cape Government eService Portal. The main objective of the CRM was to improve the efficiency with which complaints were processed and finalised. In addition, it could also be used as a mechanism to reduce the use of paper in the processing and management of complaints. The implementation of the Tribunal's Strategic Plan during February 2022 allowed the Tribunal to improve its public awareness and pursue the sections major goals.

The Committee proceeded to discuss the Report.

## **2.2 Key issues discussed**

The Committee afforded the Tribunal the opportunity to provide input on its Annual Report by briefing the Committee on the following:

- 2.2.1 The Tribunal recorded 2 544 cases for the year under review, which was reported to be considerably less than the average number of cases recorded over the past six years.
- 2.2.2 A grand total of approximately 760 Communicare group related complaints were received by the Tribunal. Only 30 Communicare related complaints remained, all of which were maintenance related. All the other complaints were finalised. Communicare has not raised its rentals in the past two to three financial years. The Western Cape government only owns 20% of the Communicare stock.
- 2.2.3 Due to the concerted efforts by members of the Tribunal and staff, the number of open cases were reduced to 817 from the 1 325 open cases recorded in the 2020/21 financial year.
- 2.2.4 The backlog of cases was reduced to 391 from 898. This was attributed to officials being delegated the authority to close case files.
- 2.2.5 Members raised concern regarding the 565 hearings that did not equal the number of postponed and settled cases. Approximately 21 settled cases and 154 postponed cases were reported, which calculated to 434 cases that were heard. The Department advised that the Tribunal would provide the Committee with a response regarding the missing 31 cases as indicated on page 14 of Table 7 of the Tribunal's Annual Report.
- 2.2.6 The sheriff of the court was requested to assist with retrieving tenants' possessions. Spoliation orders were drafted for landlords who dispossessed tenants' possessions.

The Committee commended the Tribunal for its good work throughout the financial year. The Minister thanked the Tribunal and requested that members inform their constituencies about the online services of the Tribunal.

### **3. Department of Human Settlements**

#### **3.1 Overview**

Minister Simmers and Ms K August the Acting Head of Department were afforded the opportunity to provide introductory remarks on the key issues contained in the Department's Annual Report.

In his overview, Minister Simmers advised the Committee that the Department received a budget of R2 410 259 000. He advised that R2 361 929 000 of the budget was spent in the 2021/22 financial year. The budget was spent on improving efficiencies under Liveable Neighbourhoods, access to adequate housing and empowerment opportunities for citizens in the Western Cape, as well as for the security of tenure through home ownership.

Approximately 68,67% of the Department's Human Settlement Development Grant was awarded to contractors in designated groups. A total of 14,50% of the appointed contractors had women's representation and 6,18% of the appointed contractors had youth representation.

As part of the Department's improved efficiencies, it implemented two information and communications technology interventions. Approximately 99% of the invoices that were received by the Department were paid within 30 days. A total of 20 municipal engagements were held to improve efficiency at the municipal level, and a total of two knowledge management projects were implemented.

Under the Liveable Neighbourhood initiative, the Department completed two integrated implementation plans within the priority housing development areas. A total of 13 projects were approved that were aligned to the national and provincial priorities. The Department approved two policies and two policy implementation guidelines. Only two research papers were developed during the period under review.

After listing the key activities that were achieved by the Department during the 2021/22 financial year, Minister Simmers advised that the Department had received an unqualified audit with findings.

#### **3.2. Key issues discussed**

3.2.1 Land purchased by the government under the Medium-term Strategic Framework was rezoned for human settlement. The Saldanha Bay and the Theewaterskloof municipalities received 13,7 hectares of land for human settlement development. A total of four township establishment processes that were identified as priority housing development areas in the City of Cape Town were completed. The aim of the project was to restructure and revitalise towns and cities, to strengthen the livelihoods of households and to integrate communities.

3.2.2 Approximately 11 495 housing opportunities were provided by the Department, and a total of 8 164 title deeds were transferred to the relevant beneficiaries. Approximately 110 of the pre-1994 beneficiaries received title deeds, 2 073 of the pre-2014 beneficiaries received their title deeds, and 5 981 post-2014 beneficiaries received title deeds for their respective housing units.

- 3.2.3 The Department coordinated the completion of two integrated implementation plans as part of its project readiness plans. One of the projects was planned for the Breede Valley and the other for the Saldanha Bay Municipality's Special Economic Zone.
- 3.2.4 Technical support was provided to municipalities to enable municipalities to produce integrated development plans for human settlements projects.
- 3.2.5 The Department developed a general policy on the management of rental properties owned by the Western Cape Department of Human Settlements. The policy, it was reported, will deal with the procedural and management compliance framework for the letting of immovable properties belonging to the Western Cape Government in terms of the Housing Act, 1997 (Act 107 of 1997).

To ensure that beneficiary selection in the Western Cape remained sound, the Department embarked on a process to revise the framework policy for beneficiary selection. The aim of the policy was to determine the norms and standards for beneficiary selection for human settlement projects in municipalities, in the form of rules and principles.

In a bid to make affordable housing accessible to potential clients, the Department initiated and led discussions with its provincial and national counterparts, namely the Ministers and Members of the Executive Council, to obtain a means of enable potential beneficiaries to access a housing opportunity. To this end, a policy on "Help me Buy a Home" was approved by the national Department of Human Settlements.

The Department also revised its Enhanced Serviced Sites (ESS) policy guidelines to cater for various options to allow for the capture of a different range of potential beneficiaries in all the markets.

In his closing remarks Minister Simmers thanked departmental officials for their hard work during the year and members for their continuous oversight. He informed the Committee that the Department was gearing up to merge with the new Department of Infrastructure and would therefore have to finalise all outstanding matters prior to the merger.

### **3.3 Documents requested**

The Committee requested that the Department provide it with the following documents:

- 3.3.1 The amended policy for the selection of housing beneficiaries;
- 3.3.2 The Department of Human Settlements' Policy on the Management of Rental Properties;
- 3.3.3 The research paper on new mechanisms for increasing densities in social housing projects; and
- 3.3.4 A report on the remuneration allocated to the members of the Western Cape Rental Housing Tribunal for the past financial year.

#### **4. Conclusion**

The Chairperson allowed Minister Simmers and the Head of Department to provide a word of thanks, after which she thanked the members of the Committee, the Minister, the Head of Department and all the officials of the Department for their preparation and responses to the questions raised by the Committee.

#### **9. Report of the Standing Committee on Agriculture, Environmental Affairs and Development Planning on the 2021/22 Annual Reports of the Department of Environmental Affairs and Development Planning, and its Entity CapeNature, for the year ended 31 March 2022**

The Standing Committee on Agriculture, Environmental Affairs and Development Planning, having deliberated on the Annual Reports of the Department of Environmental Affairs and Development Planning and its Entity, CapeNature, for the year ended 31 March 2022, referred to it, reports as follows:

##### **1. Introduction**

Section 113(3)(b) of the Constitution requires that “Members of the Executive Council of a province must provide the legislature with full and regular reports concerning matters under their control.” Section 65 of the Public Finance Management Act, 1999 (Act 1 of 1999) requires the Minister of each Department and public entity to table an annual report in the legislature within six months of the end of each financial year.

As part of its oversight function, the Standing Committee on Agriculture, Environmental Affairs and Development Planning (the Committee) deliberated on the Annual Reports of the Department of Environmental Affairs and Development Planning (the Department) and its Entity, CapeNature, on 21 October 2022.

Annual reports are the key instruments for departments to report on performance measured against their performance targets and budgets as outlined in their Strategic Plans and Annual Performance Plans.

The Annual Report Programme for the 2021/22 financial year was advertised in various newspapers, inviting stakeholders and members of the public to participate in the discussions.

The Committee deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management of the respective Annual Reports.

##### **2. Department of Environmental Affairs and Development Planning**

###### **Overview**

Key highlights for the year under review included the release of the third iteration of the Western Cape Air Quality Management Plan (2021 to 2025) that focused on air quality, air pollution and climate change.

The Committee commended the work done that focused on Water Catchment Programmes in the Berg River and Breede River catchments through the Berg River Improvement Plan and the Breede River Environmental Resource Protection Plan.

The Department and CapeNature released a total of 29 Estuary Management Plans for public comment. The Plans underwent evaluation before finalisation and approval by the Department and Entity. These plans aimed to manage and coordinate the many activities that occurs within, and impact on the estuarine functioning zone. In some instances, this could ultimately lead to declaring an estuary as a protected area or special management area. Such has been the case with the Berg River Estuary, which was declared a Ramsar Site under the Convention on Wetlands of International Importance. The Committee congratulated the Department and CapeNature on this sterling achievement.

The Department managed to maintain its clean audit outcome and succeeded in achieving 100% of its performance indicators, exceeding some of the indicators in various Programmes.

### **3. CapeNature**

#### **Overview**

CapeNature continued to strengthen good governance and achieved good results in the past financial year. This resulted in another unqualified audit for the seventh consecutive year. The Entity 's performance indicators that were distributed throughout its programmes were aligned to that of the Western Cape Government and 100% of all predetermined objectives were achieved.

Highlights for the year under review included the finalisation of the Western Cape Biodiversity Act, 2021 (Act 6 of 2021) that provided improved framework legislation to govern biodiversity in the province and outlined the conservation mandate of CapeNature. The protected area expansion and stewardship model played a pivotal role in biodiversity conservation and ecological sustainability. The entity exceeded the planned target by adding 5 000 hectares to the conservation estate. The Committee noted with appreciation the growth in the number of protected areas and the number of reserves established in the year under review.

With the lifting of travel restrictions, eco-tourism had significantly increased, which was a key source of income for the Entity. The Entity's tourism income performance exceeded all expectations and totaled more than R50 million, demonstrating that it has not only recovered from the effects of the pandemic, but also outperformed pre-pandemic tourism income performance. Additionally, the glamping sites at Grootvadersbosch Nature Reserve were launched, and the Mbali Collection at Kogelberg Nature Reserve received a renowned architecture award for its creative and nature-sensitive design.

One of the major challenges during the year under review was the outbreak of avian influenza in October 2021. The outbreak subsided in March 2022 and many seabirds of different species succumbed to the outbreak.

### **4. Key finding and concern**

The Department and CapeNature reported a high staff vacancy rate within its respective establishments and, judging from the audit outcomes obtained as well as the quality of the report that was presented to the Committee, it was commendable that the Department and CapeNature managed to achieve their performance targets. The Committee however expressed concern that this situation could have an impact on employee health and wellness and implored the Department and CapeNature to address the filling of critical posts. The Committee noted that the adjustments in the budgets of the Department and its



entity, CapeNature, have not kept up with the increased responsibilities brought about by changes in legislation, the expansion of nature reserves and the like.

#### **4. Resolutions/Actions**

- 4.1. The Committee **REQUESTED** that the Department of Environmental Affairs and Development Planning and CapeNature provides it with a Report on the high staff vacancy rate that exists, with specific reference to the period that each of these posts have been vacant, the vacant posts that are funded and vacant posts that were not funded.

The Committee further **REQUESTED** that CapeNature provides it with its Equity Plan.

- 4.2 The Committee **RECOMMENDED** that the Department of Environmental Affairs and Development Planning and CapeNature:

- 4.2.1 Address the issue of the high vacancy rate as this may impact on the quality-of-service delivery within the Department and Entity; and
- 4.2.2 Extend an invitation to the Committee to attend ceremonies and events such as the Ramsar Ceremony and the launch of the Berg River Improvement Plan, so that the Committee is kept abreast of developments within the Department and Entity.

The Committee further **RECOMMENDED** that CapeNature inserts the name of the Reserve, Facility or Project and its respective location to the pictures in its Annual Report.

#### **5. Conclusion**

The Committee congratulated the Department and CapeNature on sterling work and was satisfied that the predetermined objectives for the 2020/21 financial year were adequately achieved and that it was accurately reported.

The Committee noted its appreciation for the responses of the Department of Environmental Affairs and Development Planning and CapeNature to the scrutiny of the Annual Reports and thanked the Minister, Head of Department, Board Chairperson and Chief Executive Officer of CapeNature as well as the officials for their contributions and efforts in this regard.

### **10. Report of the Standing Committee on Transport and Public Works on the annual reports of the Department of Transport and Public Works and Government Motor Transport (GMT) for the 2021/22 financial year**

The Standing Committee on Transport and Public Works, having deliberated on the annual reports of the Department of Transport and Public Works and Government Motor Transport (GMT) for the 2021/22 financial year, reports as follows:

#### **1. Introduction**

The annual reports of the Department of Transport and Public Works (the Department) and Government Motor Transport (GMT) for the financial year ended 31 March 2022 were tabled on 3 October 2022 in accordance with section 65(1)(a) of the Public Finance Management Act, 1999 (Act 1 of 1999), as amended.

As part of its oversight function, the Standing Committee on Transport and Public Works (the Committee) considered the Annual Reports of the Department and GMT on 3 November 2021. Annual reports are the key instruments for departments to report on performance measured against their performance targets and budgets as outlined in their strategic plans and annual performance plans. In addition, hereto, it accounts for the success of each programme that was implemented.

Standing Rule 111(1)(a) of the Western Cape Provincial Parliament provides standing committees with the mandate to consider departmental annual reports submitted in accordance with the Public Finance Management Act, 1999 (Act 1 of 1999).

The Annual Report Programme for the 2021/22 financial year was advertised in newspapers to invite stakeholders and members of the public to attend and participate in the discussions.

The Committee deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management, after which the Chairperson afforded an opportunity to the public to ask questions to the Department.

## **2. Overview**

Despite various challenges and the conclusion of the lockdown restrictions the Department has achieved a clean audit report and managed to spend 98,8% of its budget. GMT obtained an unqualified audit with no findings for ten consecutive years thus continuing with the positive trend of the past years.

Minister Simmers highlighted that the infrastructure elements of the Department and the Department of Human Settlements would be merged into a new Department of Infrastructure, and that the mobility elements of the Department would be taken into a new Department of Mobility.

Minister Mitchell announced that 18 months after the Blue Dot incentive programme was introduced in the minibus taxi industry, the provincial government has decided to terminate it. Due to a lack of funding the programme will conclude on 30 November 2022. Approximately R42 million was needed to run the programme until the end of the current financial year.

Minister Mitchell described the programme as a “remarkable success”. The Blue Dot pilot project worked well but the support from national government was needed to fund the continuation and expansion of the pilot programme.

The Department indicated that it was responsible for the facilitation, planning and regulating of the provision of integrated land transport services through coordination and cooperation with national planning authorities, municipalities, community-based and non-governmental organisations, and the private sector to enhance the mobility of all communities in the Western Cape.

The Committee proceeded to engage with the Department by asking questions on Parts A, B and D of the Annual Report. All questions were satisfactorily answered, and the Committee was satisfied that the Department achieved its predetermined objectives for the 2020/21 financial year and that it was accurately reported on.

The Chairperson afforded the members of the public an opportunity for questions and comments.

Mr M Mbiko, Nyanga Tourism Platform, raised a concern about the Nyanga taxi public transport interchange as well as the inclusivity of all taxi organisations and community-based organisations. He highlighted that there was always only reference to SANTACO.

Mr N Enge, First Deputy: SANTACO, informed the Committee that they have a road safety programme called Hlokomela which is only carried out over the Easter weekend and over the festive season and he expressed the need that this programme be carried out throughout the year. He also informed the Committee that SANTACO had meetings with the Department of Education regarding scholar transport and would appreciate it if the Department could assist SANTACO regarding scholar transport tenders. He also expressed a need for special operating licenses to transport workers in areas where there are new developments and where there are no official taxi routes yet. In conclusion he expressed his concern and disappointment at the cancellation of the Blue Dot Incentive Programme and urged the Minister and the Department to find ways to reinstate the programme.

### **3. Information requested**

The Committee REQUESTED that the Department provides the Committee with:

- 3.1 A report on all the irregular expenditure cases that emerged during the 2021/22 financial year indicating what goods and services were procured, how the irregular expenditure was discovered and what processes were put in place to ensure that a re-occurrence does not take place;
- 3.2 A copy of the survey that was done on the road safety overview and the successes of the Safely Home Campaign;
- 3.3 A copy of their five-year Employment Equity Plan and the status of the plan with regard to the implementation of the plan;
- 3.4 A copy of the Labour Force Survey and an indication of whether the Department has a succession plan and if so, to provide a copy of the plan;
- 3.5 A report on the so called “construction mafia” and whether the Department was exposed to problems of intimidation, extortion and violence on construction sites during the period under review; and
- 3.6 A report on the R51 million owed by PRASA to the Department indicating what was done to recover the money, has Provincial Treasury been approached to assist and what other avenues could be pursued to recover the money.

### **4. Resolutions**

The Committee RESOLVED that it would invite the Department to brief it in future on:

- 4.1 The status of the Blue DOT Incentive Programme;
- 4.2 Its role in assisting municipalities with their Integrated Transport Plans to address the challenges created by the current population growth trend in the province; and
- 4.3 The various alternative transport plans for municipalities and districts in the Western Cape.

### **5. Acknowledgement**

The Committee expressed its appreciation to the Traffic Law Enforcement Officers and wished them well during the execution of their duties over the upcoming festive season, to ensure roads are safe for all road users.

## **6. Conclusion**

The Chairperson thanked the Members of the Committee, Ministers Simmers and Mitchell, the acting Head of Department and all the officials of the Department for their preparation and responses to the questions raised by the Committee.

## **11. Report of the Standing Committee on Agriculture, Environmental Affairs and Development Planning on the 2021/22 annual reports of the Department of Agriculture, and its entity Casidra, for the year ended 31 March 2022**

The Standing Committee on Agriculture, Environmental Affairs and Development Planning, having deliberated on the Annual Reports of the Department of Agriculture and its Entity, Casidra, for the year ended 31 March 2022, referred to it, reports as follows:

### **1. Introduction**

Section 113(3)(b) of the Constitution requires that “Members of the Executive Council of a province must provide the legislature with full and regular reports concerning matters under their control.” Section 65 of the Public Finance Management Act, 1999 (Act 1 of 1999) requires the Minister of each department and public entity to table an annual report in the legislature within six months of the end of each financial year.

As part of its oversight function, the Standing Committee on Agriculture, Environmental Affairs and Development Planning (the Committee) deliberated on the Annual Reports of the Department of Agriculture (the Department) and its Entity, Casidra, on 20 October 2022.

Annual reports are the key instruments for departments to report on performance measured against their performance targets and budgets as outlined in their Strategic Plans and Annual Performance Plans.

The Annual Report Programme for the 2021/2022 financial year was advertised in various newspapers, inviting stakeholders and members of the public to participate in the discussions.

The Committee deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management of the respective Annual Reports.

### **2. Department of Agriculture**

#### **2.1 Overview**

The year under review remained a challenging one in relation to the recovery from the COVID-19 global pandemic which necessitated innovative thinking for the Department to continue to provide services to the people of the Western Cape. The Department achieved 90% of its performance targets.

Highlights for the year included the completion of phase one of the Solar Photovoltaic Battery and Inverter Project that resulted in a reduction of the Department’s electricity spend. The Agricultural Producer Support and Development Programme achieved all the planned targets and exceeded most indicators for the reporting period. Through the Comprehensive Agricultural Support Programme, the Department continued to support

the commercialisation of farming enterprises and commodities. The implementation of the actions of the SmartAgri Plan within the Department and the sector to build a climate change resilient sector continued with a renewed focus on the need to plan for and address climate change challenges.

A successful Ostrich Products Showcase was held for foreign dignitaries and was supported by the South African Ostrich Business Chamber and Cape Karoo International at Leeuwenhof early in 2022. This was done to facilitate a better understanding of the industry and its meat products and enhance market access to international markets.

Agri-processing emerged as an important subsector with the potential to spur economic growth and create jobs. As a result, agri-processing was one of the strategic priorities of the Department. In order to revitalise the rural economy, the “Agri-Processing On Wheels” initiative was launched to take the services to the people, especially in remote areas.

The food price index indicated significant growth in the prices of oils, cereals, and food in general, including dairy and meat because of the disruption to international value chains. The geopolitical tension between Russia and Ukraine contributed significantly to the global supply of wheat, maize, sunflower and sunflower oils. This had a significant implication on South Africa and the Western Cape, given the existing trade relations with these countries.

The Department of Agriculture has partnered with the Bureau for Food and Agricultural Policy to monitor the extent and impact of value chain disruptions and has taken the necessary steps to support exporters to mitigate the potential impact of disruptions to export value chains.

## **2.2 Key issues discussed**

- 2.2.1 Part of the Elsenburg Energy Master Plan has been completed and a further R80 million was required to complete the entire plan. The completion of the remainder of the Project and further development was dependent on the availability of funding. The Committee expressed concern in relation to the implementation of the Project, given the large amount of money required to complete it.
- 2.2.2 The Western Cape experienced a serious drought since 2015, with associated crop losses, water restrictions, and impacts on food and water security. Climate change and its impact on both water quality and availability through, among others, changes in rainfall patterns remained a concern to the Committee. To create a sector that was climate change resilient, the Department implemented climate change related measures in the SmartAgri Plan. However, the effect of climate change on Mediterranean climates and its impact on food security continued to be of concern to the Committee.
- 2.2.3 The state of rural roads in the province was of concern to the Committee.
- 2.2.4 The Committee remained concerned about the safe transportation of farm workers, particularly during the harvesting season and highlighted the need to enhance awareness of the risks involved and the need to transport farm workers safely and with dignity. The Committee previously recommended an amendment to Regulation 247 of the National Road Traffic Act, 1996 (Act 93 of 1996) that stipulated the requirements for vehicles transporting workers.
- 2.2.5 The uncertainty created by the possible transfer of agricultural colleges from provinces to the Department of Agriculture, Land Reform and Rural Development (DALRRD), has had an impact on the governance and resources requirements of the Elsenburg Agricultural Training Institute (EATI). The

transfer of four agricultural colleges to national government has already taken place. Important to note was that these four colleges were dysfunctional. The Western Cape Government has opposed the transfer of the EATI and has not signed any agreements with National Government in this regard.

The EATI was established in 1898 and was the first centre for agricultural training in South Africa. The Institute has secured an eminent track record in agriculture, especially in the field of agricultural training. The opportunities for practical training to support the development of agriculture in the Western Cape remained one of the competitive advantages of the training provided at the institute.

The Committee raised concern about this situation where a functional training institute, contributing significantly to the agricultural sector within the province, faced the uncertainty of being transferred.

The Committee strongly objected to the transfer of the EATI to National Government.

- 2.2.6 The purpose of the Agricultural Producer and Support Programme within the Department was to facilitate, coordinate and provide support to black smallholder farmers and commercial farmers through sustainable development within agrarian reform initiatives in the province. The Programme continued to provide targeted support to the 50 black commercial farmers identified in line with the DALRRD's Black Producers Commercialisation Programme.

It was unclear how many farmers were supported during the year under review, the type of support that was provided as well as the commodity that was supported. In addition, the process regarding management of the 50 black farmers who were a part of the Black Producer Commercialisation Programme was also unclear.

- 2.2.7 The purpose of the African Continental Free Trade Agreement was to accelerate integration and economic development through the establishment of organisations which would play a pivotal role in the mobilisation of resources and the management of the African financial sector. Exports contributed to a large portion of the Western Cape economy and social welfare of the people. Increased trade contributed immensely towards provincial economic growth. For this reason, the Department focused on establishing partnerships with ten African countries, as well as Brazil. The need for the latter was based on a request from the Ambassador to Brazil, who approached the Minister of Agriculture for a potential partnership.

### **3. Casidra**

#### **3.1 Overview**

Casidra was the implementing agent for the Department and achieved an unqualified audit with findings for the year under review. The focus for the year under review encompassed the following three aspects: regaining the financial stability of the organisation, utilising resources efficiently and enhancing stakeholder relationships. The Entity explored the possibility of new partnerships with other government departments and entities to increase its revenue base and modify its funding model and discovered that these government departments were hesitant to utilise the services of Casidra until the court case with the Auditor-General had been resolved. As this has now been resolved, the Entity plans to re-establish connections with these departments.

### 3.2 Key issues discussed

- 3.2.1 Amalienstein and Waaikraal were farms managed by Casidra on behalf of the Department. Both farms were financially unsustainable due to limited funding and the lack of a constant supply of water for irrigation. The drought has also had a significant impact as these farms are situated in the drought-stricken areas of the Little Karoo. The Committee has been in engagement with the Department and Casidra on a regular basis regarding the turnaround strategies for these farms to ascertain when transfer would take place to the relevant communities. The Department informed the Committee that it would be irresponsible to advise that these farms be transferred to the communities in its current form as both farms were unsustainable. The turnaround strategies were placed on hold because of community conflict on how the process should unfold. Various mechanisms were put in place to ensure the buy-in of the community. The Department had appointed the Institute of Justice and Reconciliation to administer social facilitation in this regard. Casidra received an annual budget to maintain the farms. No further development has taken place due to lack of funds. The Committee expressed concern regarding the timeline for these farms to be transferred and the seemingly difference in approach between the Department and Casidra. It was also unclear what steps needed to be taken to complete the process.
- 3.2.2 The Committee was pleased that Casidra launched ICAS, an integrated holistic wellness platform to address employee wellness. However, the success of the implementation of the Programme and the tangible benefits of the Programme were unclear.

### 4. Resolutions/Actions

- 4.1. The Committee **REQUESTED** that the Department of Agriculture provides it with:
- 4.1.1 The completed Elsenburg Energy Masterplan, as well as an update on the implementation thereof;
- 4.1.2 An analysis on the impact assessment of climate change, particularly its effect on Mediterranean climates, as well as its impact on food security; and
- 4.1.3 A report on the state of rural roads, particularly gravel roads, in the province outlining the interaction, if any, with the Department of Transport and Public Works, organised and unorganised agriculture, as well as municipalities in efforts to address the matter and to improve the conditions of such roads.
- 4.2 The Committee further **REQUESTED** that Casidra provides it with a report on the implementation of the ICAS Wellness Programme with specific reference to the ways in which employee wellness is measured and the success of the Programmes being implemented.
- 4.3 The Committee **RECOMMENDED** that the Department of Agriculture engages with the Department of Transport and Public Works on its readiness for the upcoming harvesting season to ensure the safe transportation of farm workers, as well as on the progress to request an amendment to Regulation 247 of the National Transport Regulations in conjunction with the relevant section in the Sectoral Determination 13: Farmer Sector, South Africa Regulation as contained in the Labour Relations Act, 1997 (Act 75 of 1997).

4.4 The Committee **RESOLVED** that:

- 4.4.1 Given the continued contribution of the Elsenburg Agricultural Training Institute and its focus on the needs of the Province, that it would oppose the transfer of the Training Institute to National Government;
- 4.4.2 Given the considerable impact of climate change on food security, that consideration be given to representatives of the Committee attending the 2022 United Nations Climate Change Conference in Egypt, albeit at short notice;
- 4.4.3 It would invite the Department of Agriculture to brief it on the intergovernmental relations in relation to the 10 African countries that were identified, as well as Brazil, with specific reference to opportunities for collaboration, marketing and exports;
- 4.4.4 It would invite the Department of Agriculture to brief it on the support afforded to black small-scale farmers with specific reference to the number of farmers supported, the type of support provided, as well as the commodities that were supported;
- 4.4.5 It would invite the Department of Agriculture to brief it on the status of the Black Commercialisation Programme with specific reference to the 50 small-scale farmers involved in the Programme, the number of farmers that were supported and who have completed the Programme, the prospects for these farmers as well as the lifespan of the Programme and the future intake of small-scale farmers; and
- 4.4.6 It would invite the Department of Agriculture and Casidra to brief it on the status of the turnaround strategies for the Amalienstein and Waaikraal farms with specific reference to the history of the previous turnaround strategies that were funded by the Department, when the last turnaround strategy was commissioned, where the challenges exist and the difference of opinion that seemingly exists between the Department and Entity.

## 5. Conclusion

The Committee recognised the challenges experienced during the year and congratulated the Department and Casidra on sterling working under difficult circumstances. The Committee was satisfied that the predetermined objectives for the 2021/22 financial year were adequately achieved and that it was accurately reported. The Committee further expressed its appreciation for the comprehensive responses from the Department of Agriculture and Casidra to the scrutiny of the Annual Reports and thanked the Minister, Head of Department, Chairperson of the Casidra Board, its Chief Executive Officer and officials for their contributions and efforts in this regard.

## 12. Report of the Standing Committee on Finance, Economic Opportunities and Tourism on the annual reports of the Department of Economic Development and Tourism and its entities: Western Cape Tourism, Trade And Investment Promotion Agency (Wesgro), Saldanha Bay Industrial Development Zone Licencing Company (Soc) Ltd and Atlantis Special Economic Zone for the year ended 31 March 2021, dated 29 November 2022.

### 1. Introduction

The Annual Report programme for the 2021/22 financial year was advertised in newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.



Members of the Standing Committee on Finance, Economic Opportunities and Tourism deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management of the Annual Reports of the Department of Economic Development and Tourism and its Entities: Western Cape Tourism, Trade and Investment Promotion Agency, Saldanha Bay Industrial Development Zone Licencing Company (SOC) Ltd (now called Freeport Saldanha Industrial Development Zone) and Atlantis Special Economic Zone, on 19 October 2022.

Members of the public were also given an opportunity to pose questions and make oral submissions.

## **2. Overview**

The Committee considered the Annual Reports of the Department of Economic Development and Tourism (the Department) and its Entities; Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro), Freeport Saldanha Industrial Development Zone (FSIDZ) and Atlantis Special Economic Zone (ASEZ).

Before proceeding to the consideration of the Annual Reports, the Minister, the Head of Department, the respective Chief Executive Officers and Chairpersons of the Entities' Boards were given an opportunity to make opening remarks.

In the year under review, the Department, FSIDZ and ASEZ received clean audits, while Wesgro received a qualified audit opinion.

At the end of each Annual Report deliberation, the Chairperson afforded members of the public the opportunity to address the Department and entities.

## **3. Deliberations on 2021/22 annual reports**

### **3.1 Department of Economic Development and Tourism: Observations and Findings/Concerns**

3.1.1 The year under review was still wrought with the negative impact of the COVID-19 pandemic, hence, the Department spent much of its time on economic recovery initiatives. The Minister acknowledged the work of the previous Minister, Mr David Maynier, who has moved to the Education sector, and the previous Head of the Department, Mr Solly Fourie, who recently retired. Although it was a difficult period with job losses and business closures, the Department has responded aggressively by facilitating investments, supporting energy programmes, and setting up learnership experiences and programmes that afforded people the opportunity to be employed.

3.1.2 The economic climate remained a challenge. The Western Cape economy was estimated to have grown by 4,3% in 2021, however, it was projected that this growth would decline to 1,8% in 2022. This was due to the Russian-Ukrainian war, which had implications globally, and the severe loadshedding experienced in South Africa. Despite the low growth projection, the Western Cape created the most jobs in the country in 2021, with 9 000 jobs gained, and compared to other provinces, the Western Cape had the lowest expanded unemployment rate at 30,3%. The Minister also informed the Committee that the tourism sector was moving from the recovery phase to the growth phase and that the Province could expect 191 flights per week into Cape Town in January 2023. This equated to approximately 1,5 million flight seats.

- 3.1.3 The Department was in a very challenging position because it was in the process of reviewing its current strategy and moving towards building a “Growth for Jobs Strategy”, which would drive inclusiveness, economic growth and employment. The previous strategy responded to the catastrophe left behind by the COVID-19 pandemic. The Department hoped that the new strategy would become a beacon of hope for the people of the Province and that it would result in sustainable economic growth in order to deal with the challenges of poverty and unemployment. The Department was in the process of finalising this strategy and indicated that the deadline for finalisation was the end of February 2023. The strategy would result in the opportunity to relook at the organisation of the Department and to restructure the Department so that it is structured appropriately to deliver on this strategy.
- 3.1.4 The Department indicated that a township economic growth strategy would emerge from the new “growth for jobs” strategy, however, this would require a whole-of-government approach given the challenges experienced in townships, particularly around safety. The Department indicated that the previous strategy was a transversal one that was developed over several years and finalised in the middle of 2020. This was in the middle of the COVID-19 pandemic, which resulted in the Department pivoting and creating a COVID-19 Relief Fund, which was targeted at operational matters. The Department was in “crisis mode” during this time, which resulted in R38 million being added to the COVID-19 Relief Fund. Many of the businesses that benefited from this funding were township-related businesses.
- 3.1.5 The Department has placed a great deal of focus on its work at the ports in the Western Cape, particularly around supply chain matters, to ensure the free flow of goods through the ports, thereby facilitating imports and exports of goods. The Department acknowledged that the ports were central to the creation of employment in the Province. The Department has also assisted municipalities to automate certain services so that they could provide citizens with the level of services that are expected in the Western Cape.
- 3.1.6 One of the Department’s challenges was to navigate the availability of energy in the Province. The Department has been working with and supporting municipalities to ensure that they land investments that would enable the Province to find alternative energy sources through the Municipal Energy Resilience (MER) programme. With the escalation of the energy crisis, an economic cluster was established to deal with communication, essential services, managing business queries and scaling up the provision of new energy into the grid. The Department was in the process of preparing municipalities for Independent Power Producer (IPP) procurement, however, this was quite an ambiguous legislative space that had to be navigated.
- 3.1.7 The tourism sector in the Western Cape seemed to be recovering faster than in other provinces. However, there was limited funding available for tourism businesses compared to the 2020/21 financial year, when the national government provided relief funding for tourism businesses. The Department provided support to 15 tourism businesses based in the Western Cape through the Tourism Product Development Fund. Unfortunately, this programme was discontinued in the current financial year due to a lack of funding within the Department’s budget. However, the Department has applied for this programme to continue in the next financial year, 2023/24.
- 3.1.8 The Department indicated that there were several vacancies that could not be filled due to austerity measures brought upon by the impact of the COVID-19 pandemic, hence the only vacancies that could be filled over the period under review were core functions/positions.

### **3.2 Atlantis Special Economic Zone: Observations and Findings/Concerns**

- 3.2.1 The Atlantis SEZ (ASEZ) and the Committee noted the contribution that was made by the previous Chief Executive Officer, Dr P Voges, in establishing the organisation in the past three years. Before his departure, Dr Voges ensured that he had put together a good team that has allowed the entity to deliver on its mandate. The ASEZ also acknowledged the assistance, support and advice that was provided by Wesgro and the Freeport Saldanha IDZ during its incubator period, in respect of working with SMMEs, setting up a board, tender processes, among others.
- 3.2.2 The Committee noted that previous discussions with the ASEZ had alluded to the development of a freight railway line between Atlantis and the Port of Cape Town. The ASEZ indicated that they were in the process of concluding a feasibility study on the potential volumes for use of the freight railway link. The study indicated that the volumes were not quite where the ASEZ needed them to be. This was because people have lost faith in rail as a form of freight transport. However, there was the sense that if the railway line was re-established, one would see certain freight returning to the use of rail over time, particularly in the form of containerised transport. There were opportunities for a “freight village” in Atlantis later if more demand developed for the freight railway. There was immediate support for the development of the railway line, however, the current challenge was the invasion of the railway reserve in the Dunoon area by an informal settlement.
- 3.2.3 The ASEZ was very involved in creating opportunities for the community of Atlantis. The ASEZ was also part of the business community in Atlantis and was working to turn the entire industrial area into an investment opportunity.
- 3.2.4 During a previous oversight visit to the ASEZ, there was a matter of land that needed to be transferred from the City of Cape Town to the ASEZ. The ASEZ indicated that this was a complicated process because the land that was being transferred had to be subdivided and three new land parcels were created. At present, the title deeds were being prepared for those new parcels of land by transferring attorneys. There were one or two heritage issues in respect of the allocation of land, however, this was being dealt with. The ASEZ indicated that this matter should be resolved by early 2023.

### **3.3 Freeport Saldanha Industrial Development Zone: Observations and Findings/Concerns**

- 3.3.1 Freeport Saldanha IDZ (FSIDZ) indicated that several agreements were signed in 2016, which included ownership of half of the IDZ property as well as responsibilities that were handed over to the Saldanha Bay Municipality. The challenge was that the Saldanha Bay Port (the Port) was opened in 1976 and apart from a few upgrades over the few decades, the Port has not changed much. The idea was to continue with and even expand the ore exports; however, the marine and energy engineering side of the operations has been postponed for another decade.
- 3.3.2 The FSIDZ’s Investor Pipeline was valued at approximately R21 billion, however, half of this value was “sterilised” because it was very dependent on vessel traffic at the Port. The FSIDZ has had to focus on creating solutions that would determine what needed to happen at the Port as well as the greater IDZ. Over the years, the ports have lost customs services because they were outdated and because there were capacity issues. The focus was on the infrastructure that was required at the Port and the financing thereof. It was possible to find

financing for port infrastructure, which was not necessarily dependent on Transnet. The FSIDZ indicated that the National Ports Act, 2005 (Act 12 of 2005) was being applied in a restrictive manner, however, if it was applied as an enabling mechanism together with the Special Economic Zones Act, 2014 (Act 16 of 2014) then one would be able to find different solutions for the way the Port could be set up.

- 3.3.3 The FSIDZ indicated that it has been a challenge to “convert the Investor Pipeline into paying tenants”. This was due in large part to the COVID-19 pandemic, supply chain constraints and the evolving nature of geopolitics.
- 3.3.4 Jobs for growth were quite dependent on the “network industry”, of which the Port played a significant role along with freight rail, freight strategy and other relevant processes. The Minister was meeting with the national government on these processes so that the Port could be capacitated to where it needed to be.
- 3.3.5 The FSIDZ’s overall investment amounted to approximately R2 billion, most of which was spent on civil infrastructure. Part of this amount (approximately R300 million) was spent on building on the Transnet National Ports Authority (TNPA) property, which to some extent was “stranded” due to the lack of port infrastructure from the TNPA. This matter had to be resolved as soon as possible as it was time to unlock the value of the Saldanha Bay Port.
- 3.3.6 FSIDZ indicated that most of the offshore gas projects were in litigation and the private sector was not moving as rapidly as the Entity had hoped, and they were not taking up opportunities across the Western Cape’s offshore fields.
- 3.3.7 In terms of the decarbonisation drive, there was great potential to reindustrialise Saldanha Bay, but on a green pathway. On 18 October 2022, Sasol and ArcelorMittal South Africa (AMSA) signed a joint development agreement, which would focus on two projects. The first project was where Sasol would create green hydrogen in Saldanha Bay and provide that green hydrogen to AMSA, who would then restart the steel mill to produce green steel. The FSIDZ has signed a Memorandum of Understanding with Sasol to locate that plant within the IDZ. This was an enormous investment opportunity for FSIDZ and the Western Cape. The second part of the agreement lies on the Vaal side, where AMSA will be capturing the carbon that would be emitted from the steel mill and providing it to the Sasolburg Plant. Sasolburg would then inject the carbon into its processes to produce more sustainable aviation fuels and other derivatives. These projects required an IDZ that was open to business and focused on applying its energy to landing investments. More so, it required a whole-of-government approach that would support these investors.
- 3.3.8 The future and sustainability of the FSIDZ were unclear because there was no intergovernmental agreement with the TNPA. This was due to lackluster cross-departmental alignment nationally and with other state-owned companies, and because of the lack of port infrastructure.

### **3.4 Western Cape Tourism, Trade and Investment Promotion Agency: Observations and Findings/Concerns**

- 3.4.1 Wesgro aimed to position the Western Cape as the leading regional economy on the global stage, however, the 2021/22 financial year was a year of significant challenges for Wesgro and how they were able to operate. The COVID-19 pandemic impacted on many sectors, particularly domestic and international tourism, the film and media industry, and international investment and exports. In addition to these challenges, Wesgro had also lost its Chairperson and Chief Executive Officer during the year under review. Despite the challenges, Wesgro

made significant progress on its targets. There were real opportunities for investment and growth within the Province.

- 3.4.2 Wesgro indicated that it was doing quite well in terms of its audit turnaround plan, given its qualified audit opinion for the year under review. The audit plan included a review of all Wesgro policies, with a focus on the matters raised by the Auditor-General of South Africa (AGSA) in the last financial period, such as asset management and supply chain management. Wesgro has also taken the opportunity to review the structure and competence of the team so that they had the “right people in the right places”. Wesgro thanked the Department of Economic Development and Tourism and the AGSA for their support as they tackled the audit findings.
- 3.4.3 Wesgro noted that their Board consisted mainly of males. This was because the Board received very few applications from women. However, Wesgro assured the Committee that there were several changes that were going to be made and that the Entity was seeking to encourage female applicants, thereby increasing diversity on the Board.
- 3.4.4 During the COVID-19 pandemic, Wesgro noted the importance of the African market in terms of trade and the Western Cape’s economy. The Western Cape was exporting a lot more services than the Entity was able to capture, therefore Wesgro has created a service desk to track these exports. The majority of the investment was in the green economy and the Information and Communications Technology sectors.

#### **4. Submissions from members of the public**

##### **4.1 Mr M Mbiko – Nyanga Tourism Platform**

Mr Mbiko addressed the Department of Economic Development and Tourism asking who qualified for the SMME Booster Fund since many of the business owners in Nyanga were part of the informal business sector. He also wanted to know who qualified for the experiential learning programmes, which the Department referred to in its Annual Report. Mr Mbiko indicated that he knew a number of people who had studied responsible tourism, however, they were all unemployed.

The Department answered that the SMME Booster Fund supported organisations that supported SMMES; the Fund did not support SMMES directly. They indicated that Nyanga was one of the areas that were supported.

The Department added that it was always going to feel that they were not doing enough, however, given the severe funding constraints experienced, they did a good job in respect of skills development. The Department indicated that any person in the youth bracket could qualify for the experiential learning programme and added that 99% of the beneficiaries had hailed from the townships, which included Nyanga.

Mr Mbiko requested that the Chairperson revisit a resolution that was taken in 2019 that the Department would consult with the Nyanga Tourism Platform on several issues that they had raised at the time.

The Department noted that it had received information on the OREO Project concept, which focused on urban development and not tourism product development. The Department has reached out to the City of Cape Town (the City) as this was their area of expertise and mandate. The Department indicated that it would follow up with the City of

Cape Town and that it would be happy to facilitate discussions with regards to Mr Mbiko's needs.

The Chairperson indicated that this matter could be addressed in the Committee's resolutions.

#### **4.2 Mr L Phito – Kraaifontein (Community Advisory Services)**

Mr Phito indicated that tourism seemed like an opportunity for job growth, however, this needed to be rolled out in Kraaifontein as well. He asked the Department which programmes they are rolling out where local entrepreneurs and businesses could benefit from tourism and encouraged the Department to work with the City of Cape Town (the City), particularly around trade and businesses for youth.

The Department indicated that they could refer Mr Phito to an official from the City that could assist with his request in respect of Kraaifontein.

The Department further indicated that there had been a discussion about Kraaifontein and the attraction value in respect of active tourism products. The Department elaborated that there needed to be mature products in the pipeline for tourists to see and do. Work needed to be done to build that attraction value in the community. This could be discussed with the City as well.

Mr Phito indicated that there were many jobs that could be created from recycling, however, the problem was finding space to store the waste before it is recycled. He said that law enforcement made it difficult to maintain a recycling business. He further informed the Members that it was challenging to apply for this business through the City as the application form contained many parts that were difficult to understand.

Mr V Dube, Head of the Department, answered that the Department of the Premier has an entrepreneurship programme on waste. However, he recognised that this was not sufficient and that it was an area of opportunity that could be explored.

#### **4.3 Mr P Bester – Informal Economic Development Forum**

Mr Bester noted and congratulated the Minister on the development of the new Growth for Jobs Strategy. He indicated that different political parties controlled different parts of the Western Cape, which meant that there were different ideas of how the informal economy should develop. He offered the assistance of the Informal Economic Development Forum (IEDF) because they knew what was happening on the ground.

Mr Bester indicated that the lack of public participation in the Department's processes was concerning. He asked that the Department include the public in its work as the laws and regulations that were drafted concerned the people of the Western Cape.

Mr Bester indicated that there was a Government Gazette that waived permit costs until December 2022. The COVID-19 regulations have already fallen away, however, this was a rule made through the Government Gazette, which should still stand.

The Department responded that they have assisted members of the public with these permit issues.

Mr Bester asked that the Department speed up red tape reduction as there were many members of the public that needed permits to sell their products/goods. This needed to be addressed as soon as possible.

The Department noted that the permit application process was quite cumbersome, however, this could be due to the regulations around permits. The Department has been working with the municipalities to improve upon those regulations so that informal traders could be legitimised.

The Department further added that they were in constant communication with the head of the IEDF.

Mr Bester questioned the R38 million that the Department set aside for COVID-19 relief. He indicated that people were arrested or given fines because they needed to go out and find ways to feed their families during the lockdown. He stated that if people had access to the R38 million then they would not have been fined or arrested.

Mr Bester stated that many of the people in the informal sector were in that position because they did not have access to bank accounts and tax compliance measures. These people were excluded from accessing the funding they needed. He asked that the Department relook at how these informal businesses could apply for funding and how the Department could provide them with funding.

The Department responded that the South African Informal Traders Alliance (SAITA) was one of the first beneficiaries of the R38 million COVID-19 Relief Fund. They added that the COVID-19 Relief Fund benefited both informal and formal businesses.

Mr Bester indicated that he was part of the formation of the SBIDZ many years ago when he represented the labour side of the discussion. One of the agreements that were made at the time was that the first employees would be hired from Saldanha Steel. He asked if this agreement was fulfilled.

The Committee indicated that Freeport Saldanha IDZ should respond to Mr Bester in writing, given the time constraints.

## **5. Resolutions/Actions**

### **5.1 The Committee RESOLVED to:**

- 5.1.1 Note the Annual Reports of the Department of Economic Development and Tourism and its Entities, and congratulate the Department and Entities that received clean audit opinions;
- 5.1.2 Meet with Wesgro on the performance targets that it has set;
- 5.1.3 Meet with Wesgro to receive an update on the progress made in respect of the findings indicated by the Auditor-General of South Africa;
- 5.1.4 Request a briefing by the Department of Economic Development on the “Growth for Jobs” strategy once it is finalised as well as the informal economy;
- 5.1.5 Request a briefing from the Department of Economic Development and Tourism on its work with municipalities in the Western Cape;
- 5.1.6 Write a letter to the former Chief Executive Officer of the Atlantis SEZ, Dr P Voges, thanking him for the work he did in setting up the Atlantis SEZ; and
- 5.1.7 Visit the Freeport Saldanha IDZ and Atlantis SEZ and receive an update on the work that has been done in the last year.

**5.2** The Committee REQUESTED that:

- 5.2.1 Wesgro provide the Committee with a report indicating the adjustments it has made in order for them to return to an unqualified audit opinion in the next financial year;
- 5.2.2 The Department of Economic Development and Tourism provide the Committee with a report on its role as well as the Provincial Treasury's role in terms of shareholder oversight on entities such as Wesgro in respect of performance;
- 5.2.3 The Department of Economic Development and Tourism follows up with Mr M Mbiko on the issues raised during the Annual Report deliberations; and
- 5.2.4 Freeport Saldanha IDZ responds to Mr P Bestor on matters raised during the Annual Report deliberations.

## **6. Conclusion**

The Chairperson thanked the Minister, Department and its Entities for their preparation and responses to questions raised by the Committee Members, and for their hard work and dedication during a very difficult year.

### **13. Report of the Standing Committee on Community Safety, Cultural Affairs and Sport on the annual reports of the Department of Cultural Affairs and Sport, Heritage Western Cape, the Western Cape Language Committee, and the Western Cape Cultural Commission for the 2021/22 financial year**

The Standing Committee on Community Safety, Cultural Affairs and Sport having deliberated on the annual reports of the Department of Cultural Affairs and Sport, the Heritage Western Cape, the Western Cape Language Committee, and the Western Cape Cultural Commission, for the year ended 31 March 2022, reports as follows:

#### **Introduction**

The Western Cape Provincial Parliament's annual report programme for the 2021/22 financial year was advertised in newspapers inviting stakeholders and members of the public to attend and participate in the discussions. The Committee deliberated on the annual reports of the Department of Cultural Affairs and Sport (the Department), Heritage Western Cape (HWC), the Western Cape Language Committee (WCLC) and the Western Cape Cultural Commission (WCCC) on 27 October 2022 as part of its oversight function. The Minister and the Head of Department were given an opportunity to make opening remarks. Likewise, the chairpersons of the three entities were also given the opportunity make opening remarks.

The Department and its entities were examined on:

Part A: General Information,

Part B: Departmental Performance Information; and

Part D: Human Resources Management of the Department's Annual Report.

Members of the public were also given an opportunity to pose questions and to make input during the discussions. The public input is recorded in this report.



## **1. Western Cape Language Committee**

### **Key points from the discussion**

- 1.1. The WCLC established its own task team to draft and submit its recommendations on the University of Stellenbosch Second Draft Language Policy.
- 1.2. The WCLC, together with the Department, conducted research evaluating the implementation of the Western Cape Language Policy. The Pan South African Language Board (PanSALB), as well as other stakeholders, also collaborated on this research project.
- 1.3. In addition to promoting the provincial languages, and its histories, and Sign Language, the WCLC focused on the promotion and teaching of indigenous languages. These initiatives include a Xhosa spelling competition, as well as establishing a partnership with the University of Cape Town to teach Khoekhoegowab. In order to revive the language, the method is to first promote learning the language and then move towards language use.
- 1.4. The Department reported that part of the language promotion initiatives includes having published Xhosa versions of sports rule books. The sporting codes covered to date include chess, netball and cricket. Translated rule books for boxing and cycling are expected to be published within the next months.

## **2. Western Cape Cultural Commission**

### **Key points from the discussion**

- 2.1. The new WCCC Board commenced its term of office in March 2022. The Board has a diverse representation with six of its members resident in rural areas of the province.
- 2.2. The WCCC funded seven registered Cultural Councils for events. The purpose of these events ranged from transferring traditions to building an identity and cultural pride amongst especially the youth.
- 2.3. Each of these seven Cultural Councils applied for funding and received R30 000.
- 2.4. Two facilities, the Koekenaap and Groot Drakenstein cultural centres, required expensive repair work. The Koekenaap centre was burgled and vandalised. The Department of Community Safety assessed the facility and recommended that the dilapidated perimeter fence be replaced. The estimated cost to repair and/or replace is R2,4 million.

## **3. Heritage Western Cape**

### **Key points from the discussion**

- 3.1. The Department has increased the number of staff allocated to provide administrative support to the HWC. This increase of staffing capacity assists with the volume of applications that the HWC receives. The Department appointed eight additional heritage officers.
- 3.2. The HWC expects increased site inspections due to the additional staffing support.
- 3.3. The Department provided a summary of the court rulings involving the HWC.
- 3.4. The online application format has eased the submission and processing mechanisms.
- 3.5. The HWC needs a database management platform. The HWC started negotiations with the South African Heritage Resource Agency (SAHRA) to migrate to the South African Heritage Resource Information System (SAHRIS).

#### **4. Public input**

The Chairperson afforded the members of public in attendance to provide oral submissions on the discussions about the entities' annual reports. Mr M Roman and Mr M Arendse both provided input regarding the recognition of struggle stalwarts from various political parties, at heritage sites. The Department duly responded to the public input.

#### **5. Department of Cultural Affairs and Sport**

##### **Key points from the discussion**

- 5.1. The Department provided an update on the upgrades to the Netball World Cup 2023 facilities. At the time of reporting, 48 netball courts were earmarked for construction and/or upgraded. The cost was R8,5 million.
- 5.2. The Department seconded five officials to assist at the Local Organising Committee offices, for two and a half days per week, in preparation for the Netball World Cup 2023.
- 5.3. To encourage spectator participation and interest in the Netball World Cup 2023, fan parks will be used, with the Department funding at least one such venue per district. Municipalities will also have their own fan parks.
- 5.4. The Department received R5,7 million for transfer payments, which was allocated to support organisations actively involved with the promotion, development and preservation of arts and culture. Funding was also disbursed to support the GIG economy which was greatly impacted by COVID-19 and the restrictions placed on public gatherings. The Department supported artists via the GIG Economy funding to the value of R1,8 million.
- 5.5. The Department reported that it provided at least 719 employment opportunities for the YearBeyond programme participants.
- 5.6. There are 43 libraries not yet strengthened with internet connectivity. These libraries are mostly based in rural areas.
- 5.7. Funding libraries in the metropolitan region is a challenge.
- 5.8. The Department allocated municipal conditional grants to repair, maintain, construct and/or upgrade municipal sports facilities.

#### **6. Public input**

The Chairperson afforded the members of public in attendance to provide oral submissions on the discussions about the entities' annual reports. Mr M Arendse questioned intergovernmental synergies regarding the National Khoi and San Heritage Route as well as the Liberation Route sites. The Department duly responded to the public input.

#### **7. Requests for information**

The Committee requested the Western Cape Language Committee to submit:

- 7.1. The number of students registered in the Khoekhoegowab course at the University of Cape Town.
- 7.2. The number of participants in the Xhosa spelling competition, per category. That is the number of school learners, the grades and school of representation, and/or the university of representation and/or the organisations represented.

The Committee requested the Heritage Western Cape to submit:

- 7.3. A copy of the summary on court rulings on the HWC for 2021/22 that was presented at the annual report discussion.

The Committee requested the Department of Cultural Affairs and Sport to submit:

- 7.4. A detailed update on the Netball World Cup 2023 legacy infrastructure upgrades (netball courts and related facilities), the municipalities wherein these courts are located, the for construction and functionality. Additionally, the associated costs and appointed service providers, where applicable, should be included in this submission.
- 7.5. The number of artists supported via the GIG Economy, and where feasible, the amounts per artist, and the events at which they performed.
- 7.6. A list of the sites where YearBeyond participants have been employed, as well as a list of the 719 job opportunities created.
- 7.7. The number of job opportunities created for the 2021/22 financial year across the Department.
- 7.8. A list of the 43 libraries not equipped with Western Cape Government funded internet connectivity, as well as time frames to empower these libraries with internet connectivity.
- 7.9. Details of the municipal conditional grants for sport infrastructure according to the following criteria: (a) the municipalities that were assisted to apply for these grants, (b) the amount received per municipality, and (c) the details of sports facilities that were upgraded for each year since the sixth administration to date.
- 7.10. A written plan to address the reconstruction and/or repair of dilapidated sport infrastructure.
- 7.11. A briefing on the Department's Western Cape Government's youth development strategy focusing on how the Department responds to social ills like substance abuse, drugs and gangsterism, as well as the number of youths reached through this programme. Linking this to the implementation of the Safety Plan.
- 7.12. A feasibility study on having a youth directorate based in the Department with its own chief director and other components. The reason for this request is to establish the impact of having a centralised governmental youth programme, rather than via a transversal programme across the Western Cape Government.
- 7.13. A list of the safety ambassadors for whom the Department created employment opportunities.
- 7.14. Details of engagements with local government regarding the implementation of the Traditional and Khoi-San Leadership Act, 2019 (Act 3 of 2019).

#### **14. Report of the Standing Committee on Local Government on the Annual Report of the Department of Local Government for the 2021/22 financial year**

The Standing Committee on Local Government, having deliberated on the Annual Report of the Department of Local Government for the 2021/22 financial year, reports as follows:

##### **1. Introduction**

The Annual Report of the Department of Local Government (the Department) for the financial year ended 31 March 2022 was tabled on 6 October 2022 in accordance with section 65(1)(a) of the Public Finance Management Act, 1999 (Act 1 of 1999), as amended.

As part of its oversight function, the Standing Committee on Local Government (the Committee) deliberated on the Annual Report of the Department on 4 November 2022. Annual reports are the key instruments for departments to report on performance measured against their performance targets and budgets as outlined in their strategic plans and annual performance plans. In addition, hereto, it accounts for the success of each programme that was implemented.

Standing Rule 111(1)(a) of the Western Cape Provincial Parliament provides standing committees with the mandate to consider departmental annual reports submitted in accordance with the Public Finance Management Act, 1999 (Act 1 of 1999).

The Annual Report Programme for the 2021/22 financial year was advertised in newspapers to invite stakeholders and members of the public to attend and participate in the discussions.

The Committee deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management, after which the Chairperson afforded an opportunity to the public to ask questions to the Department.

## **2. Overview**

The Minister and the Head of Department made introductory remarks highlighting the challenges the Department faced after the 2021 Local Government Elections. The challenges related to the election of councillors and municipalities holding their first meetings to elect political office bearers. The fact that several municipalities did not have political parties with an outright majority contributed to the challenges. COVID-19 continued to exert short term financial and operational sustainability pressures on municipalities.

Notwithstanding these challenges during the 2021/22 financial year, the Department achieved 97% of its targets with only 3% not achieved. The Department also received its ninth consecutive unqualified audit opinion with no findings.

The Department highlighted that with the upcoming fire season Disaster Management always planned for the worst-case scenario to ensure that an effective service is provided to all communities in the Western Cape.

The Thusong Service Centre Programme aimed to bring government information and services closer to the people to promote access to opportunities as a basis for improved livelihoods. A cost-effective, integrated, efficient and sustainable service was also promoted to serve the needs of citizens better and to build sustainable partnerships with the government, business and civil society. It also allowed the Department to create platforms for greater dialogue between citizens and government.

The Department highlighted that during the President's budget speech in 2019 he called for a new district-based coordination model. The Western Cape Government endorsed the Joint District and Metro Approach (JDMA) as part of the District Development Model. The JDMA envisaged the three spheres of government to converge, using inter-governmental engagements, to develop similar Western Cape strategic, developmental and planning priorities with aligned budgets to accelerate service delivery.

The Committee proceeded to engage with the Department by asking questions on Parts A, B and D of the Annual Report. All questions were satisfactorily answered, and the Committee was satisfied that the Department achieved its predetermined objectives for the 2021/22 financial year and that it was accurately reported on.

### **3. Information requested**

The Committee REQUESTED that the Department provides the Committee with:

- 3.1 The date of the Thusong week, the services to be rendered, role-players involved and a report per Thusong centre on the transport of communities to the Thusong centres.
- 3.2 A report on how the Department assisted municipalities to identify water resources and whether there was a collaboration with the Department of Agriculture in doing so.
- 3.3 The proposed framework for coalitions at municipalities in the Western Cape.
- 3.4 The legal opinion on the deduction of arear amounts when purchasing prepaid electricity and water.
- 3.5 The following information on the two additional Mayco Members that were appointed at the Matzikama Municipality:
  - 3.5.1 How much was each Mayco Member paid?;
  - 3.5.2 Was the money paid back and who paid it back?;
  - 3.5.3 Was disciplinary steps taken against anybody in this regard?; and
  - 3.5.4 A copy of the repayment agreement with the relevant councillors;
- 3.6 The number of councillors trained by the Department from 1 November 2021 to date and the type of training that was provided;
- 3.7 A copy of the Investment Prospectus developed in 2020/21 for the Garden Route District;
- 3.8 A list of all the female staff that terminated their service with the Department during the period under review, reasons for termination and whether an exit interview was conducted;
- 3.9 A report per municipality on the Community Development Workers Operational Support Grant indicating whether the money was spent by the end of June deadline;
- 3.10 A list of the areas where the Department envisaged to do further upgrades of ablution facilities;
- 3.11 A copy of the Human Settlements Emergency Grant policy for victims of fire disasters;
- 3.12 A copy of the advertisement calling for Khoi-San communities to submit applications to be recognised as a Khoi-San community;
- 3.13 Detail of the proposed Central Karoo Economic Summit; and
- 3.14 A copy of the discussion document on the small village development initiative to attract people to the rural areas.

### **4. Resolutions**

The Committee RESOLVED that it would invite the Department to brief it in future on:

- 4.1 The proposed framework for coalitions at municipalities in the Western Cape;
- 4.2 The research done to design a financial and operational sustainability model for municipalities in the Western Cape; and
- 4.3 The Joint District and Metro Approach in all the districts in the province including the City of Cape Town.

## **5. Conclusion**

The Committee congratulated the Department on its ninth consecutive unqualified audit opinion with no findings for the 2021/22 financial year.