

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

WEDNESDAY, 25 NOVEMBER 2015

COMMITTEE REPORTS

1. Report of the Standing Committee on the Premier on the 2014/15 Annual Report of the Department of the Premier, dated 27 October 2015.

1. Introduction

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

The Annual Report Programme for the 2014/15 financial year was advertised in the newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.

As part of its oversight function, the Committee considered the Annual Report of the Department of the Premier on 21 October 2015.

The Committee Report discusses the Committee's findings and recommendations related to the performance of the Department during the year under review.

2. Overview

During the year under review, the Department of the Premier focused on implementing a transversal approach to service delivery through the Western Cape Government Provincial Strategic Goals. The Department of the Premier is responsible for coordinating and driving the Provincial Strategic Goals through the delivery departments.

A number of game changers and key initiatives were identified for the year under review to establish innovative ways to impact specific challenges facing society. The role of the Western Cape Government is to create an enabling environment for economic growth which leads to more jobs, improved health and education outcomes and a sustainable living environment. The Provincial Strategic goals have been designed to achieve these outcomes.

The Department of the Premier is responsible for the roll-out of Broadband across the Western Cape. The Department presented detailed briefings on the challenges, setbacks and progress made on Broadband throughout the year. The Broadband focus is to set-up fast reliable connections in all areas including youth cafes, community access points, e.g. libraries and schools resulting in improved economic growth.

3. Inputs received from the public

Members of the public were given an opportunity to give input on the Annual Report of the Department of the Premier. No input was received.

4. Findings/Concerns

- 4.1 The Department of the Premier works closely with government departments, different spheres of government and Ministers by holding them accountable to achieve the Provincial Strategic Goals.
- 4.2 A Delivery Support Unit was established to support the design and track the implementation of the game changers. The Delivery Support Unit is based on a United Kingdom model established under the leadership of Tony Blair and the Malaysian Government Performance Management and Delivery Unit (PEMANDU) process.
- 4.3 All units within the Department of the Premier, namely the Performance Management and Evaluation unit, Corporate Services, the Chief Financial Officer and the Offices of the Director-General contributed to the delivery and unqualified audits received by all 13 provincial departments.
- 4.4 The Department of the Premier froze the filling of 111 posts and project funding for selected projects had to be cut back to ensure sustainable budgets within the provincial departments.
- 4.5 The Department of the Premier is responsible for implementing the provisions in the Constitution of the Western Cape Act (Act 1 of 1998). The current provision in the Act requires the establishment of a Commissioner for Children and a Commissioner for the Environment. The Department has been non-compliant in this provision since it has not filled any of the aforementioned posts in the 2014/15 financial year.
- 4.6 The Department should adhere to the enforcement of the employment equity principles, especially for senior level posts for the year under review.

5. Recommendations

The Committee RECOMMENDED that the department brief the Committee on the People Management Strategy.

6. Papers, reports and information requested by the Committee

The Committee REQUESTED that the Department provide the Committee with the following information by 30 November 2015:

- 6.1 An update on the vacancy rate within the Department including funded and unfunded posts;
- 6.2 A detailed report on the game changer strategy which has been derived from the provincial strategic priorities and the budget linked to each game changer;
- 6.3 A report on the original start and completion date of the Organisational Development functional areas, as indicated on page 41 of the 2014/15 Annual Report; and
- 6.4 A report on progress achieved in the establishment of the Delivery Support Unit, as indicated on pages 10 and 16 of the Annual Report, including the total of staff members employed in this unit, their designations within the Unit and the estimated budget for this Unit.

7. Conclusion

The Committee wishes to express its appreciation for the information provided by the Premier, the Director-General and officials of the Department.

2. The Parliamentary Oversight Committee, having considered the Annual Report of the Western Cape Provincial Parliament for the 2014/15 financial year, reports as follows:

1. Introduction

The Annual Report (AR) of the Western Cape Provincial Parliament (WCPP) was referred to the Parliamentary Oversight Committee (hereinafter “the Committee”) on Friday 28 August 2015. Although the Financial Management of Parliament and Provincial Legislatures Act (Act 10 of 2009, as amended. Hereinafter “the Act” or “FMPPLA”) only came into effect on 1 April 2015, and the WCPP AR in question is for the financial year ending March 2015, the AR was referred to the Committee for consideration as the body that is tasked with the consideration of the WCPP Annual Reports in terms of section 60 of the Act.

The purpose of the Act is to regulate the financial management of Parliament and provincial legislatures 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 financial management of the WCPP for the financial year in question.

As the AR in question pre dates the implementation date of the Act the Committee noted that the Auditor-General audit outcomes were based on the applicable prescripts of the Public Finance Management Act (Act 1 of 1999). The Committee

kept this in mind throughout its interaction with the Auditor-General, the Audit Committee and the WCPP.

2. Overview

The Committee met on 14 October 2015 at 08:00 where it was briefed by the Auditor-General (hereinafter “the AG”) on the PFMA audit outcomes of the 2014/2015 financial year for WCPP. After the briefing by the AG the Committee was briefed by the Audit Committee (hereinafter “the AC”) whose role is to ensure that 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 Committee’s methodology was to first meet with these bodies to benefit from their findings and possible concerns to assist the Committee to have a constructive oversight engagement with the WCPP.

The Committee met with WCPP at 09:30 where introductory comments were made by the Speaker and the Secretary to Parliament. A page by page oversight discussion ensued with the management of the WCPP.

3. Findings

3.1 The Committee noted that the AG:

3.1.1 Expressed an opinion that the financial statements presented fairly, in all material respects, the financial position of the institution as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with modified cash standard and requirements of the Provincial Parliament Treasury directives.

3.1.2 Reported that WCPP maintained an unqualified audit with no findings on predetermined objectives or compliance with laws and regulations.

3.1.3 Found no material findings related to pre-determined objectives, procurement, contract management and human resources and compensation.

3.1.4 Identified no significant deficiencies in internal control relevant to the audit of the financial statements.

3.1.5 Reported that the WCPP’s current financial system is not capable of supporting the preparation of a Generally Recognised Accounting Practice (GRAP) compliant financial statements without significant effort and year-end pro-forma journals.

3.1.6 Reported that of the under-expenditure only R67 000 (3.1%) related to under-expenditure on capital budget and that the under spending had no impact on service delivery of the institutions pre-determined objectives.

3.2 The Committee also noted that the AC:

- 3.2.1 Provided an independent oversight of the legislature's system of risk management. The AC reported that the WCPP is definitely more risk aware after establishing an Enterprise Risk Management Committee to assist the Accounting Officer in executing her responsibilities relating to risk management. There are however initiatives and projects identified to address risks that were not implemented due to budgetary constraints. Notwithstanding this, the AC reported that the risk management system and processes that were put in place ensured a clear improvement in addressing and minimising risks that could negatively impact on the outcomes of the WCPP.
- 3.2.2 After having evaluated the Annual Financial Statements, concurred with and accepted the AG's opinion regarding the Annual Financial Statements and proposed that the audited Annual Financial Statements be accepted and read together with the report of the AG.
- 3.2.3 Reported that any changes to the accounting policies, other than those reported by the AG, were adequately presented in the annual financial statements
- 3.2.2 After having evaluated the Annual Financial Statements, concurred with and accepted the AG's opinion regarding the Annual Financial Statements and proposed that the audited Annual Financial Statements be accepted and read together with the report of the AG.
- 3.2.3 Reported that any changes to the accounting policies, other than those reported by the AG, were adequately presented in the annual financial statements.
- 3.2.4 Acknowledged the progress the WCPP has made during the year in following up previously reported matters related to the Management Report.
- 3.2.5 Relating to internal control and control weaknesses, reported that Employee Wellness and Records Management were noted by Internal Audit as major areas for improvement.

Employee wellness is a risk area due to the fact that there is a marked increase in absenteeism as opposed to previous financial years due to stress and a discontented workforce.

Key controls to mitigate risks relating to records management were absent or inadequate. No records manager was in place. There were instances of non-adherence to the file plan and the processes in place were not consistently applied and policies and procedures that were in place needed to be strengthened. There were no policies in place to ensure adherence to records disposal procedures.

The status of implementation on corrective actions is a standing item on the quarterly Audit Committee agenda and as such, the Committee reviews progress on a quarterly basis.

- 3.2.6 Highlighted that during the year under review the Internal Control Unit completed inspections identifying control gaps and areas where management could minimise risks mostly related to Asset Management, Human Resource termination process and Tender process.
- 3.2.7 Relating to risk management, was satisfied with the content and quality of the quarterly financial and performance reports prepared and issued by the Accounting Officer of the WCPP during the year under review.
- 3.3 Resource constraints (financial as well as human resources) led to non-achievement of some predetermined objectives. Examples are the skills development plan that could not be implemented earlier and the manual conversion to GRAP. The financial constraints also resulted in the inability to renew the contracts of contract workers.
- 3.4 FMPPLA was approved in September 2014, with the main financial impact on the institution being the requirement to move to a GRAP compliant Enterprise Resource Planning (ERP) system. The planning to move to this system is on-going with an implementation date of 1 April 2017. The WCPP set aside R2 million from the 2014/2015 budget to contribute to ERP system, that is estimated to cost between R6 million and R8 million. There is continuous engagement with provincial Treasury on the finances that are needed to implement the system.

In the interim the institution has to do manual conversions to comply with Treasury Regulations in relation to accrual accounting. Tenders have been solicited to assist the institution in this regard in the interim period. Modernisation of not only the Financial Management Systems but also the Human Resource Systems are needed as the current systems are not integrated. At present the administrative burden is heavy due to the incompatible systems.

- 3.5 The human resource delegations and the organisation design guidelines were compiled but are pending approval. Implementation of targets were not met as the staff skills assessments had to be done over more than one financial year, due to the cost involved and procurement challenges.
- 3.6 The review of the accommodation plan was not achieved as planned, as the organisation is still busy with a planned organisation development exercise which impacts on the accommodation needs. Once the process is completed the WCPP will engage Treasury for the finances required to support the organisation design requirements. The pace of finalising the accommodation plan is slow due to many factors that have to be considered including the work study outcome that could affect staffing accommodation needs. The precinct is not disabled friendly, thus further contributing to the need for suitable accommodation that caters for all the needs of the institution.
- 3.7 The Standard Operating Procedure for Security could not be finalised as the Security Plan was not approved.

- 3.8 The Information Technology maturity level has improved with the Approved ICT Governance Framework Policy and associated policies, processes and implementation thereof. A Disaster Recovery site is a need that has to be budgeted and planned for.
- 3.9 A Draft Monitoring and Evaluation (M&E) Strategy was compiled but not approved as there was still uncertainty regarding the functionality of the M&E (centralised or decentralised). In the absence of adequate capacity the Chief Treasury Officer was used to administer the M&E function and the institution has committed to a much stronger focus on M&E in future.
- 3.10 Invoices not paid within 30 days were mostly related to technical matters and disputes related to the invoices. One invoice could not be paid as the Service Level Agreement was not yet in place at the time that the invoice was received.
- 3.11 The asset register was not 100% reconciled to actual assets as some assets were incorrectly classified as consumables and there were also virtual locations that should not have been on the asset register.
- 3.12 The WCPP was one of the respondents along with National Parliament and the other Provincial Legislatures in the Constitutional court case relating to the Restitution of Land Rights Amendment Act (Act 15 of 2014). The institutions are being challenged as to the constitutionality of the public participation process that was followed whilst this Act was a Section 76 Bill. To date the institution has spent R327 000 on the case. R164 000 was spent during the year of review.
- 3.13 The process for any political party to make use of private security within the precincts of the WCPP should be clarified.

4. Information requested

- 4.1 The Committee **REQUESTED** the WCPP to:
- 4.1.1 Provide it with a report on the policy formulation relating to the use of private security in the Parliamentary precinct;
- 4.1.2 Provide it with a list of the risks identified by internal audit and how the risks were mitigated;
- 4.1.3 Provide it with the list of beneficiaries in terms of fees paid relating to -
- 4.1.3.1 consultants: business and advisory services;
 - 4.1.3.2 contractors;
 - 4.1.3.3 agency and support/outsourced services;
 - 4.1.3.4 performance awards that were awarded;

- 4.1.3.5 travel;
 - 4.1.3.6 training; and
 - 4.1.3.7 legal services;
- 4.1.4 Finalise outstanding matters relating to previous years' Public Accounts recommendations as contained on pages 71 – 72 of the Annual Report (having noted that progress has been made in finalising most, if not all, of these matters), as follows:
- 4.1.4.1 The Speaker provides guidelines to all committees as to the treatment of classified documents submitted to committees;
 - 4.1.4.2 The Speaker provides guidelines to all committees regarding in-committee processes *vis-a-vis* clause 28 (1) – (3) of the Western Cape Constitution;
 - 4.1.4.3 Provincial Parliament prioritises the customisation and implementation of the Sector Oversight Model; and
 - 4.1.4.4 Provincial Parliament ensures that heritage assets are located, valued and properly conserved, publishes a heritage asset register and that a policy in this regard is finalised; and
- 4.1.5 Provide the Committee with a report explaining the 16 instances, to the accumulated value of R228 717. 75, where payments were settled in excess of 30 days.
- 4.2 The Committee **REQUESTED** the AC to provide it with a list of risks identified related to Employee Wellness and Records Management.

5. Conclusion

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

The Committee also recognizes that the requirements of FMMPLA for the WCPP to move to an integrated system that will result in GRAP compliant Annual financial statements that facilitates the flow of information between all business functions, places strain on the organisation. Some of the implications of FMMPLA are as follows:

- Changes are required to existing processes. In the interim, prior to the implementation of the ERP GRAP compliant system, the institution has to do manual conversions to comply with Treasury Regulations in relation to accrual accounting;
- Modernisation of not only the Financial Management Systems but also the Human Resource systems are needed as the current systems are not integrated. At present the administrative burden is heavy due to the incompatible systems;

- Standard Operating Procedures that will align and support the requirements of an integrated financial management system has to be drafted;
- Operational readiness to ensure the adequate migration from a modified cash basis of accounting to GRAP will have to be ensured; and
- Budget constraints to fully exercise the operational requirements of the ERP system will have to be overcome.

The Committee will continue to engage with the institution on its budget, FMMPLA implementation plan, and outstanding matters that was identified in section 4 above.

6. Acknowledgments

The Chairperson expressed the Committee's appreciation for the responses of the various role-players to the oversight work of the Committee related to the WCPP AR for the year ending March 2015 and thanked the AG, AC, Internal Audit, presiding officers and the WCPP administration for their efforts and contributions in this regard.

3. REPORT OF THE STANDING COMMITTEE ON FINANCE ON THE 2014/2015 ANNUAL REPORTS OF PROVINCIAL TREASURY AND THE WESTERN CAPE GAMBLING AND RACING BOARD.

The Standing Committee on Finance, having considered the Annual Reports of Provincial Treasury and the Western Cape Gambling and Racing Board for the 2014/2015 financial year, reports as follows:

1. INTRODUCTION

The consideration of the annual reports of Provincial Treasury (hereafter "the Department") and its entity the Western Cape Gambling and Racing Board (hereafter "the Board") took place as per Standing Rule 105(1) of Western Cape Provincial Parliament which gives standing committees the power to consider, amongst others, departmental annual reports submitted in terms of the Public Finance Management Act (Act 1 of 1999).

2. OVERVIEW

The consideration of the annual reports took place on 20 October 2015 and commenced with the Chairperson opening the meeting and welcoming all in attendance. The Minister of Finance, Dr I Meyer as well as the Head of Department, Mr Z Hoosain, proceeded with introductory remarks. The impact that the global economic climate has on the fiscal policy of both provincial and national government was highlighted. Both the World Bank and the International Monetary Fund (IMF) have in its October World Economic Outlook (WEO), downgraded the country's growth projection to 1,4% in 2015 and to 1,3% in 2016. This represents a 0,6% and 0,8% percentage point downgrade respectively.

The Committee then proceeded to a page-by-page consideration of the Annual Report of Provincial Treasury. Mr M Mbiko, a member of the public, addressed the Committee following the consideration of the report by the Committee.

Officials from Provincial Treasury were excused before the Committee proceeded with the consideration of the Annual Report of the Board. The Chairperson, Ms A Lapoorta delivered opening remarks and indicated that during the period under review, the Board focused on raising awareness with regard to the negative impact of gambling. Following the introductory remarks, the Committee proceeded to a page-by-page consideration of the Annual Report of the Board.

3. FINDINGS

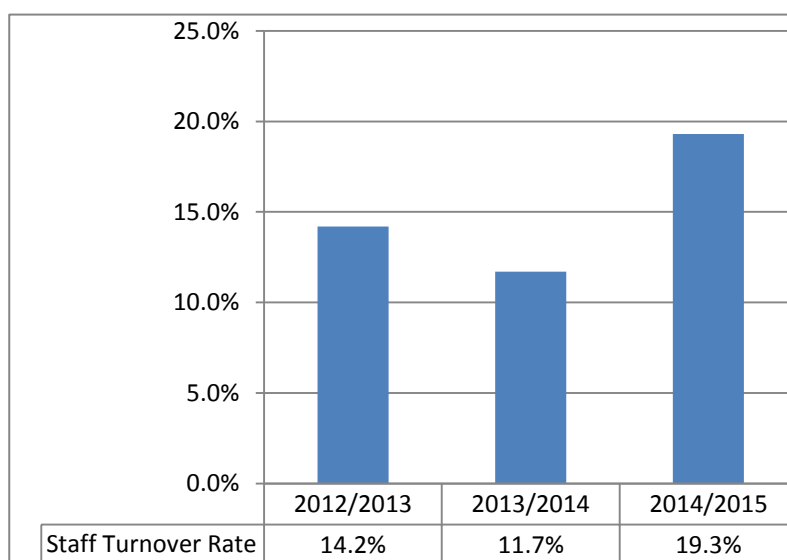
3.1 Provincial Treasury

- 3.1.1 The Department received a clean audit for the past six financial years. The support the Department provided to municipalities and other provincial departments contributed to the attainment of clean audits for 12 of the 13 departments within the Province. This support includes the preparation of the Municipal Economic Review and Outlook (MERO) and Provincial Economic Review and Outlook (PERO), which provides economic intelligence as supporting information in the development of strategic documents.
- 3.1.2 The Department (together with the Department of Local Government) identifies priority areas for support through structured engagements such as the Municipal Governance Review and Outlook (MGROW) and the Local Government Medium Term Expenditure Committee (LGMTEC) processes.
- 3.1.3 National Treasury has taken a policy decision to not expand on any further borrowing and both National and Provincial departments will have to fund the shortfall resulting from the outcomes of the salary agreement settlements themselves. The salary increase of 7% agreed to was 1,4% higher than the 5,6% projected for. For the next three years this will result in a R3,7 billion shortfall within the Provincial budget. The Minister will in the adjustment appropriation budget make the necessary adjustments to accommodate the R 400 million shortfall for the 2015/2016 financial year.
- 3.1.4 The Department is supporting the Western Cape Provincial Parliament (WCPP) with the implementation of the Enterprise Resource Planning (ERP) system. The Department has also submitted a request for exemption, with regards to the implementation of the Generally Recognised Accounting Practice (GRAP) standards, for all legislatures and are awaiting a response. Departmental representatives serve on the WCPP ERP steering committee to assist with implementation and accompanying change management.
- 3.1.5 The Department previously utilised a partial electronic e-procurement system and a service provider was appointed to capture hard copy documents that was submitted manually. The Department is now utilising the Integrated Procurement System (IPS) which is entirely web-based, including an electronic interface with suppliers. This system is used to accept tenders for quotes below R500 000. The system also interfaces with a compulsory

registration link to the supplier database which is a governance model and tool. This database supports e-procurement through accessing information like tax clearance certificates, Broad Based Black Economic Empowerment (BBEE) certification and conflict of interest documents. The IPS was implemented in a phased approach, commencing with smaller departments such as Provincial Treasury and the Department of Community Safety, and with specific commodities only. As at the end of the financial year, all departments had migrated to the IPS.

- 3.1.6 The Department has applied to the South African Association of Chartered Accountants (SAICA) to establish a training office for public sector chartered accountants, replicating the training office at National Treasury. The terms of reference for the training office was finalised following the end of the year under review. The Department anticipates having between 5 and 10 trainee accountants which they will avail to departments to assist with the creation and interpretation of financial statements.
- 3.1.7 A number of adverse audit outcomes for municipalities across the Province relate to Supply Chain Management (SCM) practices and for this reason Provincial Treasury has instituted a number of initiatives aimed at supporting municipalities in this regard. This includes a SCM focus group, a SCM help desk and a new Accounting Officer's System (AOS).
- 3.1.8 The Department's Public-Private Partnership (PPP) unit is staffed by five persons including one Director responsible for infrastructure. The Department is currently supporting the Department of Education in exploring accommodation options via a PPP. Existing PPP's include, amongst others, the operation and maintenance of the Chapman's Peak Drive.
- 3.1.9 The Department incurred irregular expenditure as a result of a technical definition related to a provision of sections 16(1) and 16(7) of Public Services Act (Act 103 of 1994). The previous Accounting Officer's contract ended on 31 December 2014 and ten months of this contract was deemed irregular as he was older than 65 during this period. The Department has requested National Treasury to condone the irregular expenditure and is awaiting a response in this regard.
- 3.1.10 The Department, in conjunction with Nedbank (who is the Province's corporate banker) have for the past six years awarded bursaries to deserving students. The Department and Nedbank each cover the cost for six bursaries and the Department administers the bursaries. When students have completed their studies they are placed within the Department.
- 3.1.11 During the period under review Cabinet approved that the full amount of R252 598 000 for Transversal Projects (Regional Socio- Economic Programme in the Department of Environmental Affairs and Development Planning, Internal Control in Provincial Treasury, the Municipal Financial Support Programme in Provincial Treasury and the Broad Band Project in the Department of the Premier) was to be distributed between the respective Votes.

- 3.1.12 The Department held two supplier open days for service providers from the critical supplier list within the Eden District. The open days were focused on specific commodities within the health and security sectors.
- 3.1.13 When there are changes to the financial environment (such as regulations or reporting requirements), staff within the Department require training on its implementation and interpretation. Because of this the Department cannot always anticipate what training will be required for future years. They however do project for at least the training that will take place as per the Workplace Skills Plan.
- 3.1.14 Councillors also receive training on SCM regulations to assist them in the interpretation of reports which in turn strengthens their oversight capacity.
- 3.1.15 The Western Cape is a pilot site for the implementation of the Integrated Financial Management System (IFMS). National Treasury indicated that all departments within the province should be on the LOGIS system so that when the migration to the IFMS takes place and a central instruction is issued, all departments can implement it in the same manner. Provincial Treasury and the Department of Health in discussion with regard to how the migration to LOGIS will be implemented within the Department.
- 3.1.16 There has been an improvement in the timing of the transfers of Municipal Financial Support Grant transfers from the Department to municipalities. For the year under review all municipalities, with the exception of Mosselbay and Stellenbosch municipalities, received grants. Instead of transfers taking place in January and February as was done previously, transfers took place during October 2015 with further transfers taking place in November 2015.
- 3.1.17 The Department has not attained all its targets related to their key activities under the Workforce Planning Framework. Targets not yet attained include a reduction in the vacancy rate to 10% as per the Department of Public Service and Administration's (DPSA) target, and the target of 50%, as a minimum for women in Senior Management Services (SMS).
- 3.1.18 The Committee expressed its concern with regard to the fluctuations in staff turnover rates and the increase in turnover rate since the 2013/2014 financial year, as illustrated in the graph below. The Committee added that the high turnover rate has a negative impact on the rapport that the Department builds with municipalities and other provincial departments.



Graph 1:
Provincial
Treasury Staff
Turnover Rate
for previous
three financial
years.

Source: 2012/2013 Provincial Treasury Annual Report, pg 110.
 2013/2014 Provincial Treasury Annual Report, pg 105
 2014/2015 Provincial Treasury Annual Report, pg 89

- 3.1.19 The Department has expedited the revision of its Human Resources (HR) Plan to address various staffing issues. The Head of Department indicated that he has expressed his dissatisfaction with the recruitment timelines and have instituted monthly meetings with the Corporate Services Centre (CSC) to receive feed-back on recruitment and selection processes, including reasons for delays should there be any.
- 3.1.20 The Department's utilisation of consultants resulted in an expenditure of R30 212 000, which included an R 6 726 000 contract with Makana Technologies & Solutions for implementing the migrating of all departments to LOGIS. This expenditure on consultants is an increase from the R21 455 000 spent on consultants during the 2013/2014 financial year.
- 3.1.21 Mr Mbiko addressed the Committee on his challenges with regard to obtaining clarity on budgetary allocations for the Nyanga area by the City of Cape Town Metropolitan Municipality. He also acknowledged Mr Hoosain's assistance as acting as a liaison with the Department of the Premier.

3.2 Western Cape Gambling and Racing Board

- 3.2.1 The Board's own revenue is not sufficient to cover its capital and operational expenses. For the year under review the Board received R 10 406 000 to allow it to fulfil its mandate and mission which is to control and regulate the gambling and betting industries in the Western Cape.
- 3.2.2 During the period under review the Board focused on raising awareness with regards to the negative impact of gambling. This included:
- 3.2.2.1 A theatrical production at schools as a means of highlighting the dangers of irresponsible gambling. The production took place at schools in Salt River, Bellville and Camps Bay and was targeted at Grade 11 and 12 learners;
- 3.2.2.2 A quarterly magazine highlighting the Board's achievements and the assistance which the Board is able to provide to the public at large; and
- 3.2.2.3 A responsible Gambling Summit held from 12 to 14 March 2015 attended by regulators, members of the industry and interested parties.
- 3.2.3 The Board has submitted proposed amendments to the Western Cape Gambling and Racing Regulations to the Minister of Finance. These amendments relate to general operational matters as well as an increase in taxes. The Minister obtained legal advice, suggesting that the amendment process should however be separated so as to first address the increase in taxation and then to address general operational matters. It is anticipated that the *Provincial Gazette* period for comments on the first set of amendments (taxation increases) will be concluded by the end of the 2015 calendar year.

- 3.2.4 When players apply to be excluded from gambling premises their names are added to the National Gambling Board's (NGB) self-exclusion register. The Board expressed concern that the self-exclusion register is not up to date and that they will have to consider what measures they can utilise to ensure that it is maintained.
- 3.2.5 The BBEE conditions for the year under review was that casinos should have a level 2 rating. The Board has engaged with the industry and owners were requested to present challenges they might face in attaining a level three rating as per the new BBEE codes. The Board also requested owners to do complete a mock scorecard based on the new codes. Based on the outcomes which will be received by 19 November 2015, the Board will make a decision on how to proceed.
- 3.2.6 The Western Cape was one of the few provinces that had an open ended application process for bookmaker licenses and as a result the majority of bookmakers applied for licenses in the Province. The Board has changed its approach and will now issue four Request for Applications (RFA's) each quarter for the first year following which the process will be reviewed again. The new approach allows the Board to curb overstimulation and in certain areas and promote interests in other areas.
- 3.2.7 Officials from the Department of Transport and Public Works have since June 2015 visited the Board's office with the view of ascertaining their space requirements and are awaiting the outcomes of this assessment.
- 3.2.8 The Board commissioned research related to the socio-economic impact of gambling in the Province. The cost associated with the research project was R300 000.
- 3.2.9 The Board has not yet appointed a consultant to assist with the change management process related to the organisational redesign process. The Racing and Betting Department has merged with the Licensing, and Gambling and Compliance departments and if challenges emerge then the Board will reconsider the appointment of a consultant.
- 3.2.10 National power outages impacted on the attainment of the target of maintaining uptime of over 95.5% for all information systems per annum. The power outages, together with the fact that the system battery only lasted for two hours (it was subsequently upgraded) resulted in the attainment of only 91% uptime for all information systems per annum.

4 INFORMATION REQUESTED, RECOMMENDATIONS AND RESOLUTIONS

Provincial Treasury

- 4.1 The Committee REQUESTED Provincial Treasury to:
- 4.1.1 Provide a progress report on the implementation of the Integrated Financial Management System (IFMS) following the engagement with National Treasury on 22 October 2015;

- 4.1.2 Provide the baseline as well as the progress to date for the following key activities as contained within the Workforce Planning Framework and Key Strategies to Attract and Recruit a Skilled and Capable Workforce:
- 4.1.2.1 Reduce the vacancy rate to 10% as per the Department of Public Service and Administration (DPSA) target;
 - 4.1.2.2 Reduce the time to fill a post to no longer than six months, as per the DPSA target;
 - 4.1.2.3 Reduce the number of contract employees to less than 5% of the workforce;
 - 4.1.2.4 Meet the combined national target of 5% of the total workforce for interns and learners;
 - 4.1.2.5 Meet and maintain national target of 50% as a minimum for women in senior management services; and
 - 4.1.5.6. Meet and maintain national targets of 2% as a minimum for people with disabilities and to implement measures to reasonably accommodate their needs;
- 4.1.3 Provide an explanatory background for the following tables in Section D: Human Resources:
- 4.1.3.1 Promotion by salary band (Table 3.4.7);
 - 4.1.3.2 Promotions (Table 3.5.4); and
 - 4.1.3.3 Terminations (Table 3.5.5);
- 4.1.4 Provide an overview of the terms of reference/brief and hourly rate for each of the consultants utilised during the 2014/2015 financial year; and
- 4.1.5 Provide a progress report on measures instituted to address the high vacancy and turn-over rates within the Department, including measures directed at attracting and retaining young people.
- 4.2 The Committee RECOMMENDED that Provincial Treasury continue supporting municipalities with regard to construction procurement planning, particularly in municipalities where construction has been identified as a potential growth sector.
- 4.3 The Committee RESOLVED to invite the Department at a future date to brief it on the proposed amendments to the gambling and racing regulations as well as its anticipated implications once the Gazette period has concluded.

Western Cape Gambling and Racing Board

- 4.4 The Committee RESESOLVED to invite the Board at a future date to brief it on the findings of the report on the socio-economic impact of gambling in the Province.

5. CONCLUSION

The Chairperson expressed the Committee's appreciation to the Minister and Board Chairperson for their introductory remarks and to the Department, Board members

and staff members for their response to the questions posed. He also thanked members of the public for their attendance.

4. REPORT OF THE STANDING COMMITTEE ON COMMUNITY SAFETY ON THE 2014/2015 ANNUAL REPORT OF THE DEPARTMENT OF COMMUNITY SAFETY DATED 16 NOVEMBER 2015 AS FOLLOWS:

1. Introduction

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

As part of its oversight function, the Standing Committee on Community Safety considered the Annual Report of the Department of Community Safety on 5 November 2015.

The Committee Report highlights the Committee's findings and recommendations related to the performance of the Department and its entities during the year of review.

2. Overview

The Annual Report Programme for the 2014/2015 financial year was advertised in selected newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.

Research analysis of the Department's Annual Report was conducted by the Western Cape Provincial Parliament's Research Unit to assist Members in preparing for the oversight meeting. The Committee's findings and recommendations are based on the interaction that the Committee had with the Department during the oversight meeting held on 5 November 2015. The Committee relied on the research that was provided, research by individual Members, the regular oversight meetings that were held with the Department relating to Quarterly Performance Reports during the year under review and the input provided by the Minister and the departmental officials.

3. Inputs received from the public

Members of the public were given an opportunity to give input on the Annual Report of the Department of Community Safety. Representative of various Community Police Forums as well as a representative of the Nyanga Development Forum raised the following key points pertaining to the Department:

- 3.1 The matching grants initiative needs to be improved.
- 3.2 It is not feasible to hold separate Community Police Forum and Community Safety Forum meetings if these two forums are linked.
- 3.3 The Department should consider revisiting its training curriculum for Neighbourhood Watches.

- 3.4 Community members involved in Neighbourhood Watches are from older age groups and are mostly pensioners.
- 3.5 There is a large proportion of females involved in Neighbourhood Watches.
- 3.6 Funding Neighbourhood Watches could be used for strengthening street committees.
- 3.7 The Department needs to improve its communication methods with the Community Police Forums as well as the Cluster Community Police Boards, especially notifications about meetings and training.
- 3.8 The Department needs to be more receptive to the input given by Community Police Forums.

4. Findings of the discussion on the Department of Community Safety's Annual Report 2014/2015

- 4.1 The safety kiosks have rendered a noticeable impact especially since the Minister of Community Safety signed Memoranda of Understanding with municipalities wherein these safety kiosks have been placed.
- 4.2 Some of the safety kiosks have been donated and as such assigning personnel to man these kiosks has been challenging.
- 4.3 The Department is in the process of realigning its staffing structure as per the Civilian Secretariat for Police Act (Act 2 of 2011).
- 4.4 There are ongoing discussions by the task team comprised of departmental officials and members of the South African Police Service in order to address and implement recommendations of the Khayelitsha Commission of Inquiry. Certain recommendations have already been implemented.
- 4.5 There are efforts by the task team to engage other role players from Khayelitsha.
- 4.6 There are 134 religious institutions based in the metro and 35 based in rural areas that constitute the 169 organisations on the Youth Safety and Religion Programme.
- 4.7 The Wolwekloof Academy will also benefit from the Further Education and Training College bursary opportunities.
- 4.8 There is no transfer of funds from the Department to Northlink College as the Department acts as a link between Northlink College and potential bursars, including graduates of the Wolwekloof and Chrysalis academies.
- 4.9 It is challenging to merge the areas of interest that Chrysalis graduates have and the nature of the job placements as these placements are dependent on the partnerships that the Department has developed.
- 4.10 The Department has not experienced major impact from the shifting of the Traffic Department to the Department of Transport and Public Works.
- 4.11 The Department has not yet commissioned research nor has it contracted companies to conduct research on the effects of alcohol abuse.
- 4.12 The Department is in the process of commissioning research in accordance with recommendations of the Khayelitsha Commission of Inquiry in order to understand the needs of the community, specifically the effects of alcohol abuse and alcohol trade.
- 4.13 The filling of Chief Director posts in the Department were affected by a moratorium placed on appointing senior officials. The moratorium refers to a circular by the Director General that indicated that all senior positions will

only be filled after the 2014 national elections. The final staffing structure has not yet been approved.

- 4.14 The Neighbourhood Watch regulations have been completed and will be published for public comment towards the end of January 2016.
- 4.15 The National Department of Labour has reviewed the Department of Community Safety's Employment Equity Plan.
- 4.16 The Department reported that suitably qualified African females seldom apply when posts for Senior Management Services are advertised.
- 4.17 The Department's succession plan includes relevant ongoing training, however the plan does not spread across all posts.
- 4.18 The Department is working towards providing training and resources to Neighbourhood Watches in order to develop these structures into capable partners.
- 4.19 The Department is working on a plan to ensure that Community Police Forums remain on the Expanded Partnership Programme (EPP) uninterruptedly as opposed to being dependent on the signing of Memorandum of Agreements that are signed annually.
- 4.20 The Department did not transfer funds to the Violence Prevention through Urban Upgrade (VPUU) but assisted with the donation of safety kiosks and the placement of Chrysalis graduates.
- 4.21 The Department transferred R5.2million to the Safety Lab for designing various safety programmes that are facilitated by the Department.
- 4.22 The *Court Watching Brief Programme* is rolled out at five magistrate courts, namely, Bellville, Cape Town, Mitchell's Plain, Wynberg and Khayelitsha. There are plans to expand the roll out to 25 courts.
- 4.23 The Western Cape Police Ombudsman deals with service delivery complaints against the police as opposed to the Independent Police Investigating Directorate (IPID) which deals with criminal cases.
- 4.24 The Community Police Forums use the facilities at the relevant police stations to complete the reports needed for the Expanded Partnership Programme.
- 4.25 There is no specific computer literacy training given to the Community Police Forums.
- 4.26 The target for the number of police clusters with community organisation databases has been re-aligned in accordance with the number of clusters as opposed to the number of police stations, as reported in previous years.
- 4.27 There are Chrysalis graduates placed at Tygerberg Hospital to assist with directing patients to the correct places that they need to consult.
- 4.28 The Department reported that most of the departmental resignations were by young staff members, which is a normal trend.

5. Papers, reports and information requested by the Committee

The Committee requested that the Department provides the Committee with the following information by 29 January 2015:

- 5.1 A list of the areas where the 40 safety kiosks are located.
- 5.2 An urban - rural area breakdown for the following programmes: Youth Safety and Religious Programme (YSRP) and the Further Education and Training College bursary opportunities.

- 5.3 A copy of the Memorandum of Understanding with Northlink College.
- 5.4 A project plan in respect of the expected timelines for the completion and implementation of the Neighbourhood Watch regulations.
- 5.5 The total cost of the 50 000 access cards purchased by Security Risk Management.
- 5.6 A copy of the advertisement for the four mentioned Senior Management Service posts.

5. Report of the Standing Committee on Education on the 2014/2015 Annual Report of the Western Cape Education Department, dated 29 October 2015.

1. Introduction

Annual Reports are the key instruments for the departments to report on performance measures against performance targets and budgets as outlined in the Strategic Plans and Annual Performance Plans of the Department.

As part of its oversight function, the Standing Committee on Education considered the Annual Report of the Western Cape Education Department (hereinafter referred to as WCED) on 19 October 2015.

The Committee Report discusses the Committee's findings, concerns and recommendations related to the performance of the Department during the year of review.

2. Overview

The Annual Report programme for the 2014/2015 financial year was advertised in newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.

The research analysis on the Department's Annual Report was conducted by Creative Consulting and Development Works, an independent research company to assist Members in preparing for the oversight meeting. The Committee's findings, concerns and recommendations are therefore based on the interaction that the Committee had with the Department during the oversight meeting held on 19 October 2015. The Committee relied on the research analysis that was provided, the research of individual Members, the regular oversight meetings that were held with the Department relating to Quarterly Performance Reports during the year and the input provided by the Departmental officials and the Head of the Department.

Before proceeding to the consideration of the report, the Head of Department, Ms P Vinjevd, was given an opportunity to make opening remarks. The Minister of Education, Ms D Schäfer, tendered her apologies, as she was unable to attend the meeting due to ill health.

Members of the Committee deliberated on Part A: General Information, Part B: Departmental Programme Performance and Part D: Human Resource Management of the Department's Annual Report. Members of the public were also given an opportunity to pose questions or make inputs during the discussions.

The following key achievements, of the Department were noted: from 2009-2014, were the Western Cape Government laid the foundation for solid improvements in learner performance and quality within the system. This led to the improvement in learner performance in language, mathematics and the National Senior Certificate (NSC) over this period, the retention rate increased, the number of underperforming schools decreased, administrative systems increased and more schools were replaced or built.

The year under review presented a clean audit report for the Department. The Department achieved 99.85% of programme expenditure on their adjusted budget for 2014/15 and under-expenditure of 0.15%.

3. Findings

- 3.1 The Department reported that together with Nuwe Hoop Centre for the Hearing Impaired in Worcester, it will develop an intervention plan which will commence in 2016. According to the envisaged plan, learners will be separated as per their disabilities and the Department would provide resources to assist in the upgrading of the hostel section of the Nuwe Hoop Centre.
- 3.2 The Department will introduce new technical subjects and increase access to and support for vocational subjects.
- 3.3 During the year under review, the Department informed the Committee that there was no e-Learning connection to the Wide Area Network (hereinafter referred to as WAN) and Local Area Network (hereinafter referred to as LAN) but during the 2015/2016 financial year about 1 262 schools would be connected to the WAN and LAN of the broadband access (e-learning).
- 3.4 The Department will introduce a number of initiatives that are all linked to the Department's three main indicators of success, as outlined in the Department's Strategic Plan over the next five years (2015-2019). These initiatives are based on how the schools performed during the 2014/2015 financial year.

They are inter alia.

- 3.4.1 An improvement in the level of language and mathematics in all schools;
- 3.4.2 An increase in the number and quality of passes in the National Senior Certificate (NSC); and
- 3.4.3 An increase in the quality of education provision in poorer communities.
- 3.5 During the year under review, the Department appointed 700 new teachers.
- 3.6 The Department supports 216 fee-paying schools serving poor communities which opted to become no-fee schools in the 2014 school year.
- 3.7 The Department's learner transport programme assists over 50 000 learners in poorer rural areas.
- 3.8 During 2014, the Department piloted the use of Competency Based Assessments for shortlisted candidates for principal positions to ensure that the most suitable candidates are appointed and that training needs are identified. In 2015, the Department intends to expand the Competency Based Assessments for the appointment of deputy principals and the head of departments.

4. Concerns

The Committee raised the following concerns:

- 4.1 The Department needs to take cognisance of the issues regarding learner transport and those directly pertaining to learners that fall under the 5km distances in rural areas. There are learners who cannot utilise the learner transport according to the Learner Transport Policy. Especially where the school is situated 4km from their homes.
- 4.2 Schools that are privately owned do not get the necessary infrastructure upgrades as opposed to those schools owned and managed by the Department.
- 4.3 Maths and Numeracy results as indicated in the Department's Annual Report are below 50%.

5. Information requested by the Committee

The Committee REQUESTED the Department provide it with the following:

- 5.1 A copy of the Learner Transport Policy.
- 5.2 A report on the number of acting principal and teacher positions at schools during 2014/2015 financial year, as indicated on page 39 in the Annual Report of the Department.
- 5.3 The list of the number of learners attending Further Education and Training Colleges (hereinafter referred to as FET) and the number of learners that wrote exams at FET College in the 2014/2015 financial year.
- 5.4 A summary report on the number of learners in Public Ordinary Schools benefiting from the "No Fee School" policy, as stated on page 60 under the Programme Performance Measure 204 of the Annual Report of the Department.
- 5.5 Clarity on the number of educators employed in Public Special Schools, as indicated on page 73 under Programme Performance Measure 402 of the Annual Report of the Department.
- 5.6 A list of after school programmes available for Grade 8, 9 and 12 before the final exams and at which schools these programmes are offered.

6 Recommendations

The Committee RECOMMENDED that the Department:-

- 6.1 Investigate and review matters pertaining to learners who are subjected to walk for 4km since the distance from the school to their home falls outside of the learner transport distance of 5 km.
- 6.2 Present to the Committee on the learner transport
- 6.3 Present to the Committee on the Bus Committee which were established in 2015.
- 6.3 Develops a system that would capture donor or "in kind" donations received by the Department, for tracking and recording purposes.
- 6.4 Increase efforts and interventions, including teacher development, to ensure that Maths and Numeracy outcomes are improved during the 2015/2016

financial year. This has been highlighted as a critical area which needs serious intervention.

- 6.5 Together with the Committee, assists in encouraging parental involvement in their children's education.

7 Conclusion

The Committee wishes to express its appreciation for the information provided by the Head of Department, officials of the Western Cape Education Department and the members of the public.

6. Report of the Standing Committee on Community Development on the 2014/2015 Annual Report of the Department of Health, dated 27 October 2015.

1. Introduction

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

As part of its oversight function, the Committee considered the Annual Report of the Department of Health on 16 October 2015.

The Committee Report indicates the Committee's findings and recommendations related to the performance of the Department during the year under review.

2. Overview

The Annual Report Programme for the 2014/2015 financial year was advertised in the newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.

A research analysis on the Department's Annual Report was done by an independent research company to assist members in preparing for the oversight meeting.

The Committee's findings and recommendations are based on the interaction that the Committee had with the Department during the oversight meeting held on 16 October 2015. The Committee relied on the research analysis, the research by individual Members, the regular oversight meetings that were held with the Department relating to Quarterly Performance Reports during the year under review and the input provided by the Minister and the departmental officials.

3. Inputs received from the public

Members of the public were not present to give either oral or written input on the Annual Report of the Department of Health.

4. Findings

- 4.1 The Department informed the Committee that the Province is faced with a quadruple burden of disease, which continues to place enormous strain on the health system.
- 4.2 The burden of communicable and non-communicable disease is of particular concern. The Province has an increasing number of people with multiple, interrelating and compounding health problems.
- 4.3 The overall life expectancy of people in the Western Cape Province is 66 years, 68 years for women and 64 years for men.
- 4.4 The infant mortality rate is 19.1 % and the maternity mortality ratio is 78 as compared to 269 for South Africa.
- 4.5 The Department informed the Committee that during the year under review, 116 fixed Primary Health Care facilities and 39 hospitals conducted National Core Standards (NCS) self-assessments to ensure quality improvement and compliance in all health facilities in the Province.
- 4.6 In the interest of enhancing public participation and the person centeredness of the health system, the Department undertook to revise the Western Cape Health Facility Boards Act (Act 7 of 2001). A new bill, the Western Cape Health Facility Boards and Committee Bill, 2015, is being prepared for public comments in the next financial year.
- 4.7 Members were informed that Regulations on the Western Cape Independent Health Complaints Committee Act (Act 2 of 20014), were promulgated on 21 November 2014 and the committee is likely to be established in the 2016/2017 financial year.
- 4.8 The Department reported that it had filled a total of 31 267 positions as at 31 March 2015, which is an increase of 250 filled positions compared to the previous year.
- 4.9 The Department reported that it has completed the following main capital projects in the year under review: Delft Community Day Centre–ARV consulting rooms and new pharmacy, new Du Noon Community Health Centre, new Heidelberg Ambulance Station, new Hermanus Community Day Centre, upgrade and extension of the New Horizon Clinic, replacement of Rawsonville Clinic, and Acute Psychiatric Units at George and Mitchell’s Plain Hospitals.
- 4.10 The Department is in the process of establishing a data centre which is intended to house all the clinical and financial data in the Department as well as other external data from external sources. The data centre will consolidate and harmonise the various data sources using the Patient Master Index (PMI).
- 4.11 Members were informed that the prototype for The Single Patient Viewer has been completed during the 2014/2015 financial year. This is a web-based viewing application that allows clinicians to access an integrated perspective on patient data available across various, vertical patient information systems in one platform.
- 4.12 The Department reported that during the year under review, it had encountered a significant drugs stock-out in the Province due to the change in national tender that resulted in a wide range of pharmaceutical items being out of stock. The Department mitigated the challenge by introducing interventions that included amongst others, procuring items via Provincial contracts, a communication campaign and re-distribution of supplies between health facilities.

- 4.13 The Department also reported that during the period under review, it had a surplus of R154 000 for sales of capital assets due to the once off sale of equipment at the George Laundry Site which has since been closed.
- 4.14 The Department further mentioned that the 87.7% underspending was due to infrastructure delays by the Department of Public Works.

5. Resolutions

The Committee RESOLVED:

- 5.1 To conduct an oversight visit to Open Circle, a Non-Profit Organisations (NPO) that offers services for people with intellectual disability and challenging behavior in Alexandra Hospital in Maitland.
- 5.2 To invite the University of the Western Cape (UWC) and the South African Medical Research Council to brief the Committee on their research on traditional medicines.
- 5.3 To invite the Department of Health to brief the Committee on the progress of the piloted National Health Insurance (NHI) Plan in the Eden District.
- 5.5 That the Department of Health briefs the Committee on the Hospital Bed Plan.
- 5.6 That the Department of Health briefs the Committee on the intergovernmental report and the related service level agreement between the City of Cape Town and the Western Cape Department of Health.
- 5.7 That the Department of Health briefs the Committee on its five year Strategic Plan.

6. Recommendations

The Committee RECOMMENDED:

- 6.1. That SCOPA provides the Committee with a report on the presentation given to SCOPA by the Department of Transport and Public Works on the infrastructure under spending by 87.7% due to the infrastructure delays within the Department of Health. The Committee agreed that if the SCOPA report does not reflect the 87.7% underspending, a forensic investigation will have to be conducted.

7. Papers, reports and information requested by the Committee

The Committee REQUESTED that the Department, by 30 November 2015, provides the Committee with the following:

- 7.1 A copy of the Community Health Forum Policy.
- 7.2 Detailed information on the sold George Laundry Capital Assets with reference to page 15 of the Annual Report (e.g. to whom were assets sold).
- 7.3 A report on the Private Public Partnerships (PPP).
- 7.4 A breakdown of vacancy rate in District health facilities and in health facilities in the Metro.
- 7.5 A breakdown of consultation expenditure and contract expenditure, with reference to pages 222 and 223 of the Annual Report.

- 7.6 A report by the Council for Science and Industrial Research (CSIR) on the GF Jooste Hospital.
- 7.7 A report on the public participation process that was followed during the closure of the GF Jooste Hospital.
- 7.8 A detailed report on the most recurring complaints received by the Department through the complaint help line.
- 7.9 A list of infrastructure projects that are in the pipeline for the Department in the next 10 years. The list should include the start and end date of the anticipated projects.
- 7.10 The Committee also requested to be provided with an update on the Tygerberg feasibility study report that will be finalised at the end of November 2015. The Committee resolved that this information should be submitted to the Committee by 31 January 2016.
- 7.11 A detailed report on amputations done during the financial year under review of patients with diabetics. This information should be submitted to the Committee on or before 31 January 2016.

8 Conclusion

The Committee wishes to express its appreciation for the information provided by the Minister, the Head of the Department and officials of the Department.

7. Report of the Standing Committee on Community Development on the 2014/2015 Annual Report of the Department of Social Development, dated 27 October 2015.

1. Introduction

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

As part of its oversight function, the Committee considered the Annual Report of the Department of Social Development on 13 October 2015.

The Committee Report discusses the Committee's findings and recommendations related to the performance of the Department during the year under review.

2. Overview

The Annual Report Programme for the 2014/2015 financial year was advertised in selected newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.

Research analysis of the Department's Annual Report was conducted by Western Cape Provincial Parliament Research Unit to assist Members in preparing for the oversight meeting. The Committee's findings and recommendations are based on the interaction that the Committee had with the Department during the oversight meeting held on 13 October 2015. The Committee relied on the research that was provided, including the research by individual Members, the regular oversight meetings that

were held with the Department relating to Quarterly Performance Reports during the year under review and the input provided by the Minister and the departmental officials.

3. Inputs received from the public

No members of the public were not present to give either oral or written input on the Annual Report of the Department of Social Development.

4. Findings

- 4.1 During the year under review, the Department of Social Development (DSD) focused on improving the quality of service delivery. The Department was guided by a set of eight Provincial Strategic Objectives that were subsequently replaced by the adoption of five new Provincial Strategic Goals (PSGs).
- 4.2 The Department of Social Development has strategically consolidated and strengthened management systems and internal controls. This has been a priority in the 2014/2015 financial year for the Department, especially with respect to ensuring the reliability and usefulness of the Department's performance information.
- 4.3 The Department informed the Committee that their main challenge for the period under review was obtaining accurate performance data from over 2000 contracted Non-Profit Organisations (NPOs), 35 local service delivery offices, and a range of department-run residential facilities for children and adults.
- 4.4 Mechanisms, norms and standards were put in place to deal with transfer payments to Non-Profit organisations (NPO) and public entities.
- 4.5 By the end of the 2014/2015 financial year, the Department completed the matching and placing of its staff into the approved Social Welfare, Community and Partnership Development establishments.
- 4.6 The Department has focused on streamlining and strengthening its systems and processes by amending its funding policy to improve and close all loopholes in the contract management system.
- 4.7 In the year under review, the Department has demonstrated its commitment to good governance through continuing its austerity measures internally in order to effectively focus on implementing its core mandate of social service delivery.
- 4.8 A disability desk has been established. This will focus on the reform of Provincial Government disability policies and to provide a support resource for persons with disabilities.
- 4.9 In addition to the disability desk, the Committee was informed that Cabinet has approved a policy framework that will consolidate the coordination of management of services to children and youth with intellectual disabilities.
- 4.10 The Department has rolled out the Provincial Early Childhood Development (ECD) Strategy and Youth Strategy, and has begun the process of ensuring that programmes for young people are sustainable with a meaningful impact on their lives as these relates to reducing youth unemployment.
- 4.11 During the 2014/2015 financial year, the Department was the first Department in the country to accredit three DSD diversion programmes for children as stipulated in the Child Justice Act (Act 75 of 2008).

- The accreditation of these DSD diversion programmes provides courts with additional diversion options for children in conflict with the law.
- 4.12 In terms of the Children's Act (Act 38 of 2005), the Department has also established the first Provincial Management Board for government managed Child and Youth Care Centres (CYCCs) in the country. The Department of Social Development was also the first Department to register all government child and youth care facilities in terms of this Act.
- 4.13 The Department has passed the benefits of inflationary increases to all funded Non-Profit Organisations for social work positions and subsidies. A principled decision was adopted in this reporting year to review the salaries of social workers, social worker supervisors and social work managers at funded NPOs for implementation in 2015/2016 financial year.
- 4.14 During the 2014/2015 financial year, the Department reported that substance abuse trends in the Province continued to escalate as reflected by the 181% percent increase in drug related crimes between April 2004 and March 2014.
- 4.15 The Department informed the Committee that the major challenge for the Department was a lack of research relating to the severity of substance abuse in the Province.
- 4.16 The Department further reported that according to the 2011 Census 19,645 children in the Province were reported to have lost both parents and that there were 3,482 child-headed households.
- 4.17 According to the 2011 Census, the Province had 27, 4% of children that were living in income poverty households with a monthly per capita income of less than R604.
- 4.18 The youth constitutes 38% of the population of the Province. According to the 2011 Census data, 13% of youth in the Province are Not in Employment, Education, and / or Training (NEETS), while 23% of youth older than 20 years are unemployed.

5. Concerns

- 5.1 The most recent treatment data from the South African Community Epidemiology Network on Drug Use (SACENDU) for 2014, shows that methamphetamine is at 34% and remained the primary substance abuse in the province, followed by cannabis at 24% and alcohol at 20%. These trends are of concern to the Committee due to the associated link with social risk factors such as violent crimes and child maltreatment.
- 5.2 The Province's social crime trends negatively affect the social fabric of communities and the well-being of households and individuals. Gender based violence as illustrated by the prevalence of sexual assault in the Province was reported to be 134 per 100, 000 in 2013/ 2014 and this was a concern to the committee.
- 5.3 The Committee raised a serious concern about youth not completing their education and dropping out of school.
- 5.4 The Committee also raised a concern about the insufficient programmes that are focusing on women socio-economic empowerment. This is with reference to sub-programme 5.7 women development as pointed out on page 73 of the Annual Report.

6. Recommendations

The Committee RECOMMENDED that the Department should consider:

- 6.1 conducting research on how the government funding for substance abuse programmes can be utilised wisely and have a significant impact on the lives of people of the Province; and
- 6.2 placing emphasis on Early Childhood Development Programmes in the next financial year.
- 6.3 liaise with the Department of the Premier regarding the appointment of the commissioner for children.

7. Papers, reports and information requested by the Committee

The Committee REQUESTED that the Department, by 30 November 2015, provides the Committee with the following:

- 7.1 The number of staff that are commissioned on insurance and garnishee order deductions as pointed out on page 11 of the Annual Report.
- 7.2 A report on the process and progress of the modernisation of District Offices that are replaced by Regional Offices.
- 7.3 A breakdown of the number of children re-united with their families or with alternative caregivers with reference to page 56 of the Annual Report.
- 7.4 A breakdown according to regions of foster care backlog in the Province.

8. Conclusion

The Committee wishes to express its appreciation for the information provided by the Minister, the Head of the Department and officials of the Department.

8. The Standing Committee on Human Settlements, having considered the annual reports of the Department of Human Settlements and its entities the Western Cape Rental Housing Tribunal and the Western Cape Housing Development Fund for the 2014/2015 financial year, reports as follows:

1. Introduction

Annual reports are key instruments in which departments and entities report on their performance during a financial year. The departments and entities report on their attainment of predetermined targets and budgets as outlined in their Strategic Plans and Annual Performance Plans for the period under review. In addition hereto the success of each programme implemented is accounted for.

2. Overview

As part of its oversight function, the Standing Committee on Human Settlements (hereinafter “the Committee”) considered the Annual Reports of the Department of Human Settlements (hereinafter “the Department”) and its entities the Western Cape Rental Housing Tribunal and the Western Cape Housing Development Fund on 10 November 2015.

The consideration of these Annual Reports took place as per Standing Rule 105 (1) of the Western Cape Provincial Parliament. This rule provides standing committees with the power to consider annual reports submitted in terms of the Public Finance Management Act (Act 1 of 1999).

The Chairperson permitted the Minister to address the Committee on the Department's Annual Report. The Committee then proceeded to a section by section consideration of the annual reports of the Department, the Western Cape Rental Housing Tribunal and the Western Cape Housing Development Fund.

3. Findings: Department of Human Settlements

3.1 Audit Outcome

The Department received a clean audit for the 2014/2015 financial year. It exceeded its targets by delivering a total of 18 806 housing opportunities against a target of 17 583. A total of R1 935 billion was spent on the delivery of housing opportunities which included service sites, the provision of infrastructure and houses.

3.2 Policies and legislative prescripts

3.2.1 The Department:

3.2.1.1 Expressed its commitment to the Provincial Strategic Objectives and the National Outcomes by implementing a number of initiatives which support its intention to deliver on its mandates;

3.2.1.2 Implemented a revised debt reduction policy during the period under review. This became the catalyst for the Department exceeding its target for the number of debtors reduced. It also made provision for more debtors to qualify for a debt reduction or for bad debt to be written off. The Department reduced the number of debtors by 1 147 to the value of R51 906 045.31 and cancelled 504 bonds. The bond cancellation contributed to the department's strategic objective to promote security of tenure; and

3.2.1.3 Developed and approved a policy to improve the transferring of title deeds for New Greenfields Subsidy Housing Projects, focusing on the Upgrading of Informal Settlements Programmes (UISP). Forest Village has been identified as an area where serviced sites will be provided to persons who do not qualify for a top structure.

3.2.2 The Framework for the Selection of Housing Beneficiaries for ownership based subsidy projects was approved by the Provincial Cabinet in October 2013. The purpose of the Framework Policy was to define norms and standards for beneficiary selection thereby enhancing fairness and transparency in the selection of beneficiaries.

3.4 Housing Delivery

The Department:

3.4.1 Implemented new innovative methods to improve performance and to enhance service delivery. In addition hereto, it implemented better systems

and processes to ensure compliance with relevant legislative prescripts and standards in terms of supply chain and expenditure management; and

- 3.4.2 Indicated that eradicating the housing delivery backlog is challenging. This was attributed to the continued informal sale of houses by beneficiaries. The Department in conjunction with National Government is currently working on a programme to eradicate the current housing backlog by dealing with the current challenges that contribute to the backlog.

3.5 Assistance provided to municipalities

The Department:

- 3.5.1 Provided assistance to municipalities by aiding them with the implementation of their Housing Demand Database (HDDB). A total of 24 local municipalities have already uploaded their HDDB. Further hereto, the HDDB has been updated to include farm workers for housing opportunities; and
- 3.5.2 Deployed Professional Resource Teams (PRTs) to support municipalities in developing credible human settlement pipelines that will enable the Department to approve projects that are ready for implementation. This will ensure that the planning process is streamlined and provides for lower risks during the implantation phase of the housing projects.

3.6 Human Resources

- 3.6.1 Human resources form an integral part of the Department's ability to achieve its objectives. During the 2014/2015 financial year the Department achieved a vacancy rate of 6.6% due to the appointment of permanent staff to improve the continuity and efficiency of the Department's workforce. Further hereto, the Department's equity profile indicates that more males as opposed to females are employed in senior management positions.
- 3.6.2 The Department has included professionals in specialised fields on its organogram in an attempt to systematically minimise the utilisation of consultants. The Department indicated that employing professionals with specialised skills is challenging, as government cannot compete with the remuneration provided in the private sector.

4. Information requested

The Committee REQUESTED that the Department provide it with a:

- 4.1 List of Historically Disadvantaged Individuals (HDI's) currently employed by the Department; and
- 4.2 Report on the Department's findings on fraud and corruption.

5. Western Cape Rental Housing Tribunal

5.1 Background

The Western Cape Rental Housing Tribunal (hereinafter "the Tribunal") was established in 2001 in terms of Section 7 of the Rental Housing Act (Act 50 of 1999) (hereinafter "the Act"). The purpose of the Tribunal is to harmonise relationships

between landlords and tenants in the rental housing sector. The Tribunal provides a free dispute resolution service and deals with issues pertaining to unfair business practices.

The Tribunal is funded through the Department and consists of five members, which includes a chairperson and a vice chairperson. The members have extensive expertise in property management, housing development and consumer related matters pertaining to the rental housing sector. The Tribunal falls under the Directorate Communications and Stakeholder Relations.

5.2 Findings

- 5.2.1 During the business improvement study a number of challenges were identified in the Tribunal's ability to fulfil its mandates. It came to light that a number of legal mandates within the Act were not attended to. The organogram structure for the Court Management Section only provides for one level nine clerk to deal with the Court Management Section's legal mandates. To ensure that the Court Management Section fulfils its mandate, two posts from the non-metro region were temporarily utilised to provide human resource capacity.
- 5.2.2 SA Commercial provides a call centre service for the Tribunal. The Service Level Agreement with SA Commercial is jointly managed by the Tribunal and the Department of the Premier.
- 5.2.3 Approximately 85% of the calls received by the Call Centre relates to deposit refunds, questions on lease agreements, advice regarding the rental housing sector eg. failure to pay rental and failure to do maintenance.
- 5.2.4 During the 2014/2015 financial year the Help Desk Unit within the Department of Human Settlements attended to 3 842 queries received from the public as opposed to the 5 026 queries received in the 2013/2014 financial year.
- 5.2.5 The Tribunal's e-mail account indicates a total of 3 755 e-mailed queries received for the 2014/2015 financial year. Previously the monitoring of e-mails linked with the case management system proved to be problematic, but have since improved when access was granted to the Administration Unit via the Outlook facility.
- 5.2.6 The George office was identified as a suitable central access point for all municipalities in the Eden District where rental housing complaints may be lodged. A Service Level Agreement in this regard is yet to be drafted. The Rental Housing Amendment Act, (Act 35 of 2014) makes provision for the implementation of rental housing information offices in level 3 accredited municipalities. The final mandates for the Rental Housing Amendment Bill was adopted on 25 March 2014.
- 5.2.7 During the 2013/2014 financial year an increase of 211 captured cases were reported by the Tribunal. During the previous financial year a total 3053 captured cases were reported and during the current financial year a total of 3282 cases were reported. The increase in case loads is attributed to the

marketing strategies implemented by the Tribunal to create public awareness of the rights and responsibilities of landlords and tenants.

5.2.8 The Tribunal heard approximately four matters a day. Approximately 507 cases were referred to the Tribunal during the 2013/2014 financial year, of which 330 were heard. During the 2014/2015 financial year the Tribunal reported a total of 500 pending cases and a total of 257 that were heard. In addition hereto, only 3 group cases were heard, of which two were finalised and one that still remains pending.

5.2.9 A total of 75 warrants of arrests were executed in the 2013/2014 financial year and 98 warrants of execution were issued for monetary non-compliance in the 2014/2015 financial year.

6. Information requested

The Committee REQUESTED that the Department provide it with the Tribunal's Business Improvement Plan.

7. The Western Cape Housing Development Fund

7.1 Background

The Western Cape Housing Development Fund (hereinafter "the Fund") is a statutory body which was established under the Western Cape Housing Development Act (Act 6 of 1999). The Fund is an unlisted public entity in terms of Section 47(2) of the Public Finance Management Act (Act 1 of 1999) (as amended by Act 29 of 1999) and is a subsidiary of the Western Cape Provincial Government Department of Human Settlements. The mission of the Fund is to manage the primary property portfolio which is provided as a social service. The Fund holds housing stock used to provide housing to the poor.

7.2 Findings

7.2.1 The Western Cape Housing Development Amendment Act 2005 (Act 2 of 2005) provide for the abolition of the Western Cape Housing Development Board (hereinafter "the Board"). The legislative processes which provide for the disestablishment of such statutory bodies have not been finalised. Despite the disbandment of the Board, the Fund continues to exist as an unlisted public entity administered by the Western Cape Provincial Department of Human Settlements.

7.2.2 The Fund prepared its financial statements for the 2014/2015 financial year in accordance with the Generally Recognised Accounting Practices (GRAP) reporting framework.

7.2.3 The Auditor-General issued a qualified opinion on the financial statements of the Fund. The qualified opinion by the Auditor-General was based on the misstated valuation and recognition of properties, which were in contravention of the GRAP requirements for property, plant and equipment.

The Department relied on the information published on the Deeds website and the Municipal Valuation Roll which was incorrect.

7.2.4 The Department anticipates that the fund will be disbanded by the 2018/2019 financial year.

8. Oral submission by a member of the public

Mr M Mbiko, a member of the Nyanga Development Forum, addressed the Committee on the key policy developments and legislative changes as indicated on page 34 in the Department's Annual Report.

He requested that Minister Madikizela addresses the Nyanga and Gugulethu communities on the selection guidelines for the Individual Housing Subsidy Programme and the Addendum to the policy to improve title transfer in new green field's subsidy housing projects focusing on the Upgrading of Informal Settlements Projects (UISP).

The Minister undertook to engage the Nyanga and Gugulethu communities on the above.

9. Information requested

The Committee REQUESTED that the Department provide it with an action plan to address the Auditor-General's qualified opinion on the Housing Development Fund's financial statements to acquire an unqualified opinion.

10. Conclusion

The Chairperson thanked the Minister, the Head of Department and the Western Cape Rental Housing Tribunal for the preparation and responses to the questions raised by the Committee members.

The Chairperson also extended a word of thanks to members of the public for their attendance and to Mr Mbiko for his oral contribution.

9. Report of the Standing Committee on Environmental Affairs and Development Planning on the 2014/15 Annual Reports of the Department of Environmental Affairs and Development Planning and its Entity, CapeNature, for the year ended 31 March 2015.

The Standing Committee on Environmental Affairs and Development Planning, having considered the annual reports of the Department of Environmental Affairs and Development Planning and its entity, CapeNature, for the year ended 31 March 2015, referred to it, reports as follows:

1. Introduction

As part of its oversight function, the Standing Committee on Environmental Affairs and Development Planning (hereinafter "the Committee") considered the annual reports of the Department of Environmental Affairs and Development Planning

(hereinafter “the Department”) and its entity, CapeNature, on 29 October 2015. 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 2014/2015 financial year was advertised in newspapers, inviting 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 of the Annual Reports of the Department and its Entity.

2. Department of Environmental Affairs and Development Planning

2.1 Overview

The Department obtained a clean audit for the year under review, having improved significantly on the previous year’s unqualified audit with findings. It achieved a 94,8% programme expenditure on its budget. This under expenditure was a result of a roll-over of funds relating to the Regional Socio-Economic Project/Violence Prevention through Urban Upgrade Programme (RESP/VPUU) as well as the newly expanded Internal Control unit, a Green Economy project that cost less than anticipated. The Department has also focused on its asset register by implementing a revised accounting officers system for Supply Chain Management and also drafting delegations of authority. In addition, the Asset Sanitisation Project was completed with the assistance of a service provider in collaboration with Provincial Treasury.

An important milestone was the promulgation of the Land Use Planning Act (Act 3 of 2014) that has brought to an end the old spatial planning legislative framework in the province. As a result, the Provincial Spatial Development Framework which included the updated growth potential study of towns and the Provincial Spatial Plan was developed in terms of the new legislation.

The development of a Western Cape Climate Change Strategy, action plan and monitoring and evaluation framework contributed to the strategy and improvement plan that was approved in the previous financial year.

The Department has also published its Annual State of Air Quality Management and has maintained the 11 ambient air quality monitoring stations across the province.

With the assistance of the National Department of Environmental Affairs, and in collaboration with the municipalities in the Western Cape, the Department has now licensed all the municipal waste disposal sites by issuing 83 licenses in the year under review.

2.2 Findings

2.2.1 An important part of the repositioning of the Department in terms of the planning law reform outcomes as well as the biodiversity law reform process was the completion of an organisational refinement process. To date, all

senior management positions have been filled but the Committee is concerned about transformation as well as gender and race representation within the Department.

- 2.2.2 Over the last few years, not only the Department, but also planning administrations, have ventured beyond data collection to data analysis and interpretation. Development planning intelligence management is therefore a key element of research to apply intelligence management principles to extract key lessons in spatial development and the application thereof in policies and planning.
- 2.2.3 The Berg River Improvement Plan is a multi-year programme that was approved by Cabinet to improve water quality in the Berg River through implementing river and riparian zone rehabilitation in the catchment area. The Department is working closely with the National Department of Water Affairs and is also engaging with the municipalities of Stellenbosch, Drakenstein and Breede Valley in this regard. This plan, through the Expanded Public Works Programme, has contributed to the creation of approximately 30 jobs with most of the opportunities linked to the clearing of alien invasive species.
- 2.2.4 The Western Cape Greenest Municipality competition is open to all 29 municipalities. The City of Cape Town, being the only metropolitan municipality in the province, participates in a similar competition at a national level. Participation is voluntary and 20 out of the 29 municipalities participated. However, all municipalities are encouraged to participate. At the end of the adjudication and awards process, a report is published on the competition and its outcomes.
- 2.2.5 There is currently no baseline data available on waste volumes in South Africa and the province. Work is underway in this regard and the Department has developed a model for those municipalities who do not have weigh bridges. There is a calculator in place which assists in building such a baseline. The Department has implemented an electronic integrated waste management system that is able to process data to create a set of baseline data. The combination of having more weigh bridges is preferable as the calculator is reasonably accurate in terms of the volumes.
- 2.2.6 Section 24G of the National Environmental Waste Management Act (Act 59 of 2008) provides for instances where people have commenced with activities that require environmental authorisation without getting the necessary authorisation in the first instance. Of concern are the number Section 24G transgressions.
- 2.2.7 The funding for the two items of under expenditure mentioned in the overview was held in trust by Provincial Treasury and in the case of the RESP/VPUU allocation, transfer of the funds could not take place before the agreements, implementation plans and protocols were signed with the funder, the German American Bank. The Department accepted the funds knowing that they would not fully spend it. This is of concern to the Committee as the

Department accepted the funds without the necessary agreements in place.

- 2.2.8 The disparity that exists within the levels of representivity within the Department in terms of gender and race is of concern.
- 2.2.9 The Saldanha, Swartland, Breede Valley and Theewaterskloof municipalities were invited to become part of the RESP/VPUU programme. A requirement that formed part of the terms and conditions of the German donor funding was that the Department should focus on municipalities in close proximity to the metropolitan area. There were thus donor conditions and capacity constraints in supporting all municipalities.
- 2.2.10 In the year under review the Department received 500 Environmental Impact Assessments, 634 applications have been finalised and 258 notices have been served on transgressors.
- 2.2.11 The responsible department for development planning is the National Department of Rural Development and Land Reform under the auspices of their spatial planning and land use management section. The Department has been responsible for the piloting of the Spatial Planning Land Use Management Act (Act 16 of 2013) and the Western Cape Land Use Management Act (Act 3 of 2014). The Western Cape is the most advanced in the implementation of the afore-mentioned Acts.
- 2.2.12 Air quality management encompasses all three spheres of government and the Air Quality Officers Forum provides the platform for active debate on relative issues. The province has 11 air quality monitoring stations. Plans are underway to establish stations in the Beaufort West and Saldanha Industrial Development Zone areas. The City of Cape Town manages 13 stations that are situated in the metropolitan area. The Department is the licensing authority for the Maitland Crematorium. The crematorium currently has a provisional atmospheric emission license. It has proved difficult to find the right people to fill the vacancies of Air Quality Officers. The National Association for Clean Air provides training but air quality is a new discipline in comparison to the other sciences. An accredited course is in the process of being developed and the Department is involved with the development of the course curriculum.
- 2.2.13 The Renewable Energy Training Project is a project that has been undertaken for the first time under the EPWP programme. Individuals are trained in both plumbing services and energy services so that they can participate in the solar panel distributions that are happening in the public and private sectors. The plan was to procure a service provider who could assist with the training and who was also familiar with the EPWP system. The solar panel installation market is not well regulated and the Skills Education Training Authorities have not yet stipulated the type of training required. This project would be incredibly useful as the renewable energy market is expanding and likely to continue in this way.
- 2.2.14 It appears that the middle band in terms of the hierarchical structure within the Department is the band where appointments, resignations and

absenteeism happens the most. It is of concern to the Committee that 35 employees out of the 41 employees who resigned did not feel a need to declare a reason for leaving.

3. Information requested

The Committee REQUESTED that the Department provide it with:

- 3.1 A report on the Berg River Improvement Plan with specific reference to the riparian areas of the river where the pollution levels are high, as well as the measures that it would take in reducing the pollution levels;
- 3.2 The report on the Sustainable Settlement Innovation Summit;
- 3.3 The high level assessments that were conducted on all municipalities relating to the municipal support programme on climate change;
- 3.4 The State of Air Quality Management Report;
- 3.5 The reports emanating from the Air Quality Officers Forum;
- 3.6 The Provincial Air Quality Management Plan and related compliance and monitoring measures;
- 3.7 The Provincial Air Quality Management Framework;
- 3.8 The National Air Quality Officers Annual Report;
- 3.9 A step-by-step process of the legislative time-frames for the Environmental Impact Assessments (EIA's) that were finalised in terms of the National Environmental Management Act, EIA regulations; and
- 3.10 The relevant information when posts are filled, such as the medium that was used for advertising, the number of people who applied and the number of individuals shortlisted, so that the Committee can clearly understand the process that was followed in attracting suitable candidates in line with the Department's Transformation Equity Plan.

4. Recommendations

The Committee RECOMMENDED that the Department:

- 4.1 Add footnotes when the national template does not allow for an explanation so that unnecessary questions and explanations are avoided; and
- 4.2 Review and embark on more realistic target settings even if these targets are demand-driven.

5. CapeNature

5.1 Overview

The year under review marks the end of Cape Nature's five year strategic plan. CapeNature has increased their conservation estate by over 100 000 hectares and have ensured that they are operating in closer alignment with the Department. CapeNature has created more than 5000 work opportunities through the EPWP programmes and has established many exclusive and unique tourism infrastructure projects to support biodiversity conservation.

The report under review focuses on four programmes, namely, Administration and Governance, Biodiversity Support, Conservation Management and Marketing and

Eco-tourism. These programmes were underpinned by 30 performance indicators of which CapeNature fully achieved 25, partially achieved four and did not achieve one.

5.2 Findings

- 5.2.1 Environmental crime affects all individuals and is closely linked to the economic climate. In the past, the Department has tried to control illegal activities through law enforcement and not through education. Some wild life crime is beyond the control of CapeNature as it involves huge syndicates. Abalone poaching is a problem along the West Coast and in Betty's Bay. CapeNature is mindful of the safety of their staff when dealing with environmental crimes. They have very few marine rangers and therefore rely on partnerships.
- 5.2.2 When faced with budget constraints, CapeNature had to look at operations versus personnel. There are 23 unfunded vacancies. These are reviewed on a weekly basis. However, personnel at the nature reserves are prioritised.
- 5.2.3 The contingency liabilities of fires amounts to R52 million. This dates back to 2009 when fires were rampant in the Western Cape and, as a result, many claims were instituted against CapeNature. There are presently eight claimants with unresolved cases and if cases are unresolved then CapeNature must declare it. This then implies that potential debt could become actual debt should the case come to finality. Fires on private land adjacent to nature reserves are a concern. Determining the origin of fires is a complex and technical process. CapeNature has embarked on a process to train a number of their staff in determining the cause of fires because this is critical in winning any future legal cases.
- 5.2.4 The organisational structure of CapeNature makes it possible to manage biodiversity and to respond to the economic needs of the province. In terms of partnerships, public private partnerships and stewardship programmes are part of the mechanisms used to manage conservation issues.
- 5.2.5 CapeNature has embarked upon a programme, together with the EPWP, to create jobs to remove alien invasive plants and to ensure water security by managing their catchment areas. All four programmes within CapeNature are designed to address the challenges of alien invasives.
- 5.2.6 In terms of the filling of posts, the Corporate Services Director and Chief Financial Officer has been appointed.
- 5.2.7 CapeNature has formed a relationship with the Commission for Conciliation, Mediation and Arbitration, which has conducted workshops for managers as it was found that managers lacked the necessary skills for following proper procedures in terms of the disciplinary process to be followed.
- 5.2.8 There were seven dismissals in the review period as a result of sexual harassment and petty cash fraud.

5.3 Request for information

The Committee REQUESTED that CapeNature, in consultation with the Western Cape Education Department, compile an educational programme on nature conservation and biodiversity that can be rolled out to schools in the province.

6. Conclusion

The Committee notes its appreciation for the response of the Department of Environmental Affairs and Development Planning and CapeNature to the scrutiny of the Annual Reports and wishes to thank the Minister and Head of Department, Chief Executive Officer of CapeNature and the Chairperson of the CapeNature Board for their contributions and efforts in this regard.

10. Report of the Standing Committee on Transport and Public Works on the 2014/15 Annual Reports of the Department of Transport and Public Works and its Entity Government Motor Transport for the year ended 31 March 2015.

The Standing Committee on Transport and Public Works, having considered the annual reports of the Department of Transport and Public Works and its trading entity, Government Motor Transport, for the year ended 31 March 2015, referred to it, reports as follows:

2. Introduction

As part of its oversight function, the Standing Committee on Transport and Public Works (hereinafter “the Committee”) considered the annual reports of the Department of Transport and Public Works (hereinafter “the Department”) and its trading entity, Government Motor Transport (GMT), on 22 October 2015. 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 2014/2015 financial year was advertised in newspapers, inviting 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 of the Annual Reports of the Department and its Trading Entity.

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

2. Department of Transport and Public Works

2.1 Overview

The Department is called upon to play a significant role in all aspects of service delivery to the people of the Western Cape.

The Department achieved an unqualified audit opinion for the year under review and its Annual Report was voted as the best in the Province, as well as the best overall report of all government departments in the country.

In order to contribute to the efficiency of public transport services, the Department continued to interact and maintain good relations with strategic partners in the industry.

Road safety awareness and education interventions were implemented throughout the Province with a focus on schools and communities at risk.

The Department spent 97% of its budget compared to 98,28% in the previous year. This 3% underspend, in monetary terms, amounted to R 178,8 million against a R5,9 billion budget. Underspending was mostly as a result of vacancies that were not filled.

Significant progress has been made in terms of the filling of senior posts. There has been a substantive drive and effort from the Department in this regard.

It is important to note that the Annual Report covers the first year that the traffic management function was successfully transferred from the Department of Community Safety to the Department of Transport and Public Works.

2.2 Findings

- 2.2.1 The Department has entered into an operating contract with the Municipality of George and a private operator for the provision of public transport services in the George Local Municipality. This is funded by the Department in terms of an allocation made to the George Municipality, who in turn is responsible to make payment to the vehicle operating company. The operating company started operations in December 2014.
- 2.2.2 Disgruntled taxi operators who operate without licenses must approach the provincial regulatory entity with an application for an operating license. The onus therefore rests on the taxi operator to apply for the license. The City of Cape Town then conducts a needs analysis of a particular area and this will then determine where the demand is and whether the particular route has been oversubscribed or not. Based on the needs analysis, the Department, as the regulatory entity, will consider the application and will then refer it to the City of Cape Town who is the planning authority. The City of Cape Town will then advise the Department on whether to grant that operating license or not.
- 2.2.3 With regard to the lawlessness that is happening within the taxi industry, the Department together with the City of Cape Town conduct regular operations for impoundments. If taxi operators do not have the required operating license for a particular route, they cannot operate on that particular route. This is the fundamental cause of violence as taxi operators encroach upon those operators who have licenses for specific routes.

- 2.2.4 There has been a slight increase in road deaths. Pedestrian safety and fatalities remain a concern. There are four elements of road safety, namely, evaluation, enforcement, educational outreach and the engineering component relating to unsafe infrastructure. The Department does not have the capacity to carry out the enforcement element to the fullest. The trend shows that the largest number of fatalities occurs in urban areas and more than 40% of these fatalities are pedestrians. Enforcement must be made more effective and in order to do this the Department has fostered relationships within the City of Cape Town as well as with municipalities within the urban areas. Alcohol and speed are the main causes of fatalities. More than 60% of pedestrians who are knocked down have ethanol in their systems. Interventions to reduce road crash fatalities include the introduction of the Average Speed Over Distance (ASOD) infrastructure and providing Automatic Number Plate Recognition technology capability. The Swartland municipality has indicated that they have had positive feedback from the community regarding the ASOD system and that this has assisted in lowering the number of road fatalities in the area.
- 2.2.5 The Western Cape Provincial Traffic Service is the only provincial traffic service that renders a 24 hour service in the country. Traffic officers are overburdened at the moment as they are facilitating the escorting of the transportation of wind turbines on a daily basis and get called upon to assist with the controlling of protest action as and when the need arises. Traffic services have, over a period of two years, successfully confiscated drugs to the value of over R90 million on our national roads.
- 2.2.6 Provincial traffic officers earn much less than officers from the City of Cape Town. However, remuneration is prescribed by the Public Service Commission. This gave rise to fierce competition between the local and provincial authorities, the latter then struggling to retain officers.
- 2.2.7 Traffic officers are fully trained to deal with incidents of drinking and driving and fatigue. The National Road Traffic Act (Act 93 of 1996) gives a traffic officer the power to prohibit a driver from driving further if he/she is not fit to drive a vehicle. However, this must be done within the prescripts of the law and within the ambit of a justifiable reason.
- 2.2.8 As a result of a historical process the district municipalities have acted as the Department's agents delivering the maintenance responsibilities on some of the province's roads. In essence this is a provincial government responsibility and the Western Cape is the only province where this type of relationship exists. The Department is investigating whether this arrangement is an economically viable model for the future or whether this responsibility should rather reside within the organisational structure of its Roads Unit.
- 2.2.9 Although the Department is the implementing agent in terms of infrastructure development, it is of grave concern that the Department is 82% off target with regards to the construction of education and health facilities as well as general building works.

- 2.2.10 With reference to the Cape Town Central City Regeneration projects, the submission for the Sea Point Main Road project is en route to Cabinet for approval to dispose of the property.
- 2.2.11 A transgression in conflict with the State Information Technology Act (Act 38 of 2002) to the value of R41 million by an official resulted in a substantial gain to the Department. In this case the official had not followed the correct procurement procedure and had given approval to a contractor to procure information technology infrastructure and equipment. The rates that were quoted by the contractor were very competitive. This was therefore a gain in terms of the benefit to government. The same official was dismissed by the Department on another matter just prior to the former case being finalised.
- 2.2.12 The interim contract with bus operators has been in place for many years and continues on a month to month basis. It has been put into place by the national Department of Transport to subsidise operations within the metro area, which is supported through the public transport operations grant. The provincial government is not empowered, in terms of the National Land Transport Act (Act 5 of 2009), to be a contracting authority unless it is done in agreement with a municipality. For this reason, the Western Cape Government is not in a position to go out and tender to replace the interim contract. This must be done by the contracting authority which, in terms of the National Land Transport Act, is the City of Cape Town.
- 2.2.13 The disparity that exists within the levels of representivity within the Department in terms of gender and race is of concern.

2.3 Input received from the Public

- 2.3.1 Mr J Andrews addressed the Committee on the Elsenburg evictions and the alleged lack of consultation with the community. However, the matter is being dealt with by the State Attorney and is therefore considered *sub-judice*.
- 2.3.2 Mr B Mbiko addressed the Committee on the allocation of funds for roads in Nyanga and the Scholar Control Programme and was informed that the aforementioned roads are local roads and not provincial roads.
- 2.3.3 Ms J Mtshayi addressed the committee on a claim she had made to the Road Accident Fund. Although the management of this fund does not fall within the mandate of the Department, it undertook to assist Ms Mtshayi by putting her in contact with the relevant people who may be able to assist her.

3. Information requested

The Committee REQUESTED that the Department provide it with the following:

- 3.1 With regard to the provision of public transport services in the George municipality and in light of the operating contract that was entered into by the Department and the George municipality with a private operator:
- A copy of the audited financial statements once the contract has been in operation for a year;

- Copies of any agreements that may be in place among the three parties clearly outlining respective roles and responsibilities;
 - A comprehensive monthly report on the status of operations;
 - A list of the Directors of the company;
 - Articles of Association of the company;
 - The name of persons employed by the operating company; and
 - Whether there is refusal by the private company to provide the above-mentioned information to the Department.
- 3.2 A report indicating the financial impact of the fraud and corruption cases as well as the nature of the cases;
- 3.3 In terms of the education, health and general building facilities, the names of the projects completed as well as those not completed, inclusive of time-frames; and
- 3.4 The number of incidents involving under-performing staff as well as the nature of the under-performance.

4. Recommendations

The Committee RECOMMENDED that the Department:

- 4.1 Investigate ways of retaining provincial traffic officers by offering more competitive remuneration;
- 4.2 Extend key invitations to the Committee to attend key departmental events; and
- 4.3 Should promote employment equity within its organisational structure by finding ways of correcting the imbalance that exists in relation to gender and race.

5. Resolutions

The Committee RESOLVED to invite the Department at a future date to brief it on the ASOD Technology to reduce road crash fatalities by providing the Committee with a comprehensive statistical analysis on the specific infrastructure.

6. Government Motor Transport

6.1 Overview

GMT is a crucial component to the service delivery capacity of the arms of government. It encompasses a wide range of functions and is the only trading entity within the Department of Transport and Public Works. It operates as an independent business unit responsible for vehicle fleet management services to provincial and national government as well as to other entities. It received a clean audit for the year under review.

There has also been a considerable drive to deal with outstanding debt from certain key clients. GMT has also been acknowledged and approached by other provinces as

well as by countries abroad to share its operational model so that these provinces and countries can use it to improve their operations and delivery.

6.2 Findings

- 6.2.1 GMT is committed to contribute towards the reduction in greenhouse emissions and has embarked upon various methods to achieve this and to show its commitment to climate change principles. It has reduced the engine sizes of its fleet from 1600 engine capacity to 1400 engine capacity. In terms of light duty vehicles, petrol vehicles have been replaced by diesel vehicles. Furthermore, GMT has also introduced a couple of hybrid vehicles and these are closely monitored. The aim is to monitor carbon emissions to determine the effect it would have on emission statistics. GMT has not started to accumulate any statistical data as yet as these interventions have only been introduced recently. The number of low emission vehicles introduced into the GMT pool is 10.
- 6.2.2 Drivers who commit offences are reprimanded in terms of guidelines issued by the Corporate Services Centre of the Department of the Premier through a disciplinary process where the outcomes range from verbal warnings, written warnings to dismissals. The traffic violation itself has been categorised lately to fines that can be paid off, or if it exceeds a particular speed then the offender must appear in court. This is referred to as 'no admission of guilt' type of offences. It is the responsibility of the user departments to discipline the drivers of GMT vehicles. GMT facilitates the process by documenting the offence and passing the information onto the local authorities. Currently, all offences are issued in the name of the proxy as the responsible official for the fleet as a whole. GMT started this pilot project in September 2014 with the City of Cape Town where the offence, before being transferred onto paper, is electronically sent to GMT. GMT is awarded 14 days to provide the City of Cape Town with the name of the driver. The name of the driver is then captured onto the GMT's fleet system by the client and is then forwarded to the City of Cape Town where it gets incorporated into their system. GMT however still records the transgression as a case. GMT has started a similar project with a company called Traffic Management Technologies which represents some of the other local authorities. In light of this the amount of paperwork has decreased considerably and the driver identification process has been fast-tracked.
- 6.2.3 The wage negotiation has resulted in an increase in cost in terms of employee expenditure. Within GMT there are few vacancies as it operates with a substantial number of contract staff additional to the establishment because the establishment has not been approved yet. Therefore the increase in personnel expenditure is fundamentally as a result of increases in salary and not as a result of increase in vacancies.
- 6.2.4 GMT has a surplus of R1,763 billion. In terms of treasury regulations the provincial treasury is fully entitled to draw back into the revenue fund surpluses that remain at the end of the financial year. However, the surplus as mentioned above is not purely cash. It is a figure that is calculated in terms of accrual accounting. There are commitments that must still be honoured such

as the money received from user departments for the purchasing of additional vehicles as well as the conversion work that has commenced but not paid for. There is currently a process underway whereby the surplus funding is addressed through tariff adjustments for the current as well as the next financial year. As at the end of the financial year the cash reserves for GMT amounted to R739,9 million.

- 6.2.5 In terms of irregular expenditure, it must be noted that GMT works within the overall administration of the Department. The Department has a subsistence and travel circular in terms of a finance instruction which covers and indicates that no business class tickets are to be booked unless there is an extraordinary reason. In this case special approval is needed. The purpose of the business class flight as reported was to recover an amount of R10 million from the Department of Justice. GMT was compelled to use this flight to secure the meeting time with the Department of Justice. There were no other flights available at the time. The Department's effort to recover the money was successful.
- 6.2.6 Regarding the insourcing of the repair and management function, the emphasis is mostly on the management part. The repair and maintenance function remains external in the hands of the private sector. It refers to managing the requests from client departments and allocating the work to prospective service providers. This function is jointly done by GMT and a private company. As a result, GMT does not have complete control over who gets the work as well as who negotiates the best unit prices. This function will now be insourced so that GMT has complete control over spending and the allocation of work in order to ensure that employment equity principles are upheld.
- 6.2.7 Most of the traffic violations are speed related. "Misuse of vehicle" cases are regarded as alleged misuse. Misuse complaints are referred to the respective departments for follow up. The traffic violations are referred to departments for follow up by providing the name of the driver to the relevant department. GMT does highlight excessive transgressions in terms of speed and reports this to the respective transport control officers within the departments.
- 6.2.8 The turnover rate of staff is relatively high due to the fact that most staff are employed on a contract basis.
- 6.2.9 There appears to be a trend where lower skilled employees do not receive pay progression while the higher levels all receive pay progression. The same applies to performance rewards. This could impact on the motivation and productivity of staff.
- 6.2.10 Employment equity principles are lacking within GMT.
- 6.2.11 Mr Riaan Wiggill was compensated R382 320 for consulting services during the review period while also being employed as a Deputy Director: Financial Support Services within GMT. Mr R Wiggill, a chartered accountant, was appointed as an employee of the Department but his services could not be retained as the Department could not offer him competitive remuneration.

Mr Wiggill subsequently resigned and was then appointed as a consultant to GMT.

7. Information requested

The Committee REQUESTED that the entity provide it with the following:

- 7.1 The organogram of staff within the different management positions; and
- 7.2 The number of students, interns and contracts awarded in relation to the Expanded Public Works Programme as well as the internship programmes.

8. Conclusion

The Committee notes its appreciation for the response of the Department of Transport and Public Works and Government Motor Transport to the scrutiny of the Annual Reports and wishes to thank the Minister and Head of Department for their contributions and efforts in this regard.

11. REPORT OF THE STANDING COMMITTEE ON ECONOMIC OPPORTUNITIES, TOURISM AND AGRICULTURE ON THE ANNUAL REPORTS OF THE DEPARTMENT OF AGRICULTURE AND ITS ENTITY, CAPE AGENCY FOR SUSTAINABLE INTEGRATED DEVELOPMENT IN RURAL AREAS (CASIDRA) FOR THE YEAR ENDED 31 MARCH 2015, DATED 30 OCTOBER 2015.

1. Introduction

The Annual Report programme for the 2014/15 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 Economic Opportunities, Tourism and Agriculture deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management of the Annual Reports of the Department of Agriculture and its Entity, Cape Agency For Sustainable Integrated Development In Rural Areas (hereinafter “Casidra”). Members of the public were also given an opportunity to pose questions and make oral submissions.

2. Overview

As part of its oversight function the Committee considered the Annual Reports of the Department and its Entity on 30 October 2015. The Annual Report is the key instrument to report departmental performance measured against the performance targets outlined by the Department of Agriculture and its entity, Casidra in its Strategic Plan, Annual Performance Plan and its budget. The role of standing committees in overseeing Annual Reports of departments is crucial in closing the accountability loop of planning, budgeting, implementation, reporting, auditing and oversight.

Before proceeding to the consideration of the respective annual reports, the Minister for Economic Opportunities, Minister A Winde, and the Head of Department, Ms J Isaacs, were given an opportunity to make opening remarks.

The Committee then proceeded to the consideration of the Annual Report of Casidra. The Chief Executive Officer, Mr M Brinkhuis provided the introductory and opening remarks. The Committee proceeded with a page by page consideration of the Annual Reports.

The Department of Agriculture's role is to create opportunities for growth and job creation in the Province, particularly in the rural areas in the Western Cape.

The Department embeds good governance and integrated service delivery through partnerships and spatial alignment.

3. Input received from the public

Members of the public were given an opportunity to give input on the Annual Report of the Department of Agriculture. No input was received.

4. Findings/Concerns

4.1 Department of Agriculture

- 4.1.1 The Department implemented and co-funded 98 research and technology projects to improve agricultural production.
- 4.1.2 The Department has invested R53 429 million in Structured Agricultural Education and Training and assists in funding youth studying in the field of Agriculture. 48 Bursaries have been awarded to 2 852 students participating in Further Education and Training programmes.
- 4.1.3 The Department has a skill retention strategy but is still faced with skilled personnel leaving the Department due to better opportunities presented by the private sector and other spheres of Government.
- 4.1.4 Most business sectors have risks but the agriculture sector has a higher risk than any other sector due to climate change, disease control and other environmental factors resulting in individuals choosing other business ventures.
- 4.1.5 The Department created a directorate dealing with land reform matters and has a land reform advisory desk at the offices of Casidra to assist the Province in ensuring that at least 60% of all agricultural land reform projects are successful over the next five years.
- 4.1.6 There is a skill shortage in the veterinary profession. There are currently four veterinarians in training at the Department of Agriculture. Fewer individuals are attracted to the veterinary profession as this programme has a six year qualification requirement.
- 4.1.7 The prevalence of animal disease is of a critical concern in the Province as some animal diseases cannot be eradicated, it can however be controlled. The Department continuously offers public education awareness programmes around food safety and animal diseases.
- 4.1.8 The Department runs food garden programmes at schools to involve the youth. These programmes provide exposure to the youth on agriculture and organics. These programmes assist schools in generating additional funds, as this allows them to sell of the excess produce from the food gardens and provide food to schools that facilitate soup kitchens and feeding schemes.

- 4.1.9 The Department produces a food surplus for purposes of export internationally and to the local market.
- 4.1.10 The lack of independent meat inspectors by independent bodies at abattoirs is a challenge for the departmental officials to ensure proper regulatory control at all abattoirs. This has an effect on illegal slaughtering operations in the Province.

4.2 Casidra

- 4.2.1 Casidra works closely with the Department of Environmental Affairs and Development Planning and branches into agricultural land clearing to secure water resources.
- 4.2.2 The Entity is a key role player in the Berg River Improvement Project which aims to increase the quality of the water in the Berg River.
- 4.2.3 The contract between the Department of Agriculture and the Amalienstein, Waaikraal and Anhalt farms came to an end on 31 March 2015. The contract was subsequently extended for five years for management and maintenance of the farms. These farms have been earmarked by the National Department of Rural Development and Land Reform for transfer to communities. Up until a directive is given by the National Department of Rural Development and Land reform, Casidra is managing the day to day activities at these farms.

5. Recommendations

The Committee RECOMMENDED that Casidra brief the Committee on the Berg River Improvement Project, followed by a joint oversight visit with the Standing Committee on the Environmental Affairs and Development Planning to the Berg River Improvement Project.

6. Papers, reports and information requested by the Committee

The Committee REQUESTED that the Department provides the Committee with the following information by 25 January 2016:

- 6.1 The briefing document on the licensed abattoirs and the illegal slaughtering operations;
- 6.2 The list of schools that are involved in food security programmes and the list of farms that produced a food surplus;
- 6.3 A report on the interventions planned for alcohol and drug abuse and the areas where these interventions are implemented;
- 6.4 The guideline of the different tender levels for construction contractors;
- 6.5 The business plans for the Amalienstein, Waaikraal and Anhalt farms; and
- 6.6 A list of black commercial farmers.

7. Conclusion

The Chairperson thanked the Minister, Department and Casidra for their preparation and responses to questions raised by the Committee members.

The Chairperson reiterated the Committees' appreciation for the Department's clean audit outcome for the year under review and that this shows the Department's commitment to good governance.

12. REPORT OF THE STANDING COMMITTEE ON ECONOMIC OPPORTUNITIES, TOURISM AND AGRICULTURE 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 WESTERN CAPE LIQUOR AUTHORITY FOR THE YEAR ENDED 31 MARCH 2015, DATED 6 NOVEMBER 2015.

1. Introduction

The Annual Report programme for the 2014/15 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 Economic Opportunities, Tourism and Agriculture 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 Liquor Authority, Western Cape Tourism, Trade and Investment Promotion Agency (hereinafter “Wesgro”) and Saldanha Bay Industrial Development Zone Licencing Company (SOC) Ltd, on 6 November 2015. Members of the public were also given an opportunity to pose questions and make oral submissions.

2. Overview

As part of its oversight function, the Committee considered the Annual Reports of the Department of Economic Development and Tourism and its entities, Western Cape Liquor Authority, Wesgro and Saldanha Bay Industrial Development Zone Licencing Company (SOC) Ltd. The Annual Report is the key instrument to report on performance measured against their performance targets and budgets as outlined in their Strategic Plans and Annual Performance Plans.

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 were given an opportunity to make opening remarks.

The Committee commended the Department of Economic Development and Tourism for being awarded the runner up for best small department in the country.

The Western Cape Liquor Authority is the regulating body that ensures that the aims of the Western Cape Liquor Act (Act 4 of 2008) are implemented and only reports on activities of liquor license holders. The Western Cape Liquor Authority has no information on the 25 000 illegal liquor traders as these cases are reported to the South African Police Service (hereinafter, SAPS).

3. Inputs received from the public

Members of the public were given an opportunity to give input on the Annual Reports of the Department and its Entities. No input was received.

4. Findings/Concerns

4.1 Department of Economic Development and Tourism

- 4.1.1 The unemployment rate is growing rapidly on a national level but the unemployment rate has decreased to 20.6% in the Western Cape.
- 4.1.2 The Committee noted that the vacancy rate on senior management level declined to 0%, which means that all vacancies have been filled.
- 4.1.3 The employment equity representation within the Department is not adequately addressed.
- 4.1.4 There is a mismatch between skills needed in the economic sector and professions being offered in higher education institutions. Currently the challenge facing the Department is aligning the skills gap with training offered in educational institutions.
- 4.1.5 Career guidance is needed at school level to raise awareness on the skills that are high in demand in the Province or other parts of the country. This would allow learners to make appropriate subject choices at secondary school level.
- 4.1.6 Mathematics is needed in the economic sector. The Department envisages meeting with basic education institutions to encourage learners to select mathematics instead of mathematics literacy.
- 4.1.7 The new visa regulations implemented by the National Department of Home Affairs affected the tourism sector more adversely than the Department anticipated.
- 4.1.8 Extending working visas has also been a challenge for the Department for the Business Process Outsourcing (BPO) sector.
- 4.1.9 Some of the targets of programmes were set lower in comparison to the previous financial year. The Department experienced difficulty setting targets due to unforeseeable external factors as the fluctuating exchange rates, oil price and interest rates.
- 4.1.10 The indicators for certain targets were left blank in the Annual Report, as these were indicators set by national government that were not relevant to this Province.
- 4.1.11 The record and report relating to tourism statistics for international arrivals to the Western Cape were not stated clearly in the Annual Report of the Department.

4.2 Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro)

- 4.2.1 Wesgro is the co-ordinating conveners of the Air Access Strategy across the Province.
- 4.2.2 A key priority for Wesgro is to drive investments and opportunities into Project Khulisa focusing on job growth, oil and gas, tourism and agri-processing.
- 4.2.3 Foreign direct investments relating to new technology being brought into the Province has a positive outcome on skills development.

4.3 Saldanha Bay Industrial Development Zone Licencing Company (SOC) Ltd

- 4.3.1 There was no engagement between the Saldanha Bay Industrial Development Zone Licencing Company (SOC) Ltd and the Committee for the year under

review. Due to ownership and control over the entity in April 2014, this was the first time that the Entity tabled the Annual Report for consideration by the Committee.

- 4.3.2 The Saldanha Bay Industrial Development Zone Licencing Company (SOC) Ltd is a programme within Wesgro, the entity, known as Programme 8. The Auditor- General provided an opinion that Wesgro is the 100 percent Shareholder of Saldanha Bay Industrial Development Zone Licencing Company (SOC) Ltd, but has no control over the entity and therefore recommending Saldanha Bay Industrial Development Zone Licencing Company Ltd (SOC) to compile its own Annual Report.
- 4.3.3 The role of the Province is to draft and pass legislation to declare Saldanha Bay Industrial Development Zone Licencing Company (SOC) Ltd according to the Public Finance Management Act (Act 1 of 1999) as a Schedule 3C Public Entity.

4.4 Western Cape Liquor Authority

- 4.4.1 The Western Cape Liquor Authority offers educational awareness programmes as social responsibility initiatives at schools to educate learners on the social ills brought on by liquor abuse through drama, screening of videos on the abuse of liquor and distributing educational material on liquor abuse. Currently there is a lack of staff capacity to present follow-up sessions on these educational awareness initiatives.
- 4.4.2 At the end of each calendar year a list is compiled to monitor whether previous license holders have renewed the licenses again. The Province currently has 8 800 license holders.
- 4.4.3 During the public hearing process on the *Western Cape Liquor Amendment Bill* [B 3-2015] participants alleged that illegal traders were paying the SAPS officials to ensure that they continue trading illegally.
- 4.4.4 Illegal liquor trading usually occurs due to businesses not meeting the zoning requirements as stipulated by the *Liquor Trading Days and Hours By-Law*, 2010 (C 63/07/10).
- 4.4.5 The Western Cape Liquor Authority is currently running a pilot programme in the Swartland area and George by proposing that illegal liquor traders be integrated into demarcated business areas to operate their businesses and formally apply for liquor licences.

5. Recommendations

- 5.1 The Committee RECOMMENDED that:
- 5.1.1 Air Access and Airports Company South Africa (ACSA) briefs the Committee on the Air Access Strategy and the Tourism statistics for the number of international arrivals to the Western Cape for the year under review.
- 5.1.2 The Saldanha Bay Industrial Development Zone Licencing Company (SOC) Ltd briefs the Committee on its activities during the Saldanha Bay Industrial Development Zone Licencing Company (SOC) Ltd public hearings process.
- 5.1.3 The Western Cape Liquor Authority briefs the Committee on the issues experienced with the legal and illegal liquor traders.

- 5.2 The Committee RESOLVED to conduct an oversight visit to the skills development programme run by Abagold in Hermanus in the 2016/17 financial year.

6. Papers, reports and information requested by the Committee

The Committee REQUESTED that the Department of Economic Development and Tourism provides the Committee with the following information by 25 January 2016:

- 6.1 The strategy implemented in the Department to fill the vacancies on the organogram, as indicated on page 21 of the 2014/15 Annual Report;
- 6.2 A guideline on the manner in which the Department measured the tourist guides' satisfaction with the level and standard of service provided by the tourist guide registration office, as indicated on page 28 of the 2014/15 Annual Report;
- 6.3 A list of businesses assisted through departmental initiatives, as indicated on page 50 of the 2014/15 Annual Report;
- 6.4 An indication of the timeframes in place for the implementation of the Regulatory Impact Assessments in the Province, as indicated on page 61 of the 2014/15 Annual Report;
- 6.5 The list of Economic Development Projects supported at local and regional levels in the Province, as indicated on page 63 of the 2014/15 Annual Report;
- 6.6 The list of the Local Economic Development strategies aligned to Provincial Growth and Development Strategy and other spatial development plans, as indicated on page 63 of the 2014/15 Annual Report;
- 6.7 The baseline report developed during the 2014/15 financial year following the investment mapping audit undertaken during the 2013/14 financial year relating to the Green Economy; and
- 6.8 A list of tourism businesses assisted by the Tourism Enterprise Development Unit and the key strategies that assisted these businesses, as indicated on page 100 of the 2014/15 Annual Report.

The Committee REQUESTED that the Western Cape Liquor Authority provides the Committee with the following information by 25 January 2016:

- 6.9 A break down from South African Breweries on the volume of beer being sold to liquor license holders. In addition, the breakdown should specify retail outlets and licensed shebeens per region in the Western Cape.

7. Conclusion

The Chairperson thanked the Minister, Department and its entities for their preparation and responses to questions raised by the Committee members.

The Chairperson reiterated the Committees' appreciation for the Department's clean audit outcome for the year under review and that this shows the Department's commitment to good governance.

13. Report of the Standing Committee on Cultural Affairs and Sport on the 2014/2015 Annual Report of the Department of Cultural Affairs and Sport and its entities, the Western Cape Cultural Commission, the Western Cape Language Committee and Heritage Western Cape, dated 6 November 2015 as follows:

1. Introduction

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

As part of its oversight function, the Standing Committee on Cultural Affairs and Sport considered the Annual Report of the Department of Cultural Affairs and Sport and its Entities, namely the Western Cape Cultural Commission, the Western Cape Language Committee and Heritage Western Cape 2015 on 28 October 2015.

The Committee Report highlights the Committee's findings and recommendations related to the performance of the Department and its entities during the year of review.

2. Overview

The Annual Report Programme for the 2014/2015 financial year was advertised in selected newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.

Research analyses of the Department and the entities' Annual Reports were conducted by Creative Consultants and Development Works to assist Members in preparing for the oversight meeting. The Committee's findings and recommendations are based on the interaction that the Committee had with the Department during the oversight meeting held on 28 October 2015. The Committee relied on the research that was provided, including the research by individual Members, the regular oversight meetings that were held with the Department relating to Quarterly Performance Reports during the year under review and the input provided by the Minister and the departmental officials.

3. Inputs received from the public

Members of the public were given an opportunity to give input on the Annual Report of the Department of Cultural Affairs and Sport. No input was received.

4. Findings of the discussion on the Department of Cultural Affairs and Sport's Annual Report 2014/2015

- 4.1 The Department reported that it follows strict processes when filling vacancies. These processes include advertising of the vacancies, short listing candidates, vetting candidates and conducting competency tests on short listed candidates. All of these processes contribute to the slow rate of filling vacancies.
- 4.2 The Department is responsible for next level participation opportunities after provincial level.

- 4.3 The Cape Town Museum will most likely be completed in 2017, however, the date of completion is largely dependent on the structural renovations and redesign.
- 4.4 The Western Cape Archives and Records Service, through the archive digitisation project, expects to complete the digitisation of collections that are at risk of being damaged, within the next two years.
- 4.5 The digitisation of collections is not being carried out in other provinces.
- 4.6 The Department is working with other departments to develop strategies to attract new members to the 4 Dorp Street gymnasium.
- 4.7 The Department is planning to upscale the gym equipment.
- 4.8 As part of its maintenance strategies, the Department is considering leasing gym equipment as opposed to purchasing the equipment. The main reason is to accommodate a swift turn around period when calls are logged to repair gym equipment.
- 4.9 The Department has relationships with Olympians from the Western Cape and often includes these athletes in various projects.
- 4.10 The Department assists with sporting aspects of festivals such as procuring transport for disabled sports persons/athletes and paying the entry fees for clubs aligned to federations to participate in sporting aspects of festivals.
- 4.11 The sporting codes for the Farm Workers Sports Day include rugby, netball, tug of war, football and dominoes.
- 4.12 The Department is focusing on the quality of the Mass participation, Opportunity and access, Development and growth (MOD) Programme attracting and maintaining the interest of the youth at the MOD centres. This focus on quality includes ensuring efficient supply of equipment and facilitation of MOD centre activities.
- 4.13 The Department is developing an internal auditing process to ensure quality and functional MOD centres.
- 4.14 Youth identified for participation in the Music Development Programme (MDP) are largely from groups funded by the Department or with whom the Department has a partnership.
- 4.15 The Department is considering expanding the MDP to individual youth not aligned to a recognised group.
- 4.16 Initiation sites are relatively unchanged across initiation seasons, however the Department does work closely with Initiation Forums in case there are changes.
- 4.17 The Department confirmed that it was not part of the consideration of using Table Mountain as an initiation site.
- 4.18 The increase in the number of visitors to museums is largely attributed to community groups using the museum facilities for community-based activities.
- 4.19 Target setting is done prior to the end of the year. Thus timing is a factor when setting demand driven targets for the next financial year prior to the end of the financial year wherein the projections are set.
- 4.20 The majority of the 305 jobs created via the Expanded Public Works Programme are temporary employment.
- 4.21 The output for training of staff working on Programme 1 is significantly more than of those working on Programme 2. The reason for this is that Provincial Treasury structures training on a quarterly basis and therefore there are more scheduled training sessions for Programme 1 employees.

- 4.22 The high turnover rate of staff ranked in the 25 to 29 and 30 to 34 age groups is influenced by the competitiveness of packages within the government sector, especially on a national level, as well as younger persons being more open to leaving for newer and/or better employment opportunities.
- 4.23 Grievances lodged via the Human Resources Unit include performance bonuses, long service, overtime queries, housing subsidies and an assault case.

5. Findings of the discussion on the Western Cape Cultural Commission's Annual Report 2014/2015

- 5.1 The Information and Communications Technology Unit is developing an electronic booking system that is expected to be completed by the end of January 2016.
- 5.2 Burglaries and vandalism at cultural facilities are considered random acts of crime as opposed to targeted and repeated offences. These crimes have led to a safety audit which subsequently has enabled an improvement in safety measures implemented at these affected cultural facilities.
- 5.3 The funding given to registered cultural councils is based on the output of culture related programmes, research and conferences by these councils. Funding requests are therefore assessed on these outputs.
- 5.4 There is a cost of R37 per night per user of any cultural facility.
- 5.5 The Department is planning to investigate the cost that councils charge users of the cultural facilities.
- 5.6 The Department is looking at an income generating model to be implemented at these cultural facilities.
- 5.7 There are no current suggestions or applications to rename cultural facilities.
- 5.8 The Department reported that it does not have sufficient funds to ensure that there are cultural facilities in each region. Instead, the Department is looking at strategies to improve utilisation of the facilities.
- 5.9 There is an ongoing debate/process to categorise initiation sites as a school, an institution or otherwise.

6. Findings of the discussion on Heritage Western Cape's Annual Report 2014/2015

- 6.1 Staff management has been challenging due to staff shortages and the slow filling of vacancies.
- 6.2 The Heritage Information Management System (HIMS) is expected to improve the permit application process. The National Heritage Resource Act (Act 25 of 1999), hereafter NHRA, allows for the devolution of powers.
- 6.3 The devolution of powers to the City of Cape Town, to consider applications for permits for buildings older than 60 years, is not expected to have any adverse staffing or financial effects.
- 6.4 The devolution of powers to the City of Cape Town will assist the Department to focus more on just operational functions as opposed to the regulatory framework.
- 6.5 Heritage Western Cape has a mechanism in place to budget for contingent liability in the event that it incurs legal fees from court cases. This mechanism is largely funded by the fees received for applications that are pooled into this contingency budget.

- 6.6 There are engagements with the National Prosecuting Authority to provide training/a briefing to prosecutors on the NHRA.
- 6.7 Heritage Western Cape signed a Memorandum of Understanding (MOU) with the National Department of Environmental Affairs and has had discussions with the National Department of Mineral Resources to ensure that applications for mining licences follow the proper process. This process includes attaining Heritage Western Cape's authorisation. This MOU was signed in light of the interdict against Elandsfontein Exploration and Mining (Pty) Ltd for obtaining a mining licence to mine phosphate without following due process.

7. Recommendations

- 7.1 The Committee recommends that the Department consider initiating a platform for communities in the Western Cape to contribute to the narrative of its history and for these contributions to be reflected and displayed at museums in the Western Cape.
- 7.2 The Committee recommends that the Standing Committee on Premier consider requesting a briefing by the Department of the Premier's Human Resources unit on the process of filling of posts within the Western Cape Government.

8. Papers, reports and information requested by the Committee

The Committee REQUESTED that the Department by 29 January 2015 provides the Committee with the following:

- 8.1 A brief report on the Extended Joint Provincial Task Team.
- 8.2 An updated list of the initiation sites.
- 8.3 A copy of the report on National Social Cohesion Report Back Summit.
- 8.4 A copy of the Initiation Report for 2014/2015.
- 8.5 A copy of the report on the seminar of South African Sign Language that was held in 2014.
- 8.6 A copy of the Departments' events programme for 2015/2016.
- 8.7 Confirmation by Heritage Western Cape of the final judgment of the court case against Elandsfontein Exploration and Mining (Pty) Ltd.
- 8.8 A list of name changes that the Geographical Names Committee considered in the 2014/2015 financial year.
- 8.9 A guiding document on the formation of the Cultural Councils.
- 8.10 A list of the sporting codes considered for the Sport Legends Awards.
- 8.11 A copy of the internal audit report on the quality and the functionality of the MOD centres.

9. Resolution

The Committee RESOLVED to, at a future date:

- 9.1 Request a briefing by the Department on its target setting strategy, preferably prior to the Department presenting its Annual Performance Plan.
- 9.2 Conduct oversight visits to cultural centres/facilities.

9.3 Conduct oversight visits to provincial museums.

10. Conclusion

The Committee expressed its appreciation for the information provided by the Minister, the Head of the Department, and officials of the Department and the representatives of all three Entities.

14. REPORT OF THE STANDING COMMITTEE ON LOCAL GOVERNMENT ON THE 2014/2015 ANNUAL REPORT OF THE DEPARTMENT OF LOCAL GOVERNMENT.

The Standing Committee on Local Government having considered the Annual Report of the Department of Local Government for the 2014/2015 financial year, reports as follows:

1. Introduction

The consideration of the Annual Report of the Department of Local Government (hereafter “the Department”) took place as per Standing Rule 105(1) of the Western Cape Provincial Parliament which give standing committees the power to consider, amongst other, departmental annual reports submitted in terms of the Public Finance Management Act (Act 1 of 1999).

2. Overview

The consideration of the Annual Report took place on 27 October 2015 and commenced with the Chairperson opening the meeting and welcoming all in attendance. The Minister of Local Government, Environmental Affairs and Development Planning, Mr A Bredell as well as the Acting Head of Department, Mr G Paulse then proceeded with introductory remarks. In his remarks the Minister reported that the Department has introduced the delivery of a dignity basket of services, referring to services that people require to live a dignified life. Based on an independent assessment by institutions such as, amongst other, the Government Communication and Information Services (GCIS), the Acting Head of Department reported that municipalities in the Province are amongst the top performers in respect of improved access to water, sanitation, refuse removal and electricity.

The Committee then proceeded to a page-by-page consideration of the Annual Report following which Alderman D Qually, Provincial Chairperson of the South African Local Government Association (SALGA), addressed the Committee.

3. Findings

3.1 Following the end of the year under review, the Head of Department, Dr H Fast, was seconded to the Department of the Premier to steer the Energy Provincial Game Changer in alignment of the Provincial Strategic Plan. Mr G Paulse was subsequently appointed as Acting Head of Department in her stead.

- 3.2 The Department is in the process of developing a governance model based on the outcomes of surveys they will undertake amongst municipalities. The model compares a range of indicators between municipalities across the Province.
- 3.3 The Department reported that there has been an increase in the number of municipalities that have requested assistance with regard to how to implement its developmental local government mandate.
- 3.4 The Department deployed an engineer to assist Oudtshoorn Municipality to address capacity shortages at its Waste Water Treatment Works and the consequent pollution of the Olifants River. The Olifants River is one example of a broader challenge the Province is facing with regard to the pollution of rivers (another example being the Breede River) as a result of, amongst other, informal settlements that have no or limited infrastructure to deal with waste water and pesticides from agricultural activities.
- 3.5 The Department co-funded the development of a compliance model that allows municipalities to track its compliance to legislation and regulations applicable to the local government sphere. It is an electronic system that notifies municipalities when key milestones, such as the submission of reports or strategic documents are due. All municipalities in the Province are currently utilising this model which has been extended to now also allow the Department to track the compliance of municipalities.
- 3.6 The Department has noticed an increase in the demand for the assistance of their Community Development Workers (CDW's) at projects initiated by other departments. They have consequently started keeping track of the reasons for this increased demand. An independent consultant was appointed to undertake an impact assessment (of 10 % of projects across three municipal districts) that CDW's were involved in. When assistance is required by other departments a cost sharing approach is utilised and in the event that CDW's have to work overtime or over weekends the requesting department must cover this cost.
- 3.7 The Minister reported that historically the Department struggled to get political buy-in for its CDW programme.
- 3.8 Knysna municipality requested the Minister of Local Government to undertake an independent assessment relate to the tender process for the development of its Integrated Strategic Development Framework. The assessment found that there had been various supply chain management procedural deficiencies. A member of the public has subsequently referred the matter to the office of the Public Protector.
 - 3.8.1 The Special Investigations Unit's (SIU) investigation in Swellendam Municipality emanates from 2011 and relates to the development of the Swellenmark and Swellengate malls. The SIU found that there were certain statutory failings during the development process but that these were not criminal in nature.

- 3.8.2 The SIU investigation in George Municipality emanates from the period 2004 to 2010 and involves the former Municipal Manager and the establishment of the George Housing Association. The matter is ongoing.
- 3.8.3 The SIU investigation in Stellenbosch Municipality emanates from 2009 and relates to the tender process for the construction of a stadium. Criminal cases have been opened and the investigation is ongoing.
- 3.8.4 The SIU investigation in Oudtshoorn involves the former Municipal Management and various payments to a contractor. Four criminal cases (including one case of fraud) were opened but was found by the SIU to not be prosecutable.
- 3.9 A survey undertaken by the Department in 2011 found that that there are low rates of protected disclosures within municipalities. The Department has subsequently assisted municipalities in the development of anti-corruption strategies.
- 3.10 The National Department of Co-operative Governance and Traditional Affairs (CoGTA) has indicated that by 2019 all municipalities in the country should have an operational Community Worker Programme (CWP). The CWP is administered in municipalities through an agency.
- 3.11 As part of the Local Government Turn-Around Strategies (LGTAS) for Laingsburg and Prince Albert municipalities, a planner from the Department of Environmental Affairs and Development Planning has been placed at the municipalities on a shared services basis.
- 3.12 Not all training provided to departmental staff require payment. The Provincial Training Institution, Kromme Rhee, for example, provides training free of charge so an over attainment in targets related to training opportunities does not always result in increased budget expenditure.
- 3.13 The Committee expressed concern with regard to the high vacancy rate and utilisation of sick leave in the Department.
- 3.14 Alderman Qually, from the South African Local Government Association (SALGA), addressed the Committee on challenges that municipalities continue to face. These include unfunded and underfunded mandates and the reporting burden placed on municipalities. SALGA received an undertaking from the NCOP Deputy Chairperson that the rationalisation of legislation and regulations affecting municipalities will be addressed.

4 INFORMATION REQUESTED, RECOMMENDATIONS AND RESOLUTIONS

- 4.1 The Committee REQUESTED the Department to submit the following to the Committee:
- 4.1.1 With regards to the SIU investigations, the SIU report related to Swellendam and Oudtshoorn municipalities and the background to the investigations being undertaken in Stellenbosch and George municipalities; and

- 4.1.2 A report on the support provided to Knysna Municipality with regard to complaints received in respect of the Integrated Strategic Development Framework tender process.
- 4.2 The Committee RECOMMENDED that in future, the Annual Report should include a footnote indicating the distinction between persons who have exited the Department, and persons who's contracts have concluded but are subsequently permanently appointed.
- 4.3 The Committee RESOLVED to invite the Department brief it on the following on a date to be determined:
 - 4.3.1 The hazard awareness programmes conducted in the 26 schools across the Province;
 - 4.3.2 The content of gender mainstreaming support provided to Overstrand, Oudtshoorn and Cape Agulhas local municipalities and the West Coast District Municipality;
 - 4.3.3 A breakdown of performance rewards awarded to staff during the 2014/2015 financial year as well as the Department's broader approach to performance management; and
 - 4.3.4 The Terms of Reference/brief provided to GAB Consulting as well as the outcomes of the impact assessment of projects that CDW's were involved in.

5 Conclusion

The Chairperson expressed the Committee's appreciation to the Minister for his frankness about the Department's performance as it strengthens the relationship between the Committee and the Department so that the necessary changes required to improve the lives of communities can be implemented. The Chairperson also thanked the departmental officials for their responses to the questions posed, and Alderman Qually and members of the public for their attendance and participation.