

# PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

## ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

TUESDAY, 15 MARCH 2016

### COMMITTEE REPORTS

- 1. Report of the Standing Committee on Finance on Vote 3: Provincial Treasury, in the Schedule to the *Western Cape Appropriation Bill* [B 2–2016], dated 11 March 2016, as follows:**

The Standing Committee on Finance, having deliberated on the subject of Vote 3: Provincial Treasury, in the Schedule to the *Western Cape Appropriation Bill* [B 2–2016], referred to the Committee in terms of Standing Rule 187, reports that it supports the Vote.

In terms of Standing Rule 86, the African National Congress expressed a minority view that it has concluded its deliberations on the Vote.

The Committee listed findings, requested information, made recommendations and resolved as indicated below.

#### **1. Findings**

##### **1.1. Provincial Treasury**

- 1.1.1. Vote 3 has been allocated a budget of R260 739 000 for the 2016/2017 financial year, a nominal increase of 4,14% from the 2015/2016 budget of R250 377 000. Because Provincial Treasury (the Department) Department utilised its own revenue in addition to its equitable share, it was still able to increase its expenditure by approximately 6%.
- 1.1.2. In relation to the R52 816 000 allocated to the acquisition of property reserve, the Department of Transport and Public Works will submit a policy to Cabinet, in terms of the criteria and methodology that informs the sale and purchase of assets.

- 1.1.3. The Integrated Financial Management System (IFMS) is a pilot project driven by National Treasury. The implementation date of the IFMS in the Province is set for 1 April 2019 for 11 of the 13 Provincial Departments and 1 April 2020 for the Departments of Health and Education. The initial tender process was challenged by vendors, which resulted in delays but it is anticipated that the tender process will be concluded by the end of March 2016.
- 1.1.4. An amount of approximately R3 506 000 million has been allocated for the establishment of the Chartered Accountants Academy, with the majority of the budget going towards salary costs. The Academy has been accredited by the South African Institute of Chartered Accountants (SAICA) and intake of the first three learners will take place in 2016.
- 1.1.5. This year the Department is launching a Municipal Finance Management Act (MFMA) Bursary and Internship Programme. Via the Financial Management Capacity Building Grant, each municipality across the province has been allocated R120 000 which will increase to R240 000 in the second year and R360 000 in the third year to allow three, six and nine students, respectively, to study finance related disciplines. Municipalities will be responsible for the recruitment and selection process which will be monitored by Provincial Treasury. Various measures will be instituted to ensure that the process is undertaken objectively, including that Provincial Treasury will attend candidate interviews and will be involved in the development of the selection criteria. All municipalities will be required to enter into a Memorandum of Understanding before the transfer of the funds take place.
- 1.1.6. The Department budgeted R25 317 000 for Consultants and Professional services: Business and Advisory Services for the 2017/2017 financial year, a decrease of 16,17% from the 2015/2016 allocation of R30 200 000.

## **1.2. Western Cape Gambling and Racing Board (the Board)**

- 1.2.1. National Treasury is responsible for determining National Gambling Norms and Standards but this process has not yet been finalised and as a result there is currently no standardised norms and standards.
- 1.2.2. Section 252 of the Criminal Procedures Act, 1977 (Act 51 of 1977 as amended) makes provision for the Board to, in conjunction with the South African Police Services (SAPS), undertake undercover operations at gambling establishments that are suspected of operating illegally.
- 1.2.3. As a result of the current R/\$ exchange rate, the Board anticipates only being able to replace 60% of the Information Communication and Technology (ICT) equipment that is due for replacement.
- 1.2.4. The Board is in the process of developing an Automated License Application System to reduce the administrative burden during the application process.

## **2. Information Requested**

### **2.1. Provincial Treasury**

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

- 2.1.1. The Demand Plan that will inform the Department's utilisation of consultants; and
- 2.1.2. A breakdown of the change in salary costs that resulted from the transfer of interns from Subprogramme 1.2 to Programme 2.

## **2.2. Western Cape Gambling and Racing Board**

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

- 2.2.1. Court cases which the Board was party to, a summary of the outcomes and the legal costs associated thereto;
- 2.2.2. The number of gambling machines that have been confiscated over the past two years, as well as the geographic area in which each machine was located; and
- 2.2.3. A report on progress with regard to securing suitable office accommodation for the Board.

## **3. Recommendations**

The Committee RECOMMENDED that recruitment for the MFMA bursaries should be specifically targeted towards females and persons with disabilities.

## **4. Resolution**

The Committee RESOLVED to invite the Board to brief it on inputs gathered from industry and stakeholders on the outcomes of the Gambling Impact Study as well as the proposed recommendations to the Minister.

## **2. Report of the Standing Committee on Community Development on Vote 6: Health, in the schedule to the *Western Cape Appropriation Bill*, [B 2–2016], dated 14 March 2016, as follows:**

The Standing Committee on Community Development, having deliberated on the subject of Vote 6: Health in the Schedule to the *Western Cape Appropriation Bill*, [B 2–2016], referred to the Committee in terms of Standing Rule 187, reports that it has concluded its deliberations on the Vote and that it supports the Vote.

### **Minority View**

In terms of Standing Rule 86, the African National Congress expressed its minority view to not support the Vote.

The Committee listed findings, recommendations and requested information as indicated below.

### **1. Findings**

- 1.1. The Department of Health has been allocated a total budget of R19.983 billion during the 2016/2017 financial year. The budget will be used towards achieving the goals of the Department, specifically the targets outlined in the Department's 2016/2017 Annual Performance Plan.
- 1.2. The Department mentioned that the budget item for transfers received, decreases from R91.922million to R20.813million during the 2016/2017 financial year and remains unchanged over the Medium Term Expenditure Framework (MTEF). The reduction is as a result of the exit strategy of the Global Fund.

- 1.3. The budget of the Department for Goods and Services is R6.373 billion, of which R1.200 billion has been identified for strategic sourcing initiatives.
- 1.4. The Department mentioned that because of the economic climate, the greatest challenge is to reprioritise resources internally and create opportunities within a budget that decreases in real terms over the next three years to give effect to the vision and strategic priorities of Healthcare 2030. This challenge has increased with an escalating burden of disease resulting in significant service pressure.
- 1.5. The prevailing economic climate has significantly curtailed the Healthcare 2030 aspirations as the budget does not keep pace with the rising cost of health care provision and the increasing patient numbers.
- 1.6. Improving the quality of care is the core of Healthcare 2030. This will involve both improving the clinical and health outcomes as well as improving the patient experience.
- 1.7. The Committee was informed that Programme 1 is allocated 3.55% of the budget in 2016/2017 in comparison to the 3.35% allocated in the revised estimates of the 2015/2016 budget. This amounts to an increase of R78.084 million.
- 1.8. The fertility rate of the province for 2011-2016 is estimated at 2.19%. This means that women in the Western Cape who live through their reproductive years will have an average of 2.19% live births.
- 1.9. The Province has the highest life expectancy in the country. Male life expectancy has increased from 58.3 to 63.7 years while female life expectancy is from 61.9 to 66.0 years.
- 1.10. The rate of mother to child transmission of Human Immunodeficiency Virus (HIV) has decreased with a rate of 1.4 % in 2014/2015 financial year in the province.
- 1.11. The Department reported that 39.4% of adults in the province had the lifetime prevalence of common mental disorders.
- 1.12. Substance abuse, a recognised risk factor for mental illness, contributes to a large proportion of unnatural deaths in the province, particularly transport related and unintentional deaths.
- 1.13. The Department will focus on strengthening the healthy lifestyle initiative such as the Western Cape on Wellness (WoW). This seeks to prevent and reduce the burden of non-communicable diseases in the province.
- 1.14. The Department continues to experience service pressures and this is evidenced by the escalating numbers of bed occupancies, especially in the metro district hospitals and in regional hospitals.
- 1.15. An integrated service delivery project that seeks to increase wellness and safety and to reduce social challenges, will be piloted at the Drakenstein Municipality in the Cape Winelands during the 2016/2017 financial year.
- 1.16. Owing to an increasingly constrained economic environment, the main challenges of the Department are to secure sufficient funding for the staff establishment and to recruit suitable qualified and skilled staff to be appointed in the funded vacant positions.
- 1.17. The recruitment of qualified and skilled professionals poses a challenge to the Department due to the scarcity of skills in specialist areas.

## 2. Recommendations

The Committee RECOMMENDED that:

- 2.1. The City of Cape Town briefs the Committee on the transition of health facilities from the City of Cape Town to the Department of Health.
- 2.2. The Department briefs the Committee on the profiles of complaints and compliments it received during the 2014/2015 financial year.
- 2.3. The Department put more emphasis on training employees that are in the forefront of the health facilities in the province.

## 3. Information requested

The Committee REQUESTED that the Department provide it with the following information by 8 April 2016:

- 3.1. A list and location of the Western Cape on Wellness (WoW) healthy lifestyle initiative;
- 3.2. A list of the 38 facilities where phase two of the Care Club Programme has been established; and.
- 3.3. A detailed report on the Primary Health Care Services.

## 3. Report of the Standing Committee on Community Development on Vote 7: Social Development, in the schedule to the *Western Cape Appropriation Bill*, [B 2–2016], dated 11 March 2016, as follows:

The Standing Committee on Community Development, having deliberated on the subject of Vote 7: Social Development in the Schedule to the *Western Cape Appropriation Bill* [B 2–2016], referred to the Committee in terms of Standing Rule 187, reports that it has concluded its deliberations on the Vote.

The Committee listed findings, recommendations and requested information as below.

### 1. Findings

- 1.1. The Department has aligned itself with national and provincial legislation and policies, with particular focus on consolidating and strengthening its core mandates, especially Child Care and Protection, which is derived from the state's human rights obligations under Section 28 of the Constitution.
- 1.2. During the 2016/17 financial year, the Department envisages to implement programmes for the prevention and treatment of substance abuse to approximately 12 500 people.
- 1.3. The Department informed the Committee that a special Early Childhood Development Programme for the English language and cognitive development is being established in 10 pilot sites where school readiness is poor.
- 1.4. The Department will continue with the promotion of the rights, well-being and socio-economic empowerment of Persons with Disabilities, their families and caregivers over the next three years.

- 1.5. The Department is planning to prioritise probation services, diversion programmes and substance abuse interventions in response to the escalation of substance abuse among the youth in the province.
- 1.6. The Department has introduced drug treatment services in all its secure child and youth care centres over the next five years and school-based drug treatment programmes at 10 identified high risk schools.
- 1.7. Owing to an increasingly constrained economic environment, the Department adjusted the funding of Non-Profit Organisations (NPOs) to accommodate the budget shortfalls, prioritised statutory services and downscaled funding for non-core business projects.
- 1.8. The transfer of Sivuyile, an NPO for Persons with Disability, from the Department of Health to the Department of Social Development will be factored into the Medium Term Expenditure Framework (MTEF) budget.
- 1.9. The recruitment of social workers will be a priority to minimise the impact of budget cuts on service delivery.
- 1.10. The Provincial Youth Development Strategy has been implemented and three Youth Cafés in Rocklands, Vangate and George are operational and designed to provide vibrant, positive spaces where young people are afforded the opportunity to access skills development programmes. The Department also mentioned that an additional Youth Café will be launched in Oudtshoorn during the 2016/17 financial year. The Department emphasised that the slow roll out of Youth Cafés in other regions of the Province is due to the shortage of suitable premises for the establishment of Youth Cafés in those regions.
- 1.11. As a result of the increased performance of the Expanded Public Works Programme (EPWP), the national Department of Public Works has increased a conditional grant from R1.866 million to R9.916 million.
- 1.12. The Department has activated a shelter space for male victims of violence and crime in terms of the victim empowerment programmes and the first pilot shelter for adult victims of human trafficking has been established at the Saartjie Baartman Centre.
- 1.13. The Department has increased crime prevention and support programmes in high risk areas such as Hanover Park, Manenberg, Lavender Hill, Vredenburg, Saldanha and Atlantis.
- 1.14. In this financial year under review, the Department is funding two new organisations for substance abuse, prevention and rehabilitation programmes in Khayelitsha and Lamberts Bay to provide early intervention and aftercare services. In addition, two new substance abuse treatment programmes for children and youth were implemented at the Lindelani CYCC and the De Novo Treatment Centre.
- 1.15. The NPOs that provide child protection services are often unable to fill vacancies or retain social workers due to financial constraints. Where such challenges are experienced, the affected DSD regional offices often assist with services related to service delivery.
- 1.16. The Department mentioned that it does not have an indicator for Sub-programme 5.7: Women Development, because the interventions for women development are managed transversally within other sub-programmes and when this sub-programme was introduced by the national Department of Social Development there was no funding allocated to it.
- 1.17. The Committee is concerned about the unbalanced geographical spread of specialised programmes in the province. The Committee felt that the programmes are more focused in the West Coast region.

## 2. Recommendation

The Committee RECOMMENDED that the Department keeps the Committee updated on how the Department will spend the R9.916 million EPWP direct grant funding allocation.

## 3. Information requested

The Committee REQUESTED that the Department, by 31 March 2016, submit:

- 3.1. A list of the 10 pilot sites where ECD programmes are being established. This is with reference to page 298 of the 2016 Budget Estimates of Provincial Revenue and Expenditure;
- 3.2. A list of the 10 identified high risk schools that are benefiting from the school based drug treatment programme;
- 3.3. A detailed report / breakdown on the operational budget of each of the Youth Cafes, in particular how much it costs to run a Youth Café;
- 3.4. A list of 25 funded NPOs that provide services to the Youth. This list should clearly state which programmes are being provided by each NPO;
- 3.5. A report on the extra 10 funded residencies of the Open Circle at the Alexandra Hospital in Maitland; and
- 3.6. A detailed report on the programmes that aid in the empowerment of women, including how many women had participated in the programmes in the 2014/2015 financial year.

## 4. Report of the Standing Committee on Cultural Affairs and Sport on Vote 13: Cultural Affairs and Sport in the Schedule to the *Western Cape Appropriation Bill* [B 2–2016], dated 14 March 2016, as follows:

The Standing Committee on Cultural Affairs and Sport, having deliberated on the subject of Vote 13: Cultural Affairs and Sport in the Schedule to the *Western Cape Appropriation Bill* [B 2–2016] referred to the Committee in terms of Standing Rule 187, reports that it has concluded its deliberations on the Vote and supports the Vote.

In terms of Standing Rule 86, the African National Congress registered its minority view not to support the Vote.

The Committee listed findings, a concern, commendation and requested information as indicated below:

### 1. Findings

- 1.1 The Department of Cultural Affairs and Sport indicated that it had frozen 107 vacant positions due to the impact of the constraints placed on the Cost of Employees (CoE). The resultant expected workload pressures on the current staffing compliment might affect the quality of the output of services. However, the Department indicated that its output targets are expected to be met.
- 1.2 The Department adopted a strategy to secure its current staff compliment, across various levels, for the 2016/2017 financial year. This means that permanent staff have been reassured of retaining their posts, whereas contract staff, graduate

- staff, pay interns and Expanded Public Works Programme (EPWP) workers have been afforded job security, in so far as the Department is able to accommodate the costs for retaining these non-permanent staff, within the allocated Department's budget. The Department therefore has retained its current staff compliment for the 2016/2017 financial year.
- 1.3 In order to address the added pressure placed on staff due to the expected increase of workload, the Department informed the Committee of the Independent Counselling and Advisory Services (ICAS) employment wellness programme available to all staff. The Department regularly informs its staff of the available services.
  - 1.4 There were no incidents of racism reported at any of the Department's programmes and/or events.
  - 1.5 The Cape Town Museum, currently under renovation and construction, will have as one of its objectives, to promote a more holistic reflection of the diverse histories and voices of the Cape and the province at large.
  - 1.6 There is no indication currently of renewed funding by General Budget Support (GBS) for the Mass participation, Opportunity and access, Development and growth (MOD) Programme, after the 2016/2017 financial year. Negotiations in respect of extended GBS funding are ongoing.
  - 1.7 The Department does not have the resource capacity to extend the roll out of the MOD Programme significantly beyond the current 181 MOD centres. Instead, the focus is to introduce more content, such as an academic component, rather than expanding the number of MOD centres. The Neighbouring Schools Programme is used as a means to support the MOD Programme through the sharing of resources as well as minimising transport costs as learners are able to walk to nearby schools for recreational activities.
  - 1.8 The Department assists relevant municipalities in order to facilitate the Golden Games.
  - 1.9 In terms of the Municipal Replacement Finding (MRF) for Library Services, the staff are employed by the local municipalities and not by the Department.
  - 1.10 The Department, in collaboration with the Western Cape Provincial Geographical Names Committee, are designing a communication strategy to promote the geographical names of Khoi and San origin. One strategy is to promote a sense of shared common heritage.
  - 1.11 The Department must allocate 4% of the conditional grant to the Western Cape Provincial Sport Confederation who redirects that funding to the various provincial sports councils.
  - 1.12 Recently there has not been much progress on the policy developments on the South African Library and Information Services Bill other than each province being required to submit a set of norms and standards.
  - 1.13 The Department reported that the Western Cape Cultural Commission, the Western Cape Language Committee and Heritage Western Cape members have been duly inducted.
  - 1.14 The 72.13% increase of advertising in the revised estimate refers largely to promotional material, including sports gear, tracksuits and other clothing whereon the Department's logo is printed.
  - 1.15 The 15.18% increase of consultancy services in the revised estimate is linked to the companies consulted for the Enterprise Content Management (ECM) roll out. Datacentrix and Business Connection are the two consulting companies.
  - 1.16 The 27.76% increase of catering in the revised estimate refers to catering for participating members of the community at events that the Department funds.



These events include the Golden Games and the Indigenous Games. This is linked to the 63.19% increase of the transport provided in the revised estimate as the public are transported to and from these events.

## **2. Concern**

- 2.1 The Committee at the oversight visit to the Western Cape Library Services on 10 February 2016 was informed of the low number of isiXhosa writers and subsequently the low number of isiXhosa books published and used in libraries. To this effect the Committee raised its concern.

## **3. Commendation**

- 3.1 The Committee welcomed the Department's progressive approach towards securing its staff complement across various levels for the 2016/2017 financial year.

## **4. Information requested**

The Committee REQUESTED that the Department provides the Committee with the following information by 29 April 2016.

- 4.1 A list reflecting the programmes wherein the 107 frozen vacancies are located.  
 4.2 A breakdown of the funding allocated per department, to the MOD Programme.  
 4.3 A breakdown of the exact allocation of the equitable share decrease.  
 4.4 A breakdown of the R13.767 million allocation of the After School game changer.  
 4.5 A breakdown of the R390 000 allocation of the Alcohol Harms Reduction game charger.  
 4.6 A list of MOD centres in Worcester.  
 4.7 Details of the unfunded mandate.  
 4.8 A list of the closed MOD centres in the 2015/2016 financial year and the new MOD centres established in 2015/2016 financial year.

## **5. Report of the Standing Committee on Local Government on Vote 14: Local Government, in the Schedule to the *Western Cape Appropriation Bill* [B 2–2016], dated 14 March 2016, as follows:**

The Standing Committee on Local Government, having deliberated on the subject of Vote 14: Local Government, in the Schedule to the *Western Cape Appropriation Bill* [B 2–2016], referred to the Committee in terms of Standing Rule 187, reports that it has concluded its deliberations and supports the Vote.

In terms of Standing Rule 86, the African National Congress expressed a minority view that it does not support the Vote.

The Committee listed findings, requested information and made resolutions and recommendations as below.

## **1. Findings**

- 1.1. The Department of Local Government (the Department) has been allocated a budget of R217 899 000 for the 2016/2017 financial year, a decrease of 0,22% from the 2015/2016 allocation of R218 372 000.
- 1.2. The Department budgeted R23 781 000 for Consultants and Professional Services: Business and Advisory Services, an increase of 115,78% from the 2015/2016 allocation of R11 021 000.
- 1.3. Following the 2016 Local Government elections the Department will provide councillors with fully accredited training that will be offered by Nelson Mandela Metropolitan University. This initiative is co-funded by the Hans Seidel Foundation and depending on the R/€ exchange rate the foundation will contribute between R250 000 and R300 000. Training will be provided in English, isiXhosa and Afrikaans.
- 1.4. The Department has established two task teams in response to droughts that have affected some parts of the province. The mandate of the first task team is to provide support to the areas declared as disaster areas and the mandate of the second task team is to initiate efforts to assess the magnitude and severity of the drought. In response to the drought the Department of Water Affairs has reprioritised R8 million and the Department of Local Government has availed additional Municipal Infrastructure Grant (MIG) funding to municipalities. Once the Department has determined what the financial short-fall is, they will be in a position to submit an application for the needed funds to the Department of Co-operative Governance and Traditional Affairs.
- 1.5. Some municipalities, such as Langeberg, have shifted away from using the sector based model towards using a geographic based model to determine representation on ward committees. This was seen as the most suitable system to include all areas, and all communities by the majority of the municipalities, as per the resolution of the Ward Committee Conference held in September last year. This will be implemented, though some Municipalities will retain their own systems, where it is deemed functional.

## **2. RECOMMENDATIONS**

The Committee RECOMMENDED that the Department of Local Government:

- 2.1. Introduce the Revenue Enhancement Programme in Oudtshoorn and Kannaland municipalities; and
- 2.2. Explore viable revenue enhancing mechanisms municipalities could use should the possibility for households and business to transfer from the current Eskom electricity grid to solar energy systems become a reality.

## **3. REQUESTS**

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

- 3.1. A report on the assessments undertaken and support provided in Witzenberg, Prince Albert and Oudtshoorn with regards to the meteorological drought and in the West Coast and Central Karoo with regards to the agricultural drought; and

- 3.2. A list of goods and services other than capital assets sold, resulting in the receipt of R37 000, including an indication as to whom these goods and services were sold to.

#### **4. RESOLUTIONS**

The Committee RESOLVED to request the Department of Local Government to brief it on:

- 6.1. The disaster management capacity for municipalities across the province;
- 6.2. Possible alternative funding formulas for the different municipal categories;  
and
- 6.3. The rationale behind the proposed organisational review to be undertaken at the Department as well as the associated timelines, milestones and costs.