

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

FRIDAY, 15 NOVEMBER 2013

COMMITTEE REPORTS

The Speaker:

1. Report of the Standing Committee on Local Government on the Annual Report of the Department of Local Government, for the year ended 31 March 2013, dated 7 November 2013

The Standing Committee on Local Government, having considered the Annual Report of the Department of Local Government for the year ended 31 March 2013 referred to it, begs to report as follows:

A. Introduction

The annual report programme for the 2012/2013 financial year was advertised in newspapers, inviting stakeholders and members of the public to attend and participate in the discussions. Invitations were also extended to all municipalities in the Province.

Before proceeding to the consideration of the report, the Minister and the Head of Department were given an opportunity to make opening remarks.

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 to make inputs during the discussions.

B. Oversight Report on the Department

(a) Overview

There is currently a memorandum of understanding (MOU) in place between the Department and Provincial Treasury that specifies their respective responsibilities with regards to

supporting and monitoring municipalities in relation to the prescriptions of the Municipal Finance Management Act, 2003 (Act 56 of 2003).

Municipalities who do not spend their Municipal Infrastructure Grant (MIG) funding for a particular financial year have to apply to National Treasury for a roll-over. The Department has put in place a number of support measures to ensure that municipalities are able to effectively utilise their MIG funding. These measures include:

- (i) assistance with the development of detailed implementation plans;
- (ii) assistance with the appraisal and registration of projects; and
- (iii) advice on compliance to the conditions of the grant.

To assist municipalities with prescriptions of the Municipal Structures Act, 1998 (Act 11 of 1998), the Department is undertaking a codification project that will allow municipalities to code its by-laws as promulgated. The Department also provides municipalities with draft repeal by-laws where this is necessary.

The Department has placed the process of repealing redundant provincial ordinances in its draft Annual Performance Plan (APP) for 2014/2015.

The Department becomes involved in court cases where a municipality is the respondent and the outcomes of the court case could potentially affect other municipalities. One such example is the Bergriver Municipality case, where if the applicants had been successful, the outcomes would mean that rate-payers could withhold their property rates. This would have far reaching implications for all municipalities across the Province.

The Disaster Management Act, 2002 (Act 57 of 2002) mandates the Department to coordinate responses to disaster incidents when there is the risk of disruption to services. It is under this mandate that the Department was involved in the farm worker protests in the Cape Winelands as it was responsible for coordinating the responses of provincial departments.

The Department has developed a Ward Committee Accountability and Communication Model that outlines guidelines for ensuring that discussions at ward committees are communicated to the Municipal Council and that the ward committees are subsequently provided with feedback on matters discussed.

(b) Findings/Concerns

- (i) In the event that the Provincial Disaster Management Centre (PDMC) is inoperable, the Province is able to utilise the City of Cape Town disaster management resources located at the Goodwood Disaster Management Centre, and the civic centre as well as the provincial mobile unit. Even in various remote locations, the Department is still able to access all the information linked to the PDMC as the information is network based;
- (ii) The PDMC is able to provide all information which it generates to all District Disaster Management Centres, even though the City of Cape Town is using a different information management system;
- (iii) Theewaterskloof Municipality could not spend its allocated MIG during the year under review as the contractor used in the construction of the Grabouw Treatment Works could not complete the project on schedule as a result of bankruptcy. The funding was consequently rolled over to the next financial year and utilised. All of the MIG funding allocated to municipalities have therefore been utilised;
- (iii) The City of Cape Town Council has passed the Community Development Worker (CDW) implementation protocol;

- (v) There are shared services projects underway in two districts namely the West Coast District (legal services) and Central Karoo District (legal services and internal auditing and risk management). These shared services are provided following the conclusion of service level agreements between the participating municipalities and the service provider;
- (vi) The Department facilitated the completion of a MOU between Cape Winelands District Municipality and the Department of Transport and Public Works with regards to renovations required at the Worcester Regional Hospital before the Cape Winelands Disaster Management Centre can become functional. The Municipality is in the process of procuring furniture and ICT equipment and the centre anticipates accessing their allocated area within the hospital in mid-November, 2013;
- (vii) Less than 16% of the 26 107 Community Development Worker (CDW) case referrals have been resolved and the Department has undertaken to put measures in place to improve the turn-around time for the conclusion of these cases;
- (viii) The vacancy rate of 9% is in fact 7.5%, as contract workers have been appointed in the vacant posts until such a time that the process of appointing permanent staff have been concluded;
- (ix) The Department has not yet been able to implement the LOGIS system for assets and is utilising a manual system that has undergone verification by the Auditor General. The delay in moving to the LOGIS system is as a result of the fact that when the departments split, duplicate assets were captured on the asset register. The Department is ready to migrate from the the manual system to LOGIS but is awaiting confirmation from National Treasury that they may proceed;
- (x) The Department was only able to provide financial support to four municipalities for the implementation of the compliance model as a result of the fact that the lowest tender bid for the completion of the project was R2million, an amount substantially more than the Department had budgeted for;
- (xi) The Department is assisting with the transfer of the Uilenkraalsmond Resort from the National Department of Public Works to the Overberg District Municipality. The Department held engagements with residents in the resort and the Overstrand municipality that provides services to the resort. The transfer might however have a negative impact on the assets to liabilities ratio for the District Municipality as it is unlikely that they will generate an income from the resort;
- (xii) The Department did not have the capacity to assess municipalities on the state of ICT as required by the national indicator. The Department subsequently applied to Provincial Treasury for additional funding to enable it to develop the necessary capacity. A Provincial ICT support Committee for municipalities, consisting of municipal ICT managers and department officials, was consequently established. This committee meets on a quarterly basis to discuss ICT related matters;
- (xiii) Donors appoint service providers directly based on specifications from the Department. Donor funds are therefore transferred directly to the service provider and not via the Department. In this manner the funds utilised do not go through a proper auditing process by the Auditor-General; and
- (xiv) The Department does not have access to the national PERSAL database that would allow it to assist municipalities to verify that potential service providers are not government employees.

(c) Recommendations

The Committee wishes to recommend that the Department brief the Committee in February 2014 on the progress:

- (i) of the Provincial ICT Support Committee for municipalities; and

- (ii) regarding the migration from the manual assets management system to the LOGIS system.

(d) Papers, reports and information requested by the Committee

1. That the Department of Local Government provides the Committee with the following documents by 30 November 2013:
 - (i) The Ward Committee Accountability and Communication Model;
 - (ii) The total number of posts considered to be critical at a municipal level to allow the Committee to make a comparison with the actual achievement of 17 for indicator 2: Number of municipalities with all critical posts under sub programme 2.1: Municipal Administration;
 - (iii) Reports on the seven support initiatives for indicator 1: To coordinate effective preparedness and rapid response to any potential incidents/disasters under sub programme 3.2: Disaster management and fire brigade services;
 - (iv) The updated information, including the amount spent by the entity and reasons for the funds underspent by the entity, for the Thusong Centre and CDW programmes, under table 6.3: Transfer of Payments;
 - (v) A report outlining the posts included in the vacancy rate of 9.3%, and the progress with regards to the filling of these posts;
 - (vi) A report on the rand value of support provided to municipalities via the deployment of funds from donors, given that the Department is not a direct recipient of donor funding;
 - (vii) A report on the distribution of performance rewards across the salary bands;
 - (viii) A list of training providing to staff in the Department not included in Table 3.13.2 as well as an analysis of the difference between training needs identified (Table 3.13.1) and the actual training that was provided (Table 3.13.2.);
 - (ix) A report on the basis on which staff (per staff level) were granted permission to do remunerative work outside of the public service (RWOP) and the nature of the RWOP; and
 - (x) A breakdown of the various other consultancy services and projects which account for the R1 246 420 in the table "Report of consultant appointments using appropriated funds 2012/13"; and
 2. That by 30 November 2013, the Department of the Premier provides the Committee with a report on the reasons why Department of Local Government personnel have taken sick leave.
2. Report of the Standing Committee on Premier, Gender, Disabled and Youth on the Annual Report of the Department of the Premier for the year ended 31 March 2013, dated 13 November 2013.

The Standing Committee on Premier, Gender, Disabled and Youth, having considered the Annual Report of the Department of the Premier for the year ended 31 March 2013 referred to it, begs to report as follows:

A. Introduction

As part of its oversight function the Committee considered the Annual Report of the Department of the Premier. The Annual Report is the key instrument to report departmental performance measured against the performance targets outlined by the Department of the Premier 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.

The Annual Report programme for the 2012/2013 financial year was advertised in newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.

Before proceeding to the consideration of the report, the Provincial Premier, Helen Zille and the Director General, Advocate Brent Gerber were given an opportunity to make opening remarks. Members of the Committee deliberated on Part A: General Information, Part B: Performance Information, Part C: Governance and Part D: Human Resources Management. The members of the public and invited stakeholders were also given an opportunity to pose questions to the Department or provide input after the Standing Committee deliberations on the Annual Report.

B. Oversight report

(a) Concerns/Findings

- (i) The Department did not attain a clean audit due to material misstatements; and
- (ii) The Committee should prioritise defining its oversight role over the Department of the Premier.

(b) Recommendations

The Committee wishes to recommend that the Department of the Premier presents briefings within the current financial year on the following matters:-

- (i) The findings of the Supply Chain Management (SCM) Unit in the Department for the 2012/2013 financial year, the manner in which these findings have impacted on the procurement procedures in the Department, including the steps put into place to address these findings;
- (ii) The Retention strategy to retain staff members; and
- (iii) Feedback on audit matters raised by the Auditor-General and the measures put into place to address the matters raised by the Auditor-General.

(c) Papers, reports and information requested by the Committee

The Department of the Premier should provide the Committee with the following:

- (i) The revised information as mentioned on page 29 of the Annual Report, on the Service Delivery Access Strategy with the correct statistics;
- (ii) A detailed report on the production and launch of the Better Together magazine, including all costs as mentioned on page 85 of the Annual Report;
- (iii) A detailed report on the outstanding court cases of the Internal Control unit where irregular, fruitless and wasteful expenditure has been identified as mentioned on page 113 of the Annual Report;
- (iv) A report on incidents of sick leave should it reflect an increase, the report should reflect the plans to address the general non-attendance of employees; and
- (v) A list of external service providers appointed to train the Human Resource Development Unit, as mentioned on page 68 of the Annual Report.

C. Conclusion

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

The Committee further requests that the House considers this report.

3. Report of the Standing Committee on Community Development on the Annual Report of the Department of Social Development for the year ended 31 March 2013, dated on 6 November 2013.

The Standing Committee on Community Development, having considered the Annual Report of the Department of Social Development for the year ended 31 March 2013 referred to it, begs to report as follows:

A. Introduction

As part of its oversight function the Committee considered the Annual Report of the Department of Social Development. The Annual Report is the key instrument to report departmental performance measured against the performance targets outlined by the Department of Social Development 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 report, Minister Albert Fritz and the Acting Head of Department, Mr Robert Macdonald were given an opportunity to make opening remarks. Members of the Committee deliberated on Part A: General Information, Part B: Performance Information, Part C: Governance and Part D: Human Resources Management. The members of the public and invited stakeholders were also given an opportunity to pose questions to the Department or provide input after the Standing Committee deliberations on the Annual Report.

B. Oversight report

(a) Concerns/Findings

- (i) A capacity programme should be introduced to help Non-Government Organisations (NGO's) to comply with the performance indicators as set out in the Departments Annual Performance Plan;
- (ii) Inconsistency were found in the English and Afrikaans versions of the respective Annual Reports; and
- (iii) Officials are appointed in acting positions for several months.

(b) Recommendations

The Committee wishes to recommend that the Department of Social Development briefs the Committee within the current financial year 2012/2013 on the following matters:-

- (i) The NGO cluster training model;
- (ii) The Management of NGO's, measures in place to ensure that NGO's are rendering services to the public and the supervision programme of NGO's;

- (iii) The outcome of the “Tenderten process” as identified by the Auditor-General as mentioned on page 12 of the Annual Report;
- (iv) The number of therapeutic programmes rolled out in secure care facilities as indicated on page 35 of the Annual Report;
- (v) The reasons for the backlog on the number of children placed in foster care as indicated on page 37 of the Annual Report;
- (vi) The design and implementation of a pilot project launched in Mfuleni and Vredenburg, on the Referral Path Way model where 532 disability cases were identified;
- (vii) Number of individuals who participated in the Population Capacity Development centres and the reason for stating the inadequacy of services for training as mentioned on page 54 of the Annual Report;
- (viii) A report on the filling of all posts indicated as acting posts; and
- (ix) Feedback on the investigation conducted by the Internal Audit unit on the deviation on the targets and indicators, under-reporting and the measures put in place to address these matters.

(c) Papers, reports and information requested by the Committee

The report done by the Internal Audit unit, listing the deviations on the targets and indicators.

C. Acknowledgments

The Committee commended the Department on the improvements of the internal control unit reflected on page 66 and 67 as well as on skills development as reflected on page 96.

D. Conclusion

The Committee wishes to express its appreciation to the Minister, the officials of the Department of Social Development and the Members for their participation during the session.

The Committee further requests that the House considers this report.

4. Report of the Standing Committee on Agriculture and Environmental Planning on the Annual Reports of the Department of Environmental Affairs and Development Planning and its entity, CapeNature, for the year ended 31 March 2013, dated 13 November 2013.

The Standing Committee on Agriculture and Environmental 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 2013 referred to it, begs to report as follows:

A. Introduction

As part of its oversight function, the Committee considered the Annual Reports of the Department of Environmental Affairs and Development Planning and its entity, CapeNature on 29 October 2013. 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 2012/2013 financial year was advertised in various newspaper publications, inviting stakeholders and members of the public to attend and participate in the discussions.

Before proceeding to the consideration of the report, the Minister, the Head of Department and the Chairperson of the CapeNature Board were given an opportunity to make opening remarks.

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

B. Oversight Reports on the Department of Environmental Affairs and Development Planning and its entity, CapeNature

1. Department of Environmental Affairs and Development Planning

(a) Overview

The Department presented an unqualified audit report for the year under review. Significant successes achieved include the completion of the Draft Land Use Planning Bill and the finalisation of the technical chapters of the State of the Environment Outlook Report.

A flagship achievement was the completion of the Western Cape Sustainable Water Management Plan. The Berg River Improvement Plan was endorsed by Cabinet for implementation. This plan is part of the Western Cape Sustainable Water Management Plan and will ensure that the Department addresses the issues of water quality and river rehabilitation in the Berg River.

The Department has made significant progress in the area of municipal collaboration in respect to Sustainable Energy Plans and also in the field of Climate Change Adaptation Plans. The ability of the Department to work with key stakeholders is evident in the report.

(b) Findings/Concerns

- (i) The target of 50% set for gender equity within the Department was not met. Females make up 20% of the senior management team. The statistics look better for middle management but in terms of racial composition, the Department is not fully representative.
- (ii) The Department, in collaboration with Disaster Management in Local Government, was actively engaged in research projects that were aligned to academic institutions that monitor climate change response.
- (iii) A number of organisational investigations were conducted and approved. These include the new Directorate: Development Facilitation, Supply Chain Management and Coastal Management. The filling of funded vacant posts remains a challenge. The resignations of scarcer, professional and technical skills as well as intergovernmental transfers exacerbated this problem.
- (iv) A strategic environmental assessment for the placement of wind farms in the Western Cape was concluded. A similar strategic environmental assessment for solar farms was initiated to ascertain what the skills requirements were. The National Department of

Environmental Affairs also initiated its national processes which was a joint wind energy and solar energy assessment. After discussion at the Environmental Sector Working Groups and at the National Department of Environmental Affairs, it was decided that, rather than have the Provincial Department proceed on their own with a solar energy assessment, they would collaborate with their sister National Department so that processes are not duplicated.

- (v) A major shortcoming within the waste management strategic outcome orientated goal is the large percentage of landfill sites that remain unlicensed. In order to improve this, municipal councils will be required to provide funding to license their unlicensed waste disposal facilities. Funding is now available and the appointment of environmental assessment practitioners to assist is underway.
- (vi) 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. The Department is working closely with the National Department of Water Affairs and also engaging with the municipalities of Stellenbosch, Drakenstein and Breede Valley in this regard to ensure an upgraded programme for the waste water treatment works.
- (vii) The Spatial Development Framework Plans for Kannaland, Beaufort West, Swellendam and Matzikama were not completed. However, they have reached an advanced stage and it is envisaged for them to be completed in the second quarter of the 2013/2014 municipal financial year. The delays experienced were mostly related to extended public participation processes in collaboration with the municipalities and supply chain processes.
- (viii) The drafting of Bioregional Plans and Biodiversity Sector Plans is a performance indicator that the Department and CapeNature are not responsible for. The Bioregional plans should be drafted by the relevant municipality and should inform the sector plan and eventually the Spatial Development Plan. This has been endorsed by the National Department and the advisory agent, the South African National Biodiversity Institute (SANBI).
- (ix) The implementation of the generic Accounting Officer system was postponed by Provincial Treasury as they are awaiting the outcome of the new National Treasury Regulations.
- (x) A request was made to Provincial Cabinet to suspend the drafting of the Sustainable Energy Bill as changes in national legislation superceded the Department's processes.
- (xi) The Draft Land Use Planning Bill will be endorsed by Cabinet at the end of November 2013. The Draft Bill will be submitted to the Provincial Parliament in January 2014.
- (xii) The environmental norms and standards relating to aquaculture trout and abalone were delayed due to the time-consuming consultative process with the industry stakeholders as well as certain legal complexities.
- (xiii) Municipal sustainable energy plans have been developed in collaboration with the Saldanha Bay, Mossel Bay, George and Cape Agulhas Municipalities. The support provided to the municipalities by the Department is to prioritise actions within these plans, getting them integrated into the Integrated Development Plans and finding capacity and funding for the implementation of the activities.
- (xiv) The Department collected R2.495 million in revenue in spite of a moderate departmental revenue budget of R0.318 million. Major revenue collections are in respect of fines imposed by the National Environmental Management Act, 1998 (Act 107 of 1998); Section 24G which deals with environmental transgressions. The Department is now in a better position to identify trends and will budget accordingly in 2013/2014 financial year.

- (xv) The average time to fill a vacant position with the Department is six months and is a concern to the Committee. One of the biggest issues that relate to the extended period is the process of vetting and verification, both of qualifications and referencing. This was a key issue across all departments in the Auditor-General's report and does not promote the efficiency of service delivery.
- (xvi) The vacancy rate, time taken to fill vacancies, retention of staff and the high percentage of sick leave is of grave concern to the Committee.
- (xvii) The Department is congratulated on its achievement in Sub Programme 2.1 pertaining to intergovernmental coordination, spatial and development planning, as the actual versus planned targets were all met and in some cases exceeded.

(c) Recommendations

The Committee wishes to recommend that:

- (i) the riparian zone of the Berg River be maintained as it could create an opportunity for alien vegetation to again take over and that the Department must take cognisance of this and report regularly on progress made;
- (ii) the development of norms and standards for aquaculture in respect of trout and abalone is often hindered by tedious processes which act as an impediment to economic development and that this process must be driven by the Provincial Cabinet as a priority;
- (iii) in terms of Programme 3, Compliance and Enforcement, issues relating to compliance and enforcement must be included in the strategic objectives pertaining to environmental quality management; and
- (iv) the Environmental Impact Assessment system is complex and often seen as an impediment to development and that the Department brief the Committee in this regard.

(d) Papers, reports and information requested by the Committee

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

- (i) One of the climate change adaptation plans compiled for municipalities; and
- (ii) The oversight report on biodiversity performance of CapeNature.

2. CapeNature

(a) Overview

The year under review had its own excitement and challenges. Even though some of the set targets were met and some even exceeded, there remain instances in which some targets were not achieved at all.

Key highlights of the year under review include the increase in tourism income generated during a difficult economic period, an 11% growth in tourism revenue and the publication of the 2012 CapeNature Western Cape State of Biodiversity Report.

The period under review saw CapeNature achieve qualified audit opinions on performance information and conditional grants. The risk posed to the organisation as a result of this type of outcome was acknowledged and mitigation measures are already in the process of implementation to address it.

CapeNature is reliant on the support of many partners in conservation to keep the biodiversity, ecosystems and ecosystem services in the Western Cape functioning, clean, healthy and beautiful. During the financial year partnerships contributed a great deal in achieving the set targets.

(b) Findings/Concerns

- (i) The instability of top management is a concern as the Chief Executive Officer (CEO) and Executive Director: Human Resources posts remain vacant. In the absence of a CEO, the Board had to meet more regularly to ensure that the responsibilities that had to be executed by the CEO are delegated to the correct individual. The Board then appointed Dr Kas Hamman as Acting CEO.
- (ii) The previous CEO resigned but the reason for her resignation was not disclosed to the Committee as a confidential agreement was entered into between the parties on the insistence of the CEO at the time.
- (iii) In the absence of a Foundation Manager, CapeNature generated income through various partnership agreements to the value of R22.2 million for which the bulk have multiple-year implementation plans.
- (iv) The CapeNature Western Cape State of Biodiversity report was published. This report summarised the state of knowledge of protected areas, fresh water and terrestrial ecosystems and included all plants and animals. This information feeds into the provincial and national state of the environment reporting system and makes a significant contribution in this regard.
- (v) During the period under review the Western Cape experienced one of the worst fire seasons over the December/January period. Due to the large number of fires throughout the province the Provincial Disaster Management Centre was utilised to establish a Province-wide Incident Command Post.
- (vi) The Biodiversity Bill was not promulgated as the National Alien Invasive Plant Regulations have not been published. It is necessary to align the provincial and national Biodiversity legislation as far as threatened species and alien invasive species are concerned and in so doing broaden the scope of the Bill.
- (vii) The tender process for the Virtual Private Network was cancelled due to specification shortcomings and the lack of a completed feasibility study.
- (viii) Underperformance of staff is related to lack of training and lack of skills. The implementation of the Human Capital Development Strategy would enable the implementation of key initiatives to address the needs as identified in the individual development plans.

(c) Recommendations

The Committee wishes to recommend that:

- (i) a concerted effort is made to clear invasive alien vegetation which encourages criminality in urban areas. This could be incorporated as part of the various job creation projects executed by CapeNature; and
- (ii) the reasons for staff leaving be illustrated as a separate table in the Annual Report to avoid confusion.

(d) Papers, reports and information requested by the Committee

The Committee requested that the Entity provides it with the document that describes the nature of a conservation economy clearly outlining the inputs and outputs thereof.

C. Conclusion

The Committee was satisfied by the response of the Department and CapeNature to the interrogation of the Annual Reports and wishes to thank the Minister, Head of Department, the Acting Chief Executive Officer of CapeNature and Chairperson of the Board for their contributions and efforts in this regard.

The Committee further wishes to request that the House considers this report.

5. Report of the Standing Committee on Agriculture and Environmental Planning on the Annual Reports of the Department of Agriculture and its entity, Casidra, for the year ended 31 March 2013, dated 13 November 2013.

The Standing Committee on Agriculture and Environmental Planning, having considered the Annual Reports of the Department of Agriculture and its entity, Casidra for the year ended 31 March 2013 referred to it, begs to report as follows:

A. Introduction

As part of its oversight function, the Committee considered the Annual Reports of Department of Agriculture and its entity, Casidra on 1 November 2013. 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 2012/2013 financial year was advertised in various newspaper publications, inviting stakeholders and members of the public to attend and participate in the discussions.

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

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

B. Oversight Reports on Department of Agriculture and Casidra

1. Department of Agriculture

(a) Overview

The Department of Agriculture had a clean audit awarded by the Auditor-General for the third successive year.

The Western Cape agricultural sector experienced several challenges during the financial year under review. The continuing problems of Avian Influenza and the socio-economic challenges pertaining to the rural protest action are some examples.

The farm worker protest action and the upheavals in the agricultural sector have been a clear indication of the numerous challenges faced by farm workers and rural communities. The two main areas affected by the protest action were the Overberg and Cape Winelands.

The Western Cape is responsible for 20.8% of the value of agricultural production in South Africa. The Province houses 24% of the farm workers in the country. It can therefore be concluded that the Western Cape farming is more labour intensive than farming in the rest of the country. It is imperative that the Department consult widely within the sector in order to develop support programmes and initiatives which will contribute to the success of the agricultural community in the Western Cape.

(b) Findings/Concerns

- (i) New and adapted technology will ensure that producers are sustainable and competitive with limited natural resources, especially water, and this will secure the base to increase agricultural production by 10%. By optimising the soil conditions, a 10% growth could be easily achieved.
- (ii) The Department supports job creation. According to Statistics South Africa, there were 129 000 jobs in the Western Cape agricultural sector in the last quarter of 2012. The recent release from Statistics South Africa indicated that there were 139 0000 jobs in the first quarter. This means an increase of 10 0000 jobs since December 2012 and in turn illustrates that 20% of agricultural employment in the country is in the Western Cape. The Western Cape Province created the most jobs in the agricultural sector.
- (iii) Short to medium term interventions in response to farm worker unrest included a helpline where limited calls were received as people were uncertain as to whether they would remain anonymous or not. Farm worker surveys have been completed for Theewaterskloof and Overstrand and a service provider has been appointed to complete surveys for the Overberg and Cape Winelands districts. Fifteen case studies were documented and the service provider has been appointed to deal with the editing and compilation of the publication. There has been engagement with the Berg River Municipality regarding housing and farm worker platforms have been established. They are responsible for articulating the needs of farm worker groups on an ad-hoc basis.
- (iv) The misalignment between the Department of Rural Development and Land Reform's (DRDLR's) land delivery processes and the agricultural support programme is a challenge. The DRDLR is responsible for land delivery. The Department is responsible for providing farmer support. Farmers recruited by the DRDLR will receive financial support to procure certain items for their farms. The same farmer then approaches the Department of Agriculture and asks for the same items. This disjuncture and duplication has created tension between the two Departments. The DRDLR has a national mandate and the province a provincial mandate. The national department does not have to divulge any information to the province. Therefore, there exists no unified reporting and this is a major challenge.
- (v) The ongoing threat of avian influenza is putting the research resources at severe risk. Due to European Union Regulations, no birds could be moved or sold and this resulted in the cancellation of the annual ostrich auction for 2012/2013. A decision was taken not to slaughter the superior genetic material in the knowledge that these birds would form the basis for the regeneration of the industry once the export ban has been lifted.
- (vi) In order to counter the ongoing threat of avian influenza to ostrich genetic resources, the Research Unit has decided to move part of the ostrich genetic material from Oudtshoorn to Nortier and KrommeRhee. They deserve praise for this strategic decision.

- (vii) The Department is to be congratulated on the pass rate of the Cellar Technology students who successfully completed the wine evaluation course at the University of Stellenbosch. Congratulations are also extended for the accreditation that the cellar laboratory received from the South African Wine Laboratory Association.
- (viii) South Africa has a relationship with Brazil who is its main competitor in terms of the Southern hemisphere. Brazil has excellent resources against which South Africa cannot compete. Instead, the Department is focusing on China because their growth in terms of middle class demand for South African exports has been phenomenal. Brazil perceives South Africa as a market and this is why poultry is imported from Brazil. The province does not have control over tariffs. It is cheaper to import chicken from Brazil and other countries than to produce it in South Africa. The South African industry has lost its competitiveness and needs support if it is to be maintained.
- (ix) An intergovernmental steering committee has been established to focus on the specific development nodes and to encourage collaboration. The committee meets every second month. Departments involved include all the provincial departments and the DRDLR as the driver. It has been a challenge to try to get everyone together because this is a new process focusing on the development of the rural nodes and has not gained momentum as yet.
- (x) The Black Farmer Association is supported by the Department but financial transfer to the association is via Agri-Mega.
- (xi) There was one case of dismissal where the court ruled in favour of the official. The Department was then obligated to reinstate the official or pay damages. Due to the breakdown in the relationship, the Department decided to dismiss the official and pay the compensation amount.
- (xii) The high vacancy rate in the Agricultural Scientist and Technician and Agricultural Economist disciplines is alarming. These are critical positions that must assist the Department in achieving its targets.

(c) Recommendations

The Committee wishes to recommend that:

- (i) the Department brief the Committee on the coordination of the comprehensive rural development programme with specific reference to progress made with regard to the 15 rural developmental nodes; and
- (ii) the Department (Mr Andre Roux) prepares a paper on underdeveloped sources of water in the province that can be used as a basis to invite the Department of Water Affairs who is the custodian of water rights to address the Committee.

(c) Papers, reports and information requested by the Committee

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

- (i) A statistical report on the short to medium term interventions planned in response to the farm worker unrest;
- (ii) A written report on the SimFini project and its relation to financial record keeping;
- (iii) The number of cellar technology students from previously disadvantaged groups;
- (iv) A copy of publication titled “Annual Report to Citizens”;
- (v) A written report on the job losses in the Oudtshoorn area due to the occurrences in the ostrich industry; and
- (vi) A list of the various commodity projects linked to the Department.

2. Casidra

(a) Overview

The year under review has been marked with stability and the appointment of a new Chief Executive Officer. Stability has further been strengthened by the fact that Casidra will now be the dedicated implementation agent for the Western Cape Department of Agriculture. The recent labour unrest in the Western Cape agricultural sector also impacted on Casidra's operations in the past financial year. Casidra focused on three areas in the year under review namely the organisational structure, organisational culture and advanced technology.

(b) Findings/Concerns

- (i) Amalienstein and Waaikraal are farms owned by the Department of Transport and Public Works that are managed by Casidra. Historical buildings occur on both farms. The dismal financial prospects for Amalienstein were exacerbated by the high overhead costs of the maintenance of the historic buildings and infrastructure. This places an impediment against the profitability of the farm. Historical buildings should be the responsibility of the Department of Cultural Affairs and Sport or the Department of Transport and Public Works.
- (ii) In the new policy for the Department of Rural Development and Land Reform's (DRDLR) recapitalisation programme, it is stated that most of the 6 million hectares of agricultural land transferred through the land reform programme is now out of production and have failed. This is due to the large number of beneficiaries that often results in in-fighting and also the fact that beneficiaries have limited agricultural and management skills.
- (iii) The farm Anhalt must be conveyed to the Haarlem community. The farm funds itself and does not get funding from government. The packshed on the farm also generates income which makes the farm sustainable. Labour is 45% of the production cost. Casidra is trying to combat the high labour cost by increasing productivity. The Haarlem community has the choice to appoint an implementing agent and they are not obligated to choose Casidra. The farm belongs to the Haarlem community but the packshed belongs to the province. This may cause conflict with the community. The communal land around Haarlem is also a subject of dispute as the community is claiming that this is part of the land to be transferred. R11 816 million was spent on Anhalt during the period under review and this emphasises the importance of bringing things to conclusion.
- (iv) The Departments of Social Services, Health and Education are also involved in the establishment of food gardens as part of food security. Casidra ensures that the efforts of the various Departments are coordinated. A committee has been established to manage the process. The fact that municipalities do not form a part of this committee is a concern as commonage land and the availability of water fall within the municipality's mandate.

(c) Recommendations

The Committee wishes to recommend that:

- (i) the Department and the Minister pursue the matter of the maintenance of historic buildings with the Department of Cultural Affairs and Sport and Cape Heritage as this impacts on the profitability of the farm Amalienstein; and
- (ii) the efforts to resolve the problems impeding transfer of Anhalt farm to the Haarlem community should energetically be brought to conclusion.

(d) Papers, reports and information requested by the Committee

- (i) A list of the land reform projects of the DRDLR in the Western Cape involving the Department of Agriculture; and
- (ii) A report on the council of stakeholder's community structures that have been formalised and are ready to start operating outlining the various active nodes and their functions.

C. Conclusion

The Committee was satisfied with the responses of the Department and Casidra to the discussion on the annual reports and wishes to thank the Minister, Head of Department, the Acting Chief Executive Officer of Casidra and Chairperson of the Board for their contributions and efforts in this regard.

The Committee further wishes to request that the House considers this report.