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PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

THURSDAY, 5 DECEMBER 2024

ANNOUNCEMENT

The Speaker:

Minister of Local Government, Environmental Affairs and Development Planning

Provincial Notice 118 of 2024: Western Cape Monitoring and Support of Municipalities Amendment Bill [B 8–2023]. Published in the Provincial Gazette Extraordinary 9007, dated 22 November 2024.

Copy attached.

COMMITTEE REPORTS

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

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

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

1. Introduction

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

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

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

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

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

2. Summary of key discussions

2.1 Budgeting and financial management

The Premier outlined the adverse effects of severe budget cuts on service delivery across health, education, and social development, intensified by wage agreements. There were calls for increased financial support from the national disaster budgets. The Department reported fruitless expenditure and highlighted strict debt management policies for irregular expenditures.

2.2 Climate change and environmental management

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

2.3 Commissioner for children

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

2.4 Education and youth development

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

2.5 Energy initiatives and support

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

2.5 Energy provision and climate change

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

2.6 Energy crisis and inequality

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

2.7 Future solutions and community engagement

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

2.8 Irregular, fruitless and wasteful expenditure

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

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

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

2.9 Intergovernmental relations

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

2.10 Policing resources and community safety

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

3. Public participation

3.1 Public Input

Mr Stellar emphasised the vital role of education in enhancing health and security within communities. He pointed out that effective health and security institutions relied on a strong educational foundation. Mr Stellar shared concerns about parents' unawareness of the trauma their children faced in their communities, suggesting that this ignorance stemmed from a lack of education. He stressed that as education continues to decline, so too will community welfare. He further noted the growing impact of climate change,

asserting that education is essential for preparing youth to navigate these challenges. He concluded by highlighting that schools must be equipped to educate children on safety and resilience, regardless of the challenges they may face.

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

3.2 Response from the Department of the Premier

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

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

4. Information requested

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

5. Conclusion

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

2. **REPORT OF THE STANDING COMMITTEE ON FINANCE ON THE ANNUAL REPORTS OF THE PROVINCIAL TREASURY AND ITS ENTITY, THE WESTERN CAPE GAMBLING AND RACING BOARD, FOR THE YEAR ENDED 31 MARCH 2024, DATED 12 NOVEMBER 2024**

1. Introduction

The Annual Report programme for the 2023/24 financial year was advertised in newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.

Members of the Standing Committee on Finance (the Committee) deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management of the Annual Reports of the Provincial Treasury and its Entity, the Western Cape Gambling and Racing Board, on 21 October 2024.

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

2. Overview

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

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

The Provincial Treasury and the Board received clean audit outcomes for the 2023/24 financial year.

3. Deliberations on the 2023/24 Annual Reports

3.1 Provincial Treasury: Findings/Concerns and Observations

3.1.1 The Provincial Treasury achieved a clean audit outcome for the eleventh year in a row, which showed its commitment to managing public money responsibly and maintaining high standards in financial governments. In total, the Western Cape received unqualified audits for all its government departments and entities. The Minister further indicated that the targets which Provincial Treasury did not reach in the 2023/24 financial year were beyond their control; however, the Department was committed to reviewing those targets that were reactive and based on other actions of stakeholders.

3.1.2 A key area of focus for the year under review was the provision of support to municipalities within the Western Cape, given the challenges faced by local government, especially in terms of finances. The Provincial Treasury supported municipalities during audits and helped them to improve their financial management skills. In terms of interventions, the Provincial Treasury also supported vulnerable municipalities such as the Beaufort West Municipality and Kannaland Municipality with Financial Recovery Plans to help them overcome their financial challenges. The Beaufort West Municipality was reaping the benefits of this support as they were showing progress in respect of the various terms and conditions set out in their Financial Recovery Plan.

- 3.1.3 During the 2023/24 financial year, the Provincial Treasury dealt with fiscal constraints, especially in respect of limited funding and capacity. This meant that Provincial Treasury had to find innovative ways to continue to deliver quality services, while managing capacity. Irrespective of the challenges, the Provincial Treasury was committed to strengthening its financial governance, supporting municipalities and ensuring that every cent of public money that was spent by government brought value to the people of the Western Cape.
- 3.1.4 The Minister noted that fiscal discipline was required in a constrained budgetary environment. South Africa was sitting at just under 75% of debt to Gross Domestic Product (GDP), and this was projected to increase in the coming years. Essentially, this meant that South Africa was projecting to spend more money on debt service costs than on the actual services needed by South Africans. Furthermore, it meant that the National Treasury would have to be more careful in its consideration of where money would be spent and the amount given to provinces. The provincial equitable share formula was also based on the full pot of money that all nine provinces received. So, an increase in debt services costs had a direct impact on the different amounts of money that national departments, provinces and local government were able to receive. Although high debt to GDP was not unique to South Africa, there was a concern that the country was unable to repay its debt, so it was important to spend on items such as infrastructure that would generate future revenue, which would allow the country to repay its debt.
- 3.1.5 The provincial government did not have a credit rating; however, this was something the government could explore. In order to do this, the provincial government had to ensure that all the good governance practices were in place. The first question that provincial government would be asked was whether it was able to repay its debts. The Provincial Treasury was dabbling with the questions of how to consolidate some of its revenue and how to enhance some of their revenue sources. For example, online gambling has brought in more taxes to the Provincial Revenue Fund than traditional casinos have, which was not previously anticipated. However, online gambling was still illegal in South Africa, so there was a need to expedite the online gambling legislation, so we did not lose those gambling taxes. The taxes from this industry would go directly to provinces, which would bolster provincial budgets.
- 3.1.6 The Provincial Treasury projected a 51% population growth in the Western Cape over the next few years. This growth was directly related to “in-migration”. If the province’s GDP did not grow fast enough, there was a possibility that there would not be enough finances to service the people of the province. The Minister noted that National Treasury has taken the stance that the national fiscal envelope would remain the same, which meant that the National Treasury would not be increasing the pot of money sent to the different spheres. It was projected that there would also be an under-collection of national tax revenue. This put the provinces under immense strain after many years of budget cuts to the provincial budget. Some of these budget cuts were also imposed on conditional grants.
- 3.1.7 The Provincial Treasury assisted four municipalities (Kannaland Municipality, Beaufort West Municipality, Cederberg Municipality and Matzikama Municipality) to access Eskom’s Municipal Debt Relief Programme. This was a three-year programme that municipalities had to successfully comply with, and there were 41 conditions that had to be met, in order for the debts to be written off. All four municipalities have completed the first year of the programme.

- 3.1.8 The Provincial Treasury and the Department of Local Government (DLG) played a dual role in supporting municipalities. The DLG was the lead on infrastructure matters and there was a forensic audit unit within the DLG. The Provincial Treasury did not deal with fraud and corruption cases in respect of infrastructure projects at municipalities, as these matters were dealt with by the DLG. From a supply chain perspective, the Provincial Treasury assisted municipalities with procurement planning as this had to be a transparent process. In the case of fraud, the Western Cape Government made transfers to municipalities, and these municipalities had to report back monthly on their spending and compliance with the conditions attached to the transfers and grants. If there were concerns about financial and governance challenges in municipalities, the Provincial Treasury halted the transfer of funds to those municipalities and paid service providers directly. It was challenging to prevent fraud within municipalities because the Provincial Treasury was a small team that did not have the capacity to check all tenders and transfers within all 30 municipalities in the Western Cape. Hence, the Provincial Treasury placed emphasis on good governance and having the right governance controls and systems in place at provincial and municipal level, minimising the opportunity for fraud and corruption. The Provincial Treasury also indicated that it was important to note that although it had monitoring responsibilities over most of the municipalities within the province, the City of Cape Town (the city) was a non-delegated municipality (along with the 17 largest municipalities) according to the Municipal Finance Management Act (Act 56 of 2003), which meant that the National Treasury retained direct responsibility for the city. The Provincial Treasury partnered with its National Treasury counterparts during engagements with the city on their budget and governance matters.
- 3.1.9 The supply chain environment was a challenging area for government due to non-compliance issues. Additionally, the Provincial Treasury's Supply Chain Management (SCM) unit, who were dealing with these issues, were under pressure due to capacity constraints. There was a concern that the constrained environment could lead to making more mistakes. The Provincial Treasury noted that the Western Cape Government was the leanest government in South Africa, and there were officials that had to take on two or more job descriptions in comparison to their counterparts in other provinces. SCM was a sought-after skill, and the Western Cape Government also could not compete with the salaries offered for this skill by local municipalities and metros. This also meant that officials were being poached faster than the rate at which the provincial government could appoint them. This matter was also a challenge for the rest of the units within the Provincial Treasury due to salary offers being more competitive in other spheres of government as well as the private sector. The Provincial Treasury also had an aging staff complement, which has led to many of the resignations or retirements within the 2023/24 financial year.
- 3.1.10 In terms of public procurement, it was noted that any law or legislation that did not meet constitutional requirements was going to be challenged. The Minister confirmed that the Western Cape Government (WCG) would be challenging the Public Procurement Act (Act 28 of 2024) in court if the National Minister of Finance and/or the President of the Republic of South Africa was not willing to consult the provinces and municipalities to rectify the unconstitutional issues in the Act. One of the issues was that a big percentage of the 2017 preferential procurement regulations were incorporated into Chapter 4 of the Public Procurement Act (the Act), along with a few compulsory requirements. Firstly,

the framework included in the Act was much broader than what the meaning of the word “framework” should be in terms of the Constitution of the Republic of South Africa. The framework in the Act spoke to setting targets and requirements that should have been included in the preferential procurement policy, which was the purview of the organs of state. According to the Provincial Treasury, the framework issued by the Minister of Finance in respect of the Act usurped the obligation of the organs of state to deal with their own target settings and incentives when looking at preferential procurement. Section 217 of the Constitution empowered the procuring organs of state to have their own preferential procurement policy. Secondly, many of the matters in the 2017 preferential procurement policy made their way into the Act after the legislation had made its way through the provinces for comment. The Provincial Treasury was concerned about the processing of the Act, as the version of the Bill that was processed through the National Assembly and the National Council of Provinces was not the version of the Bill that was commented on. This meant that there was minimal time given for comments on the Bill. The Act, as assented to, was also materially changed from the version of the Bill that was commented on during the public participation process. The Provincial Treasury approached the President to discuss this matter and to propose solutions to rectify some of the issues in the Act; however, they received a response from the President indicating that he did not see any constitutional encumbrances and he subsequently referred the Provincial Treasury’s communication to the national Minister of Finance. The Minister of Finance has not responded to the Provincial Treasury on this matter.

3.2 Western Cape Gambling and Racing Board: Findings/Concerns

- 3.2.1 It was noted that the Western Cape Gambling and Racing Board (the Board) collected R1,5 billion through gambling taxes and levies for the year under review. It was reported that the gambling industry also contributed R30,7 million towards Corporate Social Investment (CSI) initiatives in areas within the Western Cape. The Board was in the process of amending certain issues relating to the licence conditions, which would allow for mandatory CSI contributions. Currently, there were CSI contributions, but this was on a discretionary basis for licence holders, specifically in the bookmaking or betting sector.
- 3.2.2 There was significant growth in the gambling industry during the 2023/24 financial year, especially in terms of online sports betting, which the Board had managed well despite resource and fiscal constraints.
- 3.2.3 In respect of challenges, the Board noted that it struggled with inadequate resources to perform its mandate, which led to duties being more taxing for the current staff complement.
- 3.2.4 The Board also struggled to achieve full financial self-sustainability and continued to struggle with the slow process of rolling out legislated gambling offerings. It was noted that the Board was a 3C Entity as listed under the Public Finance Management Act (Act 1 of 1999), which meant that it would always be dependent on some resources from the provincial fiscus.
- 3.2.5 The Board was one of the lowest remunerated entities in the Western Cape, which has impeded the Board’s ability to attract and retain the necessary skills needed to regulate and oversee the gambling industry in the province.

- 3.2.6 There was a discussion about the Board falling under the responsibility of the Department of Economic Development and Tourism instead of the Provincial Treasury, as was the case in other provinces. The Minister noted that there was no data or evidence yet to prove that it would be better for the fiscus if the Board was overseen by the Department of Economic Development and Tourism instead of Provincial Treasury.
- 3.2.7 The Board had various processes in place to ensure that the province was not susceptible to an increase in the overstimulation of gambling in the province. The Board engaged in a public participation process to inform members of the public when there was an application for a gambling licence in that specific area. This was advertised in local newspapers and local media in those areas. The Board also conducted its own research prior to the rolling out of any new type of gambling. The Board established a responsible gambling unit, which would focus on educating and creating public awareness about responsible gambling, and to advise the public about the harms related to gambling. There was a concern that the engagements with the members of the public, who were most affected by gambling harms, were not as structured as the engagements with the industry players.
- 3.2.8 In terms of illegal gambling in the Western Cape, the Board engaged in road shows, especially outside of the metro, to create awareness about illegal gambling and the role of the Board. There was a direct correlation between illegal gambling and revenue growth in the industry. If the province did not act on illegal gambling, then the revenue growth in the industry would decline. The Board had a good working relationship with the South African Police Service (SAPS), which included monthly conversations about joint operations and training sessions with designated legal offices within SAPS to assist them with identifying illegal gambling. The Board has continued to educate the members of the public about illegal gambling through community police forums.
- 3.2.9 During the year under review the Board indicated that they were waiting for funding to fill vacant posts. There was a concern that this delay could have a negative impact on the regulatory environment if the Board could not deliver on what they were mandated to do. The Board was unable to generate any revenue other than what was allowed in the Western Cape Gambling and Racing Act (Act 4 of 1996). Therefore, depending on the outcome of the request for funding, the Board has not filled any vacant posts. If the funding application was unsuccessful, the Board would need to reorganise the staffing structure to redirect staff to areas of priority. The Minister indicated that the team would be going through the budget process to see how they could best accommodate the Board on the matter of vacancies.

4. Resolutions/Actions

- 4.1 The Committee REQUESTED the following:
- 4.1.1 A detailed report from the Provincial Treasury on the Small, Medium and Micro Enterprises and the Broad-Based Black Economic Empowerment businesses that procured services from the Western Cape Government;
- 4.1.2 A detailed report from the Western Cape Gambling and Racing Board on the managing of Corporate Social Investment initiatives in respect of the different gambling licensees; and

4.1.3 A detailed report on the work the Western Cape Gambling and Racing Board was doing with respect to responsible gambling; and

4.1.4 A list of areas from the Provincial Treasury indicating where the 45 bursary holders resided in, in respect of the External Bursary Programme and the Nedbank Essay Writing Initiative.

4.2 The Committee RESOLVED the following:

4.2.1 To visit the Provincial Treasury's Procurement Client Centre; and

4.2.2 To request that the Provincial Treasury brief the Committee on their alternative financing model for maintenance in terms of infrastructure.

5. Conclusion

The Chairperson commended the Minister, the Provincial Treasury and the Western Cape Gambling and Racing Board for their excellent audit outcomes, and for their preparation and responses to questions raised by the Committee members.

3. Report of the Standing Committee on Health and Wellness on the Annual Report of the Department of Health and Wellness for the 2023/24 financial year

The 2023/24 strategic objectives of the WCPP linked to the Speaker's priorities, which have an impact on committees, are as follows:

Priority 1: Building a credible WCPP; and
Priority 3: Strengthening the core business.

The Standing Committee on Health and Wellness, having deliberated on the Annual Report of the Department of Health and Wellness for the year ended 31 March 2024, reports as follows:

1. Introduction

The Western Cape Provincial Parliament's (WCPP) Annual Report programme for the 2023/24 financial year was advertised in newspapers, as well as the WCPP's social media platforms, inviting stakeholders and members of the public to attend and participate in the discussions.

The Standing Committee on Health and Wellness (the Committee) deliberated on the Annual Report of the Department of Health and Wellness on 18 October 2024, as part of its oversight function. The Minister and the Head of Department were allowed to make opening remarks.

The Department was examined on:

Part A: General Information,

Part B: Departmental Performance Information; and

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

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

2. Overview

The Minister of Health and Wellness, Ms. MM Wenger, gave an overview of the performance of the Department during the 2023/24 financial year.

The Minister reported that the Department started the 2023/24 financial year with a substantial decrease to the baseline budget that was later compounded by inflationary pressures and the increase in the wage bills which placed unprecedented strain on the Department's finances. In response, the Department implemented widespread cost-cutting measures, including renegotiating contracts with suppliers and temporarily freezing new positions. These measures were necessary to ensure the continued delivery of essential healthcare services amidst fiscal constraints.

Dr. K Cloete, the Head of Department (HOD) also reported that in the financial year under review, the Department faced significant reductions in budget allocations, resulting in system-wide cost-cutting measures which in turn placed significant pressure on clinical and corporate services. The HOD emphasised that navigating these challenges requires resilience, adaptability, connectedness, and a unifying vision and the Department is fortunate to have all these capabilities.

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

- 3.1 During the 2023/24 financial year, the Department started the year with its sixth consecutive clean audit, a remarkable achievement that speaks to its commitment to good governance.
- 3.2 The Department reported that during the financial year under review, it has celebrated several achievements, among others, a groundbreaking telemedicine project between George Regional Hospital and Groote Schuur Hospital.
- 3.3 Additionally, the Department celebrated the establishment of youth zones in 17 health facilities in the Garden Route, the establishment of a Violent Prevention Unit, the strengthening of world-class transplant services, and the construction of a new orthopaedic ward at the Red Cross War Memorial Children's Hospital.
- 3.4 The Department reported that the primary health care platform, which is the main point of entry into the health platform, had 18 million contacts, 178 004 learner contacts in schools, and the Department delivered 3.1 million medication parcels to the patients through the Chronic Dispensing Unit.
- 3.5 In the 2023/24 financial year, the acute hospitals saw a combined 528 070 inpatient separations, 1 523 914 outpatients, and 1 013 154 emergency patients.
- 3.6 During the year under review, the emergency medical services attended to 471 958 primary cases across the Province, while the Forensic Pathology Services managed 11 668 cases.
- 3.7 The Department ended the financial year under review with a revenue surplus of R52. 314. It reported that patient fees are the main source of income and are charged as per the Uniformed Patient Fees Schedule (UPFS), which is determined by the National Department of Health.

- 3.8 The Department mentioned that delays in filling posts have negatively impacted the service platform leading to longer waiting times for patients and decreased staff morale
- 3.9 It was reported that substance abuse treatment beds at Stickland Hospital were reduced by 26 beds, leaving only 10 beds for alcohol rehabilitation and opioid detoxification.
- 3.10 Additionally, the Metro TB Hospital Complex has shut down 80 beds at DP Marais Hospital.
- 3.11 The Department reported that the Salt River Forensic Pathology Laboratory closed earlier than anticipated in October 2023, due to rapid infrastructure deterioration.
- 3.12 Thirty Transitional Care beds have been operationalised at Sonstraal Hospital, which provides significant relief to Paarl Regional Hospital.
- 3.13 It was reported that George Hospital is implementing a rapid assessment and treatment system to reduce waiting times for minors at the Emergency Centre.
- 3.14 During the financial year under review, proposals for infrastructure changes at Ceres Hospital and Worcester Community Day Centre have been approved.
- 3.15 The Department mentioned that unsuccessful bidders are challenging awards more frequently and aggressively, and this situation negatively impacts available resources and staff due to the significant increase in complaints.
- 3.16 It was reported that the inability to fill certain key positions at the Tygerberg Hospital due to financial constraints has led to longer waiting times, exacerbated service pressure, and also resulted in moral injury and burnout among some staff and steps taken to address this challenge include; the hospital is focusing on service redesign in line with provincial guidance, to ensure coordinated and improved service delivery within limited budget.
- 3.17 In addition, revenue-generation initiatives are being implemented to supplement government funding for services.
- 3.18 The Department mentioned that the number of neonatal deaths during the financial year under review was more than expected, however, neonatal deaths have been decreasing over the last four financial years.
- 3.19 Scarce skills identified during the 2023/24 financial year remain nursing specialists, radiography specialists, sonography and nuclear medicine, forensic pathology specialists, technicians, and engineers.
- 3.20 It was reported that a total of 188 non-citizens with permanent residence in the Republic of South Africa have been appointed within the Department and the nature of the appointment is seasonal, periodic, abnormal, and admin interns are not included. Non-citizens are appointed in critical scarce skills positions.

4. Public input

The Committee allowed members of the public to give input during the meeting. Ms. Kiewiets and Mr. Sylvester from the Klipfontein Community Health Forum and Mr. Pito, from the Kraaifontein Health Forum gave input and asked questions during the meeting. The Department duly responded and gave clarity to all questions posed.

5. Recommended that:

Companies that are blacklisted doing business with the government should be picked up with due diligence and that should apply to all tenders in the Western Cape.

6. Request for information

The Committee requested the Department to submit the following information by Friday, 8 November 2024:

- 6.1 A list of 47 clinics in rural areas where hybrid solar systems (inverters plus batteries) were installed during the 2023/24 financial year. (The Committee received this information during the Annual Report meeting).
- 6.2 Comprehensive information and a list of bidders who were unsuccessful and are currently challenging the awarded contract by the Department during the financial year under review, including the reasons cited by the bid challengers.
- 6.3 The number of staff members who have resigned from the Department during the 2023/2024 financial year, along with the reasons for these resignations, particularly at the lower levels. Additionally, what plans are in place for staff retention within the Department?
- 6.4 Comprehensive list of Clinic Committees and Hospital Boards that are currently operational and those that are not.
- 6.5 Report on the closure of the Mbekweni Health facility.
- 6.6 Detailed information on the steps the Department has taken to prevent mid-year budget cuts and what is the Department doing to prevent undercut. In addition, the Committee requested information on the impact of the budget cuts on the overall health services.
- 6.7 Detailed information on the process followed to award a tender to a company by the name of LBC Multiserv despite not being registered for VAT or PAYE, how this occurred, and what due diligence processes followed when awarding tenders and whether the Department could not pick up these discrepancies? The same explanation should be provided regarding the tender process for the TCC company.

7. Conclusion

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

4. Report of the Standing Committee on Education on the Annual Report of the Western Cape Education Department for the 2023/24 financial year

The 2023/24 strategic objectives of the WCPP linked to the Speaker's priorities, which have an impact on committees, are as follows:

Priority 1: Building a credible WCPP; and
Priority 3: Strengthening the core business.

The Standing Committee on Education having deliberated on the Annual Report of the Western Cape Education Department for the year ended 31 March 2024, reports as follows:

1. Introduction

Annual reports are key instruments for departments to report on performance measured against performance targets and budgets as outlined in the strategic plans and annual performance plans of departments. The Standing Committee on Education deliberated on the Annual Report of the Western Cape Education Department (hereinafter the WCED or the Department) on 16 October 2024 as part of its oversight function.

The Western Cape Provincial Parliament's Annual Report Programme for the 2023/24 financial year was publicised in newspapers. Stakeholders and members of the public were invited to attend and participate in the discussions. Before proceeding to the deliberations on the Annual Report, the Minister and the Head of Department were given the opportunity to make opening remarks.

The Department was examined on:

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

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

2. Overview

The Minister of Education, Hon D Maynier, together with the Head of the Department, Mr B Walters, provided an overview of the successes and challenges faced by the WCED during the 2023/24 financial year. The Minister and HOD highlighted both challenges and innovative changes in the 2023/24 Annual Report of the Western Cape Education Department (WCED).

Minister Maynier reflected on his main budget speech of 29 March 2023, highlighting the initial optimism and ambitious plans for education in the province. He mentioned that the WCED is the largest budget allocation for any department in the province, aimed at reversing learning losses, expanding access to education, and improving support for learners with special needs. However, he noted that these plans were significantly impacted by unprecedented mid-year budget cuts, which constrained the department's ability to deliver on its vision of providing quality education for every child in the Western Cape.

Mr Walters emphasised the unprecedented nature of the mid-year budget cuts, which he had never experienced in his long tenure. Despite these challenges, he highlighted the department's achievements, including the highest budget allocation of 30.3 billion Rand across seven programmes and a 99.9% budget expenditure. He also mentioned the ambitious infrastructure programmes and the positive learning outcomes post-COVID. Mr Walters concluded by noting the department's unqualified audit with findings and expressed confidence in their efforts to manage the growing education system under significant pressure.

3. Key points of discussion of the Annual Report

- 3.1. The WCED emphasised the importance of the Safe Schools Programme, which focuses on the safety of learners, teachers, and school property. The department relies on many stakeholders to ensure school safety and has established strong partnerships with both local and provincial governments.
- 3.2. The WCED reported that the over-collection of departmental receipts for 2023/24, amounting to R35.746 million is mainly due to a refund collected from the Early Childhood Development Employment Stimulus relief funds. These funds were initially paid by the Department of Social Development (DSD) to Non-Governmental Organisations (NGOs) for unemployment risk support to Early Childhood Development Centres (ECDs) and were transferred to the WCED following the transfer of the ECD function.
- 3.3. The matter concerning the Blue Network Consortium, which was considered irregular by SITA, was discussed by the National Assembly's Portfolio Committee on Communication.
- 3.4. The inclusion of homeschooling and other alternative education models as part of the broader strategy to meet educational demands was also discussed.
- 3.5. The Committee highlighted policy enablers with an emphasis on "doing more with less" and prioritising sectors and intervention.
- 3.6. The proposed strategy for expedited employment generation in the Western Cape includes a comprehensive approach that facilitates entrepreneurship and investment through proactive policies, capitalises on the province's inherent advantages, and positions it favourably for forthcoming industries. The Committee raised the importance of this strategy and how this could benefit learners.
- 3.7. The Committee discussed the Back OnTrack programme which is the largest learning recovery programme in the country. This programme targets learners in Grades 1-3, 4, 7, 8, 10, and 12 in schools most in need of support based on their Systemic Testing Programme results.
- 3.8. Details of infrastructure development projects, including renovations and maintenance, were discussed, with an emphasis on the importance of BEE (Broad-Based Black Economic Empowerment) rankings of service providers.
- 3.9. The WCED was encouraged to publicise its strategic planning and initiatives to attract public and investor awareness.

- 3.10. The importance of municipalities identifying and preparing land for new school developments was discussed, including the potential for shared use with other departments and community organizations.
- 3.11. The Committee raised its concerns about the safety and roadworthiness of vehicles used for learner transport and the impact of transport cancellations on rural communities, especially related to the Morrisdale Primary School matter. This prompted further discussion on the Learner Transport Scheme and the policy framework.
- 3.12. The WCED reported the impact of budget cuts on various programmes, including the Rapid School Build programme and the Schools of Choice project. Specific expenditures on professional services, external examinations, and special projects were scrutinised.

4. Public comments

The Committee allowed members of the public to give input on the Annual Report of the WCED. Ms N Ely, a member of the public, Mr T Smith, a member of the Special Action Committee Education, Mr F Hunter, a member of the Athletics for Community Transformation, and civil society gave their input. The Minister and the Head of the Department duly responded to the issues raised by all members of the public.

5. Resolutions

The Committee RESOLVED that:

- 5.1. The World Bank be invited to brief the Committee on its Strategy in South Africa.
- 5.2. The WCED be invited to brief the Committee on its entire education funding model, including how resources are allocated and budgeted.
- 5.3. The WCED and the Department of Basic Education be invited to brief the Committee on the quintile system, which needs to be evaluated and maybe reformed to guarantee a more equitable distribution of resources, especially for schools in underprivileged areas.
- 5.4. The WCED to brief on the underperforming of schools, including an analysis of the plans for school improvement plans and the approach the WCED has taken to raise the performance of those schools.
- 5.5. The WCED to brief on the Safety Ambassadors programme. The Committee recommended that the WCED should enhance safety measure in schools by including better coordination with local law enforcement and community safety programmes with other provincial departments.
- 5.6. Based on input from the WCED and other agencies, the Committee should investigate other transversal educational models that incorporate Community Safety, DSD, and Health.
- 5.7. The committee should conduct an oversight visit to Witzenberg to assess the Learner Transport Scheme, with a focus on Morrisdale Primary School. Additionally, the Committee should be briefed by the WCED on the

roadworthiness and safety of the vehicles used for learner transportation, as well as the effects of transportation cancellations on rural communities.

- 5.8. Regarding the quintile system, the Committee resolved to consult with the National Assembly's Portfolio Committee on Education. Considering the matter has been brought up numerous times, the Committee would also discuss the quintile matter with the chairpersons of the Portfolio Committees of Education in other provinces. Then possibly raise this matter as a collective.
- 5.9. The Committee would engage with the WCED and municipalities around identifying and preparing land for new school developments, placement of schools, zoning and ensuring land use rights are in place to facilitate investment.

6. Request for Information

The Committee REQUESTED the WCED to provide the following information:

- 6.1. A report on Blue Network Consortium's R1.2 billion tender, which the State Information Technology Agency (SITA) deemed to be irregular in terms of supply chain management.
- 6.2. The technical report on each district's pass rate.
- 6.3. The examination's diagnostic report focused on the areas in which schools had performed poorly. The examination expenses, which comprise a thorough analysis of the costs of external exams, including those related to professional services, grading, and security precautions, should also be included in the report.
- 6.4. The strategies for school improvement of the underperforming schools, or an example of one.
- 6.5. A report on the issues raised regarding the learner transport at Morrisdale Primary School.
- 6.6. The results of the 20 independent schools (illegal schools) that were investigated for non-compliance. These results should include a full report of the areas, schools' names and number of learners at those schools.
- 6.7. A report on the infrastructure matter at the Sir Lowry's Pass High School.
- 6.8. A report on the contractor tender matter relating to the Manenberg School of Skills School.
- 6.9. A list and the status of court cases that the WECD is involved with, including Mr Neumann's case.

7. Conclusion

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

5. Report of the Standing Committee on Local Government, Environmental Affairs and Development Planning on the Annual Report of the Department of Local Government for the 2023/24 financial year.

The Standing Committee on Local Government, having deliberated on the Annual Report of the Department of Local Government for the 2023/24 financial year, reports as follows:

1. Introduction

The Annual Report of the Department of Local Government (the Department) for the financial year ended 31 March 2024 was tabled on 18 September 2024 in accordance with section 65(1)(a) of the Public Finance Management Act, 1999 (Act 1 of 1999), as amended.

As part of its oversight function, the Standing Committee on Local Government, Environmental Affairs and Development Planning (the Committee) deliberated on the Annual Report of the Department on 11 October 2024. Annual reports are the key instruments for departments to report on performance measured against their performance targets and budgets as outlined in their strategic plans and annual performance plans. In addition, hereto, it accounts for the success of each programme that was implemented.

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

The Annual Report Programme for the 2023/243 financial year was advertised in newspapers to invite stakeholders and members of the public to attend and participate in the discussions.

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

The Committee proceeded to engage with the Department by asking questions on Parts A, B and D of the Annual Report. All questions were satisfactorily answered, and the Committee was satisfied that the Department achieved its predetermined objectives for the 2023/24 financial year and that it was accurately reported on.

2. Overview

The country's economy has been on a recovery path following the severe impact of COVID-19, with municipalities, being closer to the people, feeling the effects more acutely. Recognizing the need to safeguard service delivery, the Department has made significant strides in supporting municipalities to fulfill their mandates, yielding positive results.

Key achievements include:

Financial Stability: According to Ratings Africa's financial sustainability index, five of the most financially stable municipalities in the country are in the Western Cape. This index, which tracked the financial performance of 104 of the largest municipalities and

all eight metros for the year ending June 2022, highlights these municipalities' strong financial policies, long-term strategies, budgetary processes, financial control, and revenue collection, even under challenging economic conditions.

Audit Outcomes: The Auditor-General South Africa's report on the 2021/22 municipal financial year shows that the Western Cape accounts for 19 out of 38 municipalities in South Africa that received clean audit outcomes. While clean audits do not directly reflect service delivery, they demonstrate the Province's and municipalities' commitment to financial and administrative practices that comply with relevant laws and regulations, forming a solid foundation for effective service delivery.

These accomplishments underscore the Department's ongoing efforts to support municipalities and ensure efficient service delivery that benefits communities.

The Annual Report outlines the Department's performance for the 2023/24 financial year, achieving 97% of its targets and partially achieving 3% due to reasons detailed in the following sections. Despite significant financial pressures and budget cuts, the Department successfully navigated these challenges to fulfil its mandate. The unwavering commitment of senior management and staff is commendable, as evidenced by the eleventh consecutive unqualified audit.

To address service delivery challenges in a constrained fiscal environment, the Department partnered with municipalities, providing necessary resources to ensure the provision of basic services. Efforts to secure additional infrastructure financing were enhanced, with the French and Swedish governments joining the Sustainable Infrastructure Development and Financial Facility. This program aims to raise grant funding for catalytic infrastructure projects in municipalities, laying a strong foundation to attract potential funders.

In response to global water scarcity, the Province developed a 15-year Western Cape Integrated Water Resource Plan. This plan aims to ensure sustainable water resource management and guide the Province's response to water security.

The 2023 Blue Drop, Green Drop, and No Drop report, released by the National Department of Water and Sanitation in December 2023, highlights the outstanding performance of the Western Cape Water Services Authorities. They emerged as overall winners, excelling in all categories related to drinking water quality and water resource management. The Blue Drop and Green Drop certification programs, administered by Water Services Authority South Africa, aim to enhance water quality.

Climate change is an urgent reality, necessitating a shift from traditional methods to innovative survival strategies. In 2023, the Province faced a series of severe weather-related incidents, including heavy rains, gale-force winds, and sea surges, which led to significant flooding and infrastructure damage. The Province's resilience in these disasters can be credited to substantial investments in disaster management systems, which facilitated the coordination of multi-sectoral response plans.

The energy crisis has significantly impacted service delivery and business operations. Over the past year, the Department has supported municipalities through the Emergency Loadshedding Relief Grant, ensuring the operation of water reservoirs and Wastewater Treatment plants. Additionally, municipalities received technical advisory services, developed response strategies, and assessed key infrastructure components.

To better manage and mitigate the effects of load-shedding on essential services and the provincial economy, the Department is prioritizing several initiatives. These include exploring alternative energy generation, supporting municipalities with Energy Master Plans, and promoting load-shedding free towns.

Addressing the challenges faced by local governments, which are the first point of contact for communities, requires a united and swift response from all stakeholders to ensure efficient service delivery that benefits everyone.

The Department emphasized their efforts in Integrated Governmental Relations, particularly through the Joint District and Metropolitan Approach. By working closely with municipalities, they have identified catalytic projects and collaborated to minimize overlap and duplication.

3. Resolutions

The Committee RESOLVED to:

- 3.1 Invite the City of Cape Town to brief the Committee on the measures they have implemented to ensure that the water supplied to households is safe and of high quality as well as how they ensure that the water quality along the coastline, Milnerton Lagoon, and the Diep River meets national standards.; and
- 3.2 Request the Department to brief the Committee on their strategy to address the issue of aging infrastructure in municipalities, with a particular focus on the risks in the energy sector and water management, and the measures to mitigate these risks effectively.

4. Information requested

The Committee REQUESTED that the Department provides the Committee with:

- 4.1 The number per year of all sexual harassment cases and grievances in the Department since 2016 and whether they have been resolved;
- 4.2 A copy of the strategy to curb vandalism at municipalities and information on the Rapid response teams;
- 4.3 A list of the projects that were implemented through the Joint District and Metro Approach and the municipalities that benefitted;
- 4.4 A list of the municipalities that were provided with technical and administrative support on all ICT and GIS-related programmes;
- 4.5 A list of all vacancies including critical posts from 1 April 2023 to 31 October 2024 highlighting when the vacancy occurred, when the vacancy was filled and how long the post was vacant; and
- 4.6 Detailed reasons for the funds unspent by the Entity in respect of conditional grants and earmarked funds received as reflected in the cases on pages 71, 72 and 73.

5. Conclusion

The Committee expressed concern over the challenges in retaining and recruiting staff due to salary scales, recognizing the risk this poses to service delivery. The Committee encourages the Department to make representations at MINMEC to address this issue.

The Committee congratulated the Department on their performance for the 2023/24 financial year, wherein they achieved 97% of their planned indicators. The Committee further highlighted that it took note that the Department achieved its eleventh consecutive unqualified audit opinion without findings.

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

6. Report of the Standing Committee on Local Government, Environmental Affairs and Development Planning on the Annual Reports of the Department of Environmental Affairs and Development Planning and CapeNature for the 2023/24 financial year.

The Standing Committee on Local Government, Environmental Affairs and Development Planning having deliberated on the Annual Reports of the Department of Environmental Affairs and Development Planning and CapeNature for the 2023/24 financial year, reports as follows:

1. Introduction

The Annual Reports of the Department of Environmental Affairs and Development Planning and CapeNature for the financial year ended 31 March 2024 was tabled on 30 September 2024 in accordance with section 65(1)(a) of the Public Finance Management Act, 1999 (Act 1 of 1999), as amended.

As part of its oversight function, the Standing Committee on Local Government, Environmental Affairs and Development Planning (the Committee) deliberated on the Annual Reports of the Department and CapeNature on 14 October 2024. Annual reports are the key instruments for departments to report on performance measured against their performance targets and budgets as outlined in their strategic plans and annual performance plans. In addition, hereto, it accounts for the success of each programme that was implemented.

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

The Annual Report Programme for the 2023/243 financial year was advertised in newspapers to invite stakeholders and members of the public to attend and participate in the discussions.

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

The Committee proceeded to engage with the Department by asking questions on Parts A, B and D of the Annual Report. All questions were satisfactorily answered, and the Committee was satisfied that the Department achieved its predetermined objectives for the 2023/24 financial year and that it was accurately reported on.

2. Department of Environmental Affairs and Development Planning

Overview

The world is facing unprecedented environmental pressures and grappling with the risks of climate change. The 2023 World Economic Forum's Global Risk Report identifies the top four global risks for the next decade as failure to mitigate climate change, failure to adapt to climate change, natural disasters and extreme weather and biodiversity loss and ecosystem collapse.

In the Western Cape, these risks have manifested in significant events:

- Infrastructure Damage: R3,5bn worth of infrastructure was destroyed in two flooding events in June and September 2023.
- Coastal Damage: Extensive damages along the coastline due to storm surges.
- Fire Season: An extremely busy fire season in 2023-2024, with over 135,000 hectares of veld burned, stretching firefighting resources to their limits.

Climate change is a pressing reality for South Africa and the Western Cape, with predictions indicating a hotter, drier province, and more extreme droughts and floods. The Department of Environmental Affairs and Development Planning addresses long-term environmental dynamics and future development planning. Effective planning and enforcement of environmental laws are crucial to prevent escalating natural disasters and protect remaining biodiversity. Without ecologically sensitive development, the region risks continuous natural disasters.

Under the leadership of Minister Bredell and the Senior and Middle Management team, the Department successfully continued its services and achieved its targets in 2023/24 despite significant challenges. The focus was on key enablers of the Western Cape Government's Growth for Jobs Strategy and the One Health approach, addressing Wellbeing and Safety priorities.

Despite budget cuts impacting operational efficiencies, the Department strategically aligned with the Growth for Jobs (G4J) and One Health initiatives to maintain efficiency. Continuous improvement processes ensured the Department's ability to meet its mandates and strategic priorities, with highly competent public servants delivering services directly to citizens.

Efforts to enhance productive efficiencies included leveraging Communication and Information Technology improvements for cost-effective service delivery. The progress made in various programmes and strategies during 2023/24 has established a strong foundation for advancing the Growth for Jobs Strategy and other Provincial recovery plan priorities.

These strategies aim to sustain the Department's ability to meet its mandates and deliver on strategic priorities effectively. The Department achieved over 90% of its targets for the year.

3. CapeNature

The year under review marks the fourth year of the five-year strategic cycle. As with the previous two years, CapeNature achieved all targets outlined in the Annual Performance Plan. These targets encompass activities relevant to our biodiversity conservation mandate and the creation of opportunities for the people of the Western Cape.

In fulfilling our primary conservation responsibilities, CapeNature provide employment opportunities and contribute to the economy, particularly in remote areas with limited economic prospects. Revenue generated through ecotourism and nature-based experiences is crucial for our sustainability. Tourism income was increased by 7% year-on-year, driven by a rise in day and overnight visitors to its nature reserves.

CapeNature is constitutionally mandated to conserve the biodiversity of the Western Cape, which includes diverse habitats such as parts of the Karoo, protected marine and coastal reserves, numerous islands, rivers, estuaries, and the Cape Floral Kingdom.

CapeNature's conservation efforts, as prescribed by the Constitution, include:

- **Conserving Biodiversity:** It includes the Cape Floral Kingdom. This smallest plant kingdom in the world, covering only 0.04% of the Earth's landmass, boasts around 9,000 to 10,000 species, many of which are found nowhere else.
- **Sustainable Biodiversity Economy:** This involves developing a sustainable biodiversity economy so that everyone can derive benefits from our natural heritage.
- **Climate Change and Water Resilience:** Addressing climate change and water resilience is crucial to mitigate water shortages by managing catchment areas, often infested with alien vegetation. Effective catchment management also aids in fire management, a significant issue in the Cape.

CapeNature managed to spend 97% of their total budget on an accrual basis and 97% on a cash basis. The slow economic growth and resultant reductions to the Medium-Term Expenditure Framework (MTEF) allocations required them to utilize savings from generated income to ensure that service delivery was not impacted. CapeNature's work is critical for both current and future generations.

4. Resolutions

The Committee RESOLVED:

- 4.1 That the Department and CapeNature consider increasing their collaboration with the Expanded Public Works Programme to create job opportunities and alleviate poverty, particularly in rural and remote areas of the Western Cape; and
- 4.2 That the Procedural Officer gather information on whether a briefing was conducted on the Environmental Commissioner and to provide an update on the status.

4. Conclusion

The Committee commended the Department for their performance during the 2023/24 financial year. The Department received an unqualified audit opinion and successfully achieved over 90% of their planned targets.

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

7. Report of the Standing Committee on Local Government, Environmental Affairs and Development Planning on the oversight visit to Stony Point Penguin Sanctuary in Betty's Bay.

The Standing Committee on Local Government, Environmental Affairs and Development Planning having conducted an oversight visit to Stony Point Penguin Sanctuary in Betty's Bay, on Tuesday 6 November 2024, reports as follows:

1. Stony Point African Penguin Sanctuary

1.1 Introduction

The Betty's Bay Marine Protected Area (MPA) and Stony Point Colony are integral parts of the Kogelberg Nature Reserve Complex. The MPA were initially proclaimed under the Sea Fisheries Act (1973) and re-proclaimed in December 2000 under the Marine Living Resources Act (No. 18 of 1998) and managed under the National Environmental Protected Areas Act since June 2014.

Stony Point Penguin Sanctuary was established in 1982 to protect the growing colony of African Penguins and is now home to one of the largest breeding colonies of African Penguins in the world. Managed by CapeNature, this sanctuary offers a unique opportunity to observe these endangered birds in their natural habitat.

1.2 Key Features:

1.2.1 African Penguin Colony: The sanctuary hosts a thriving colony of African Penguins, providing visitors with close-up views via a thoughtfully constructed boardwalk that minimizes disturbance to the penguins. Known for their distinctive braying call, these penguins are small, standing about 45 cm tall and weighing around 2.5 kg. They are excellent swimmers and divers, feeding on small fish and squid.

1.2.2 Biodiversity: In addition to penguins, the sanctuary is home to several species of cormorants such as Bank, Cape, Crowned, and White-breasted, Hartlaub's Gulls, Kelp Gulls, and the Rock Hyrax (Dassie).

1.2.3 Historical Significance: The site was previously used as a whaling station known as the Waaygat Whaling Station in the early to mid-1900s, and remnants of this history can still be seen.

1.2.4 Visitor Experience: The sanctuary provides an educational and immersive experience, attracting tourists who contribute to the local economy through entrance fees and spending at nearby facilities.

1.2.5 Economic Value: The total tourism value of penguin colonies, including Stony Point, was estimated to be R613 million in 2023.

1.2.6 **Breeding Success:** The sanctuary has shown a measurable increase in breeding pairs, contributing to the conservation of the African Penguin.

1.2.7 **Public Awareness:** Educational programs and visitor engagement help raise awareness about the importance of conserving these endangered birds. Visitors can enjoy a boardwalk that winds through the colony, allowing close-up views of the penguins without disturbing them. Informational boards along the way provide insights into the penguins' breeding cycle, the threats they face, and ongoing conservation efforts

1.3. Challenges:

It was highlighted that Stony Point Penguin Sanctuary are faced with the following challenges:

1.3.1 **Climate Change:** Rising temperatures and changing weather patterns are impacting the penguins' habitat and food sources.

1.3.2 **Habitat Loss:** Coastal development and human activities have diminished the natural breeding grounds for penguins. However, efforts such as providing artificial nests, brush packing, vegetation rehabilitation, and removing abandoned eggs and chicks for rearing at Southern African Foundation for the Conservation of Coastal Birds (SANCCOB) are helping to mitigate this issue.

1.3.3 **Overfishing:** The depletion of fish stocks, particularly sardines and anchovies, which are primary food sources for the penguins, has led to food scarcity.

1.3.4 **Pollution:** Oil spills and plastic pollution pose significant threats to the health and survival of penguins.

1.3.5 **Predation:** Natural predators and introduced species, such as domestic dogs and cats, can harm the penguin population.

1.3.6 **Marine Predation:** Efforts include sending recovered carcasses to SANCCOB for predation confirmation and addressing seal predation behaviour.

1.3.7 **Food Shortage:** Monitoring data on food shortages and supporting the expansion of fishing exclusion zones.

Despite these challenges, collaborative conservation efforts by organizations like CapeNature, SANCCOB, and World Wildlife Fund-SA (WWF-SA) are making a positive impact through medical care, habitat restoration, and community engagement.

1.4. Site investigations

The Stony Point Colony is currently undergoing a series of site investigations to explore potential expansion opportunities. These investigations are being conducted on properties located to the west and east of the existing fenced colony area. Once the findings from these investigations are compiled, they will be presented to the Stewardship Review Committee. Following this review, discussions with the Overstrand Municipality will take place to address the transfer and management of the land.

The Standing Committee on Local Government, Environmental Affairs, and Development Planning has unanimously agreed in principle to support the expansion of the Stony Point Colony Sanctuary.

2. On the Edge Restaurant

2.1 Introduction

The closure of the Highlands Forest Station marked a significant turning point for many families. As the station shut its doors, the Municipality stepped in to relocate the affected families, leading to the establishment of Mooi Uitsig. This small community, consisting of 42 families, became home to 120 adults and 40 children. The breadwinners in these families found employment as domestic workers, cleaners, gardeners, or municipal workers in nearby towns.

In 2007, the national Department of Tourism (NDT), in partnership with Overstrand Municipality and Casidra, initiated a project to support the community. That same year, commercial rights were granted to the community, laying the groundwork for future development.

The Mooi Uitsig Community Trust was officially established, with its statutes approved by the Master of the High Court on 6 January 2012. The Trust aimed to utilize its resources and property for the social and economic benefit of its beneficiaries, who were the 42 households residing in Mooi Uitsig for over five years at the time of the Trust's establishment.

By December 2014, the community was ready to open its doors to clients. CapeNature took over the management of Stony Point on 1 July 2014, and the restaurant was officially launched and handed over to the community on 10 April 2015. However, the journey was not without its challenges.

The trustees, who were general workers, gardeners, housewives, and domestic workers, had no prior experience in managing a business. The community, eager to see results, grew frustrated as tangible benefits remained elusive seven years after the project's inception.

2.2 Key Changes

In October 2015, CapeNature stepped in and played a crucial role in supporting the Mooi Uitsig community, especially during a challenging period. They aided in various ways:

2.2.1 Community Meetings: CapeNature facilitated regular community meetings to ensure open communication and address concerns. These meetings helped rebuild trust and foster a sense of unity.

2.2.2 Election of New Trustees: They supported the election of new trustees, which brought fresh perspectives and renewed commitment to the Trust's goals.

2.2.3 Ground-Truthing: CapeNature conducted a thorough assessment to identify what was wrong and what needed to be put in place. This "ground-truthing" process was essential for creating an effective action plan.

- 2.2.4 Action Plan Implementation: They helped develop and implement a comprehensive action plan to address the community's needs and challenges. This plan included specific steps and timelines to achieve tangible results.
- 2.2.5 Capacity Building: CapeNature focused on building the capacity of the trustees and community members. This involved training and education to help them understand their roles and responsibilities better.
- 2.2.6 Service Level Agreements: They assisted in establishing service level agreements with all service providers, ensuring that the community met legal and operational standards.
- 2.2.7 Legal Compliance: CapeNature helped the community achieve legal compliance in various areas, including SARS, HR, health and safety, and financial management. Regular audits were conducted to maintain transparency and accountability.
- 2.2.8 Support for Community Projects: They provided support for various community projects, including student excursions, vouchers, and assistance for funerals. This support helped improve the overall well-being of the community.

Through these efforts, CapeNature significantly contributed to the stabilization and growth of the Mooi Uitsig community, helping them move towards a more sustainable and prosperous future.

2.3 Achievements

The efforts began to bear fruit. Trustees were capacitated and gained a clear understanding of their roles and responsibilities. Service level agreements were established with all service providers, ensuring legal compliance in areas such as SARS, human resources, health and safety, and financial statements, which were audited regularly. The community's hard work was recognized when they entered the Premier's awards in 2017 and received GIZ Tourism relief funding in 2020.

The Trust supported the community with vouchers, student excursions, and assistance for funerals. Annual general meetings were held, and the community received visits from organizations like WWF-SA, United Nations Development Programme, and various government officials, including Ms T Xasa, the then Minister of Tourism, Mr A Bredell, Minister of Local Government, Environmental Affairs and Development Planning and Provincial Treasury.

Through perseverance and support, Mooi Uitsig transformed from a community in distress to one that could proudly showcase its achievements and look forward to a brighter future.

3. Resolutions

The Committee RESOLVED to programme a follow up meeting with CapeNature and the Overstrand Municipality on the progress of site investigations to explore potential expansion opportunities and the transfer and management of the land identified.

4. Conclusion

The committee expressed their sincere appreciation for the outstanding support CapeNature provided to the Mooi Uitsig community and noted their dedication and efforts and the significant impact it made. The Committee also wish them all the success with the management of On the Edge Restaurant and may this new venture bring prosperity and joy to the community. Congratulations on this well-deserved achievement!

8. REPORT OF THE STANDING COMMITTEE ON MOBILITY ON THE ANNUAL REPORTS OF THE WESTERN CAPE MOBILITY DEPARTMENT AND THE GOVERNMENT MOTOR TRANSPORT FOR THE YEAR ENDED 31 MARCH 2024, DATED 12 NOVEMBER 2024

1. Introduction

The Annual Report programme for the 2023/24 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 Mobility deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management of the Annual Reports of the Western Cape Mobility Department and the Government Motor Transport, on 17 October 2024.

2. Overview

The Committee considered the Annual Reports of the Western Cape Mobility Department (the Department) and the Government Motor Transport (GMT).

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

In the year under review, the Department received an unqualified audit opinion.

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

3. Deliberations on the 2023/24 Annual Reports

3.1 The Western Cape Mobility Department: Observations and Findings/Concerns

3.1.1 During the year under review, the Western Cape Mobility Department (the Department) noted that there were several challenges in respect of providing transport services. The growing population in the Western Cape was a challenge. Whilst the provincial population grew by 28% according to the recent census, the vehicle population also grew by 28%, which placed pressure on the provincial government to provide sufficient public transport. The vehicle and population growth also placed pressure on the system in terms of private vehicle congestion. The increase in population resulted in an increase in goods and services, so increased freight costs were largely due to the amount of freight that was being transported within the province. These challenges had a knock-on effect, as the

Department played a regulatory role in these areas, which impacted negatively on the issuing of motor vehicle licenses.

- 3.1.2 The regulation of vehicles and freight movement, in addition to the increase in congestion and pressure on the roads, led to more frustration on the roads. This impacted negatively on road safety, as people seemed to become more irresponsible because of their frustration. This frustration, in turn, seemed to result in behaviour that led to more accidents and fatalities on the roads.
- 3.1.3 As much as the vehicle and population growth was a challenge, the Department wanted to support economic growth in the province. To do so, the Department wanted to focus on reducing costs, especially in freight movement, but specifically in public transport to encourage access to these services for work opportunities, social events and community activities.
- 3.1.4 The Department was affected by fiscal constraints, which in turn impacted public transport users in respect of affordable transport and accessibility. The Department was also concerned about its ability to provide more public transport services with the province's growing demand. Additionally, there were further constraints because the maintenance budget for roads were at times diverted to disaster management initiatives.
- 3.1.5 The Department was further impacted by rapid urbanisation in the province. Cape Town was named the ninth most congested city in the world, which led to long travel times, a reduction in productivity, and a reduction in access to transport because as urban spaces expand outside of the urban edge, it was more difficult to afford public transport or to access it.
- 3.1.6 The current, approved organisational structure showed that the Department was 30% under-capacitated. When the Department was created, there was an understanding that there would be a "lift and shift" in terms of employees. According to the Department, there was no consideration of what a fit-for-purpose structure would be for the Department. A circular was released by the Department of Public Service and Administration (DPSA) in October 2023 that resulted in some departmental posts being frozen. This impacted negatively on the Department's second phase of operations. The Department struggled to fill posts because the DPSA's circular delayed the recruitment processes, the transfer processes, and the Department's ability to provide short term contracts, which then resulted in under-expenditure in this function.
- 3.1.7 The Department experienced 44 resignations during the year under review. The Minister noted that the resignations were a concern, as the Head of Department had also resigned and would be leaving at the end of October 2024. He indicated that building a dynamic team within the Department was a priority. There were employees that were open to change, and some that were not. The Minister had also called for a meeting to discuss change management and to address any issues within the Department.
- 3.1.8 In August 2023, there was a taxi stay-away that impacted quite negatively on commuters and the economy of the Western Cape; however, these incidents have been curtailed due to the Department's constant engagements with the South African National Taxi Council (SANTACO). Some of the underlying reasons related to the taxi stay-away were addressed by the Department, especially in

respect of the change to the operating license conditions that took place in November 2023. The Department was also looking at the tracking of public transport vehicles, the registration of drivers, and the training of drivers.

- 3.1.9 Unfortunately, the province has been plagued with the issue of extortion in the transport sector. The Minister has pleaded with SANTACO to condemn this behaviour and to assist in changing the negative perception that extortion has created in the public transport sector. The Department was aware that solving challenges within the transport sector was not an easy task, but it was committed to eliminating destructive competition between the different modes of transport. The Department envisioned a complementary system where all modes of transport worked together.
- 3.1.10 The Department introduced the Job Seeker Travel Voucher in February 2024, to assist unemployed youth and citizens in general to access bus services for free. The Department pays for a “gold card”, which provides job seekers with 12 trips, which they may use for travelling to interviews and job seeking-related activities. There was a concern that there seemed to be a burden on employers and job seekers applying for this voucher, and that the application process seemed cumbersome. The Department explained that the data they received from users was that the programme was quite beneficial and that 57% of job seekers had gained employment. The Department also thought it was important to bring businesses into the programme so they could better understand the difficulties job seekers faced. The Department further indicated that the programme would be re-evaluated once the pilot ended in March 2025.
- 3.1.11 The Department has introduced a Provincial Bicycle Distribution Programme where 400 bicycles were distributed to vulnerable persons within the province who needed them for various activities such as commuting to school or work. The beneficiaries were also trained to maintain their bicycles.
- 3.1.12 The Department indicated that the issue of road safety was a concern, noting major incidents in respect of the overloading of minibus taxis with school learners and commuters. It was also noted that most road fatalities happened in the Metro, in areas that are densely populated and areas with poor infrastructure and lighting. The Minister indicated that a possible solution to the road safety problem would be to implement legislation that would protect and secure the lives of commuters in the province. The Department also focused on road safety management, law enforcement and training. Many of the incidents were alcohol-related, in respect of both drunk driving and drunk walking. The Department held a meeting with relevant Ministers and departments, noting that this matter required assistance from the social development and health sectors, amongst others.
- 3.1.13 The Department’s Annual Report indicated support for the devolution of functions and the need for integrated solutions within the transport sector. The Department also worked with the City of Cape Town to advance rail devolution, including agreements on the governance of urban rail. The Minister indicated that the Department was aware that devolution was an issue of policy and that conversations around this matter had been held with the Passenger Rail Agency of South Africa (PRASA). The Department further noted that the City of Cape Town was doing a feasibility study, which included looking at governance within the transport sector and the different scenarios if rail stayed with PRASA, was devolved to the province, or was devolved to the municipality.

- 3.1.14 There was a question about whether the function of roads should fall under the Western Cape Mobility Department instead of the Department of Infrastructure. The Minister indicated that he would be having discussions with the Minister of Infrastructure on collaboration between the two departments because the two sectors were heavily interlinked.
- 3.1.15 The Western Cape Provincial Regulatory Entity (PRE) assisted the City of Cape Town to complete its Special Regulatory Process to balance supply and demand on existing minibus-taxi routes and to register new taxi routes. Depending on the need for additional operating licenses, the city would support these applications. The PRE would then grant those permits or operating licenses based on directives received from the city. The second phase would focus on the registration of new routes, based on different developments within the metro.
- 3.1.16 The Department indicated that the operating license conditions were changed to comply or align with the stricter reading of the National Land Transport Amendment Act (Act 23 of 2023), which provided for impoundments only in the case of evidentiary or investigative reasons. The Department has not received any information on whether any of the operating license conditions would be included in the City of Cape Town's Traffic By-Laws.

3.2 Government Motor Transport: Observations and Findings/Concerns

- 3.2.1 There was a concern about the outlook of the Government Motor Transport's (GMT's) organisational structure in respect of employment equity. More specifically, there was a concern about gender and race representation within the GMT. It was noted that GMT formed part of the Western Cape Mobility Department (the Department) that was only in existence since 1 April 2023, and that there were many movements in respect of staff from the previous Department of Transport and Public Works to the newly established Western Cape Mobility Department and the Department of Infrastructure.
- 3.2.2 The Department has implemented an Employment Equity Committee, where all recommendations for employment were reviewed first to ensure that the demographic needs of the Department would be fulfilled. The Department and GMT officials were fully aware that there was an under-representation of black women and men within the Department and the GMT unit, indicating that this matter was being addressed via the recruitment process. Employment equity in respect of women has improved, especially at top management level; however, there was still a challenge at lower levels, for example, employing women as traffic officers. There were concerns that there were no timelines attached to the plan to correct the employment equity challenge; however, the Committee noted that the employment equity matter was a slow process, but that GMT and the Department were committed to addressing the problem.
- 3.2.3 Initially, the Department thought that the GMT did not have to go through the Department of Public Service and Administration circular process for vacancies because the posts were self-funded and not funded through the provincial fiscus; however, it was indicated that those costs fed into the budgets of different departments. At this stage, the Department has started a recruitment process, but it has not evaluated any posts as yet.

- 3.2.4 It was a priority for the Department and law enforcement to deal with alcohol-related road incidents as it was a key reason for pedestrian fatalities. Statistics showed that 56% of all road fatalities were pedestrians. It was equally important that these incidents were also translated into convictions.
- 3.2.5 In respect of the acquisition of government vehicles, BMWs were acquired but kept in the government garages for a long period. This was due to a slow global supply chain recovery period after the COVID-19 pandemic. There were vehicle parts that were needed that were not delivered and there were factories that closed. The Department then had to restart the supply chain process, which took time. The Department was also tied to the original manufacturers because they could not employ a random company to install the required cameras in the BMWs as it would affect the warranty of these parts. This had quite a negative impact on the GMT's performance because they had procured vehicles that they could not earn any revenue from. This matter also resulted in reputational risk for the Department and GMT; however, it was noted that the audit had indicated that there was no fruitless and wasteful expenditure that resulted from this matter.
- 3.2.6 The GMT has reviewed its electric vehicle strategy due to changes in the sector and will continue with a new energy vehicle strategy. The Western Cape was well placed to be a leader in this space, and the first order of business was to allow commuters to acclimatise to electric vehicles. Initially, the Department's strategy was to see how the GMT could expand its vehicle fleet and to assess what infrastructure was needed to support electric vehicles. The Department indicated that it was a better strategy to start with a hybrid vehicle approach rather than a full electronic vehicle approach because it was more suitable for the province's infrastructure, and a hybrid approach was more cost-effective. The GMT was also working with universities on the possibility of introducing hydrogen fuel-cell vehicles.

4. Resolutions/Actions

- 4.1 The Committee RESOLVED the following:
- 4.1.1 To visit the Government Motor Transport garages during the parliamentary term;
- 4.1.2 To request a legal opinion from the Legal Unit within the Western Cape Provincial Parliament on whether it is within the Committee's mandate to call for the City of Cape Town to appear before it on matters that impacted the provincial transport sector;
- 4.1.3 To request a briefing on the Special Regulatory Process to balance supply and demand on existing minibus-taxi routes and to register new taxi routes; and
- 4.1.4 To request a briefing on the amendments proposed to the public transport operating license conditions, as well as the new conditions, and whether these conditions were being incorporated into by-laws by the City of Cape Town.
- 4.2 The Committee REQUESTED the following from the Western Cape Mobility Department:
- 4.2.1 The provincial sustainable transport programme in respect of the Bicycle Distribution Programme;

4.2.2 A detailed report on the three dismissals during the 2023/24 financial year;

4.2.3 The Human Resources Plan, including the recruitment plan; and

4.2.4 A detailed report on the consultants appointed and utilised by the Department during the 2023/24 financial year and the 2024/25 financial year so far.

5. Conclusion

The Chairperson congratulated the Western Cape Mobility Department and the Government Motor Transport on their clean audit outcomes. The Chairperson thanked the Minister and the Department for their preparation and responses to questions raised by the Committee Members.

9. Report of the Standing Committee on Infrastructure on the Department of Infrastructures Annual Report and that of its Entity, the Western Cape Rental Housing Tribunal, for the 2023/24 financial year.

The Standing Committee on Infrastructure, having deliberated on the Annual Reports of the Department of Infrastructure and its Entity, the Western Cape Rental Housing Tribunal (the Tribunal), for the year ended March 2024, referred to it, reports as follows:

1. Introduction

The 2023/24 Strategic Objectives of the WCPP linked to the Speakers Priorities, which impact committees, are as follows:

Priority 1: Building a credible WCPP; and
Priority 3: Strengthening the core business.

As part of its oversight function, the Standing Committee on Infrastructure (the Committee) considered the Annual Reports of the Department of Infrastructure, and its Entity the Western Cape Rental Housing Tribunal on 09 October 2024. Annual reports are the key instruments for departments to report on performance measured against their performance targets and budgets as outlined in their strategic plans and annual performance plans. In addition, hereto, it accounts for the success of each of the programmes that were implemented.

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

The Annual Report Programme for the 2023/24 financial year, was advertised in newspapers and social media to invite stakeholders and members of the public to attend and participate in the discussions.

The Minister for Infrastructure provided a brief overview of the key issues contained in the reports.

2. Overview

Minister Simmers in his overview informed the Committee that it was an honour to present the Annual Reports of the Western Cape Department of Infrastructure and its

Entity the Western Cape Rental Housing Tribunal for the fiscal year 2023/24. He advised of the Departments unwavering commitment to enhancing the infrastructure landscape of the province, driving economic growth, and improving the quality of life for the residents in the Western Cape. Despite a challenging economic environment, the Department made significant progress, guided by the Western Cape Infrastructure Framework 2050. Key achievements include the successful completion of major projects in transport, housing, and public infrastructure, which have transformed both urban and rural communities. The Departments efforts have been bolstered by strong partnerships with private sector stakeholders, local communities, and government entities. He advised that the Department remains dedicated to addressing new challenges with the same vigour and commitment. The Committee was advised that the Department received a clean audit.

The Committee proceeded to discuss the Report of the Western Cape Rental Housing Tribunal (WCRHT). The Committee deliberated on Part A: General Information, Part B: Performance Information, and Part D: Human Resource Management on the Annual Report of the Department of Infrastructure and its Entity, the Western Cape Rental Housing Tribunal.

3. Western Cape Rental Housing Tribunal

3.1 Key issues discussed

Ms. Arendse, Chairperson of the Western Cape Rental Housing Tribunal, reported that the WCRHT's administrative staff proactively engaged with municipalities to establish Rental Housing Information Offices (RHIOs) across the province. Positive feedback was received, and a memorandum of understanding was sent to municipalities for council approval. The Customer Relations Management System was launched in 2020 and continues to enhance the Tribunal's efficiency and resident experience. The WCRHT's main office is situated in Cape Town, and has a satellite office in George, thereby addressing the challenge of limited-service access outside the Cape Metropolitan area. Establishing RHIOs at municipal level aims to mitigate the issue of limited services outside of the Metropole. The WCRHT has implemented a stakeholder engagement plan to establish mutually beneficial relationships with key stakeholders, including the South African Police Service magistrates, sheriffs, rental housing advocacy groups, non-governmental organisations, community-based organisations, and advice offices, and regulatory bodies like the Office of the Consumer Protector, the South African Human Rights Commission, the Social Housing Regulatory Authority, the Property Practitioners' Regulatory Authority, and the Community Schemes Ombud Service. This plan aims to help the WCRHT to execute its mandate effectively. Additionally, the Tribunal is conducting a consumer education drive to raise public awareness of its services for landlords and tenants. The WCRHT recorded 2 910 complaints captured, 875 open cases and 357 backlogged cases for the year under review. The complaints category included issues such as exorbitant rental increases, refusal to accept a notice to vacate, unilateral changes to lease agreements, unlawful entry, unlawful seizure of possessions, failure to furnish payment receipts, failure to provide a copy of the lease, failure to reduce a lease to writing, and claims for omission of rental.

Commune-care, the Social Housing Institution (SHI), recently celebrated its 100th anniversary. However, it has been facing significant challenges with tenants who refuse to pay rent. To address this issue, Commune-care obtained a High Court Order to evict non-paying tenants. Additionally, the SHI is in the process of privatising a substantial portion of its rental stock. The privatisation and the legal actions taken highlight the

ongoing efforts to ensure the sustainability and effectiveness of its housing services. The Department is currently exploring the establishment of a step-down housing facility for the elderly who are not interested in purchasing a house.

The Committee thanked the Tribunal for the presentation.

4. Department of Infrastructure

4.1 Key issues discussed

The Department of Infrastructure (DOI) was established on 1 April 2023, in the 2023/24 financial year, as part of the Western Cape Government's (WCG) Institutional Refresh, consolidating the infrastructure and property functions of the former Department of Transport and Public Works and the provincial Department of Human Settlements. This aimed to create a coordinated approach to infrastructure planning and delivery. The DOI provided support to the new Western Cape Mobility Department until 30 September 2023, marking the end of Phase 1 of the Institutional Refresh. Leading the infrastructure component of Vision Inspired Priority 4: Mobility and Spatial Transformation, the DOI worked on the Western Cape Infrastructure Framework 2050 to promote infrastructure-led growth. The Department contributed to the Western Cape Recovery Plan's focus areas namely, Jobs, Safety, and Well-being through its infrastructure portfolio and community programmes. Key projects included the Conradie Park Better Living Model Exemplar Project and other mixed-use developments like the Artscape Founders' Garden Precinct and the Vredenburg Urban Revitalisation project.

The DOI is a key player in the Western Cape Energy Resource Plan, focusing on new energy generation, demand-side management, and long-term planning. Leveraging its technical expertise, the DOI developed a third-party energy wheeling toolkit, procured project management for the Municipal Independent Power Producer Procurement (MIPPP) programme, and explored gas for power generation. It also supported infrastructure upgrades and invested in economic and social infrastructure, prioritizing the needs of the poor and marginalized. In 2023/24, the DOI achieved milestones in road projects like the N1/N7 Wingfield Interchange and the Malmsbury Bypass. The department is renewing its processes through information and communication technology systems, research and development, and stakeholder engagement. The floods that occurred in June and September 2023, highlighted the impact of climate change on infrastructure, necessitating urgent repairs and long-term maintenance, subject to adequate funding.

5. Challenges

The Department reported the following challenges for the year under review:

- 5.1 The floods in the Western Cape in June 2023 and September 2023, highlighted the significant impact of climate change on road infrastructure, affecting design, construction, maintenance, and operations. Urgent repairs necessitated the closure of various roads, prompting the Department to reallocate resources to quickly restore strategically important routes. Many roads still require permanent repairs, but the DOI's ability to address these needs depends on adequate funding. Given the reduced Transport Infrastructure budget, some repair work may take years to complete.

- 5.2 The construction industry is facing challenges in delivering projects due to competition for key staff both locally and internationally, along with numerous physical disruptions at construction sites. These issues are hindering contractors working for the DOI from effectively driving, directing, and delivering infrastructure projects that benefit the people of the Western Cape.
- 5.3 Factors beyond the Department's control, such as extortion by "development forums," gangsterism, violence, land invasions, and service delivery protests, have significantly impeded the Department's ability to deliver on sustainable human settlements and other infrastructure. These challenges have severely impacted service delivery and placed strain on an already limited budget, necessitating additional security measures to protect sites and contractors.

6. Recommendations/Actions:

6.1 The Committee RESOLVED to:

6.1.1 Invite Commune-care to brief it on its current challenges and tenant complaints, after which the Committee resolved to conduct an oversight visit to Commune-cares' Social Housing rental apartments; and

6.1.2 Conduct an oversight visit to projects that were delayed due to extortion.

6.2 The Committee RECOMMENDED that the Department of Infrastructure implement training programmes for members of the public to create awareness of their rental rights and responsibilities.

7. Conclusion

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

10. Report of the Standing Committee on Social Development on the Annual Report of the Department of Social Development for the 2023/24 financial year

The 2023/24 strategic objectives of the WCPP linked to the Speaker's priorities, which have an impact on committees, are as follows:

Priority 1: Building a credible WCPP; and

Priority 3: Strengthening the core business.

The Standing Committee on Social Development, having deliberated on the Annual Report of the Department of Social Development for the year ended 31 March 2024, reports as follows:

1. Introduction

The Western Cape Provincial Parliament's (WCPP) Annual Report programme for the 2023/24 financial year was advertised in newspapers, as well as the WCPP's social media platforms, inviting stakeholders and members of the public to attend and participate in the discussions.

The Standing Committee on Social Development (the Committee) deliberated on the Annual Report of the Department of Social Development (the Department) on 10 October 2024, as part of its oversight function. The Minister and the Head of Department were allowed to make opening remarks.

The Department was examined on:

Part A: General Information,

Part B: Departmental Performance Information; and

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

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

2. Overview

The Minister of Social Development, Mr. J Londt, provided an overview of the performance of the Department during the 2023/24 financial year.

The Minister reported that the period under review has been tough for the Department due to the budget cuts, huge constraints, and high demand for services. The economic situation has been tenuous and Non-Governmental Organisations (NGOs) and Non-Profit Organisations (NPOs) sectors have also borne the brunt, with unprecedented budget cuts leading to reduced funding provided to many organisations.

The Minister reported that during his term in office, he intends to focus on implementing strategies that will improve the lives of social service professionals. These strategies should also bolster the resilience and sustainability of the Department to better weather storms such as fiscal crises. During the financial year under review, the Department would continue to focus on addressing the scourge of Gender-Based Violence (GBV), which has been a key focus for the Department of Social Development (DSD) over the last few years. The Minister reported that the Department has maintained funding for 26 GBV shelters across the province, at which 2120 women and their children who were victims of crime and violence accessed emotional support services such as trauma debriefing and therapeutic counselling.

Minister Londt reported that earlier this year, a prolonged Eskom power outage in certain parts of the Central Karoo resulted in the need for widescale social relief for the impoverished affected communities. Within a short space of time, the Department was able to deliver and distribute through its funded Community Nutritional Developmental Centre more than 5000 food parcels to indigent households in various parts of the Central Karoo, benefiting over 20,000 people. This initiative was a partnership with the Department of Local Government, NGOs, the private sector, and residents which the Minister highly appreciates. The Minister thanked the officials and management of the Department who remained committed to servicing the people of the Western Cape. He highlighted that due to the hard work and dedication, the Department of Social Development has received its 13th Clean Audit.

Dr. R Macdonald, the Head of Department (HOD), also made opening remarks. He reported that the impact of the COVID-19 pandemic was still felt across all government departments and the NGO Sector. Communities have become more vulnerable to poverty, homelessness, crime, violence, and GBV. The economic conditions have also affected the resources available to the government, most notably with budget cuts implemented across the province. The Annual Report of the Department of Social Development under review represents the Department's response to assisting the most

vulnerable communities in the Western Cape in a constrained economic and fiscal environment. The HOD reported that the Department had to make extremely difficult trade-offs to maintain, and where necessary, expand the most critically needed areas of service delivery to the people of the Western Cape. He reported that protecting the rights and well-being of children has remained a key priority for the Department during the 2023/2024 financial year.

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

- 3.1 Protecting the rights and well-being of children remained a top priority for the Department of Social Development during the 2023/24 financial year.
- 3.2 During the financial year under review, 11,224 children, including 86 with disabilities, accessed community-based care and protection services through 26 funded Risiha sites and local drop-in centres.
- 3.3 The province saw a continued increase in reported cases of child neglect and abuse, leading to a higher demand for protection services and alternative care placements.
- 3.4 The Department reported a total of 40,042 active foster care cases, a significant rise from 3,489 cases in the previous year.
- 3.5 In response to the growing need for alternative care, the Canalisation Standard Operating Procedure (SOP) was revised to enhance the management of children in alternative care. Additionally, the integration of the electronic child protection registers and foster care management continued to advance within child protection operations.
- 3.6 The Kensington Treatment Centre shifted its focus to substance abuse treatment for youth, resulting in a 30-bed increase in the capacity of the Department's secure Care Child and Youth Care Centre's (CYCCs).
- 3.7 Infrastructure improvements at the Clanwilliam and Outeniekwa CYCCs during the 2023/24 financial year added an additional 100-bed spaces for children with behavioural challenges.
- 3.8 The Department continued to enhance its capacity to fulfil its statutory obligations, emphasising training, and skill development to ensure the protection of children's rights and well-being.
- 3.9 Throughout the year, the Department provided social crime prevention, diversion, and probation services to children and adults in conflict with the law. Additionally, 10,761 learners participated in school and community-based crime prevention programmes in identified rural and urban hotspot areas.
- 3.10 The Department's substance use disorder (SUD) treatment programmes continues to provide services in both residential and community settings. Additionally, the Department has prioritised the registration of non-state treatment center's to enhance private-sector support for the treatment needs of the Western Cape population.
- 3.11 During the financial year under review, the Department has upheld the rights of older persons and individuals with disabilities by ensuring that specialised facilities

meet established norms and standards. Community-based services and support for these vulnerable groups and their families have also been made available.

- 3.12 The Department reported a significant increase in the demand for disaster relief services, with a marked rise in incidents such as fires and flooding. In total, DSD Social Workers and Community Development Workers assessed 7,027 disaster cases in the past year, reflecting a more than fivefold increase compared to the previous year.
- 3.13 The Department has maintained its focus on specialised skills training and mentoring programmes for youth, particularly those who are not engaged in employment, education, or training (NEET). These initiatives have benefited 14,538 youth across the province.
- 3.14 The Department has strengthened its capacity-building programme for the Non-Profit Organisation (NPO) sector, establishing 33 Mobile Help Desks across the province. This support resulted in 1,972 NPOs receiving training and capacity-building interventions during the financial year under review.
- 3.15 In the 2023/24 financial year, the South African Police Service (SAPS) reported a total of 7,294 cases of sexual offenses, marking a 1.8 percent increase from the previous year's 7,163 cases. Notably, sexual offenses in the Western Cape accounted for 13.6 percent of the total reported in South Africa over the past two financial years.
- 3.16 The Department has initiated efforts to mitigate the harmful effects of Foetal Alcohol Spectrum Disorder in children.
- 3.17 The Department successfully filled 128 funded vacant positions within its approved organisational structure and appointed 139 social work graduates on contract, all of whom were recipients of NDSD social work bursaries.
- 3.18 The reported vacancy rate within the Department stands at 29 percent of funded posts, significantly exceeding the Department of Public Service and Administration's norm of 10 percent.
- 3.19 Challenges remain in filling vacancies in key occupational groups, such as child and youth care workers, educators, and professional nurses in Child and Youth Care Centres (CYCCs). Factors contributing to this issue include budget cuts, staff resignations, promotions, and retirements.
- 3.20 The safety and well-being of staff is a top priority for the Department. To address this, several risk mitigation measures have been introduced, including partnerships with SAPS and other stakeholders in the security sector to enhance staff security in high-risk areas.
- 3.21 The Department remains committed to providing training opportunities to ensure a highly skilled professional workforce capable of delivering quality services to clients and beneficiaries.

4. Public input

The Committee opened the meeting for the members of the public to submit their input on the Annual Report of the Department of Social Development. However, no members of the public were present.

5. Resolutions

The Committee resolved:

- 5.1 To visit the CYCCs to assess some of the successes
- 5.2 That Member Windvogel shares information with the Department of Social Development regarding the need for or closure of soup kitchens.

6. Information requested

The Committee requested the Department of Social Development to provide the following information by 31 October 2024:

- 6.1 The list of Municipalities with Active Local Drug Action Committees.
- 6.2 The progress made on implementing the Local Drug Action Committees and the support given to the Committees.
- 6.3 The exact number of Social Worker graduates who are unemployed in the Province.
- 6.4 The Standard Operating Procedures for monitoring and evaluation of Old Age Homes in the province.
- 6.5 The list of NGOs that are no longer funded by the Department of Social Development in the current financial year.
- 6.6 Detailed information on irregular expenditure under assessment, determination, and investigation for the 2023/24 financial year as stated on page 156 of the Annual report.

7. Conclusion

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

11. Report of the Standing Committee on Agriculture, Economic Development and Tourism on the 2023/24 Annual Reports of the Department of Agriculture, and its Entity Casidra, for the year ended 31 March 2024.

The Standing Committee on Agriculture, Economic Development and Tourism, having deliberated on the Annual Reports of the Department of Agriculture and its Entity, Casidra, for the year ended 31 March 2024, referred to it, reports as follows:

1. Introduction

Section 113(3)(b) of the Constitution requires that “Members of the Executive Council of a province must provide the legislature with full and regular reports concerning matters under their control.” Section 65 of the Public Finance Management Act, 1999 (Act 1 of

1999) requires the Minister of each department and public entity to table an annual report in the legislature within six months of the end of each financial year.

As part of its oversight function, the Standing Committee on Agriculture, Economic Development and Tourism (the Committee) deliberated on the Annual Reports of the Department of Agriculture (the Department) and its Entity, Casidra, on 28 October 2024.

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 2023/2024 financial year was advertised in various newspapers, inviting stakeholders and members of the public to participate in the discussions.

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

2. Department of Agriculture

2.1 Overview

Each year in agriculture presented unique challenges, as it operated within a complex biological system that interacted with both local and international factors. In the Western Cape, where 55% of agricultural output is exported, global dynamics had significant implications on the sector. Challenges experienced included intensified delays and inefficiencies at the ports, rising crime, deteriorating rail and road infrastructure, rising protectionism in key export markets and increased geopolitical uncertainty. The approved organisational structure ideally required approximately 1 600 staff members to support agriculture in the province, yet, as highlighted in the annual report, the Department operated at around 843 staff members, only about half of the necessary capacity to meet its objectives for Western Cape residents.

Despite these variables, the Department achieved 95% of its performance targets. A notable accomplishment given the department's capacity challenge. This achievement was largely possible due to strategic partnerships with industry and corporate agriculture within the province.

The Department utilised approximately 98,52% of its budget allocation, reflecting its commitment to fiscal responsibility. There were no audit findings, underscoring the Department's adherence to high standards of governance.

The Department invested approximately R30 million to revamp its provincial veterinary laboratory, which was vital for the economy and, more importantly, for food safety. Due to the efforts of the Department and support from private veterinarians, there were no reported food safety incidents in the Western Cape during the year under review.

In terms of food security, the Department supported approximately 4 000 food gardens across the province, an essential initiative as many citizens still faced food access challenges. This Programme not only addressed food availability but also fostered a sense of self-worth and independence as individuals were able to grow and harvest their own food.

The Department also provided advisory support to approximately 4 300 farmers across the Western Cape, demonstrating its commitment to sustainable agricultural development.

2.2 Key issues discussed

2.2.1 The Committee raised concern with regards to the exploitation of undocumented foreign nationals, their safety and the compliance of all sectors to legal requirements in this regard.

During the financial year under review, the Department held a workshop that focused on this issue, which included participants from the Department of Employment and Labour, the Department of Home Affairs, the South African Police Services, agricultural stakeholders, and international organisations such as the International Labour Organisation. The workshop addressed the complexities surrounding the employment of foreign nationals. In collaboration with the Department of Employment and Labour, the Department developed a practical guideline for employing foreign nationals, which was distributed to all agricultural stakeholders to assist them in navigating the employment processes.

While the enforcement of proper recruitment practices falls outside of the Department's mandate, the partnerships that were established, particularly with the Department of Employment and Labor, facilitated this process and ensured that the Department fulfilled its responsibilities regarding enforcement and compliance.

The Department remained committed to fair labour practices in South Africa and to implementing the practical guidelines for employing foreign nationals in the agricultural sector. This matter had a direct impact on the agricultural exports, as exports must comply with international standards for fair labour practices, and failure to adhere to these standards could prevent the Department from exporting to other countries.

2.2.2 Crop cultivation was possible on only approximately 2 million hectares (15,45%) of the Western Cape's total land area, making it essential to evaluate and comment on subdivision and/or rezoning applications to protect productive agricultural areas. This work was critical to achieving integrated, optimal land management, which balanced land and resource use for production with conservation priorities to prevent the fragmentation of agricultural land.

The Land Use Management sub-programme assessed land-use change applications and provided recommendations that approval authorities were required to consider. The growing complexity of these applications underscored increasing pressure on agricultural land, highlighting the need to build enhanced capacity for effectively managing these more intricate requests. Cooperative governance among the Land Use Management sub-programme, provincial departments, and local authorities was well established.

In spatial planning and land use applications, collaboration between provincial and local authorities, the Department, and the national Department of Agriculture, Land Reform, and Rural Development proved effective, especially with input from steering committees. The Land Use Management sub-programme reviewed and provided feedback on 684 applications for the subdivision and rezoning of agricultural land in the year under review.

The Committee raised concern regarding the risks associated with the loss of agricultural land, as it was evident that it was currently facing significant pressure. This pressure was exemplified by the growth of lifestyle estates, among other factors. The Department was committed to protecting agricultural land. Important to note was that the authority for spatial planning and land use management resided with municipalities under the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA). While the Department's role was primarily that of a commenting authority, the Committee was pleased to be informed that the Department's input was highly valued and considered, although not always fully accepted or acted upon, and that the Department's position was well understood within municipal structures.

2.2.3 A substantial portion of the agricultural engineering support activities provided a focus on agricultural water use and irrigation. Emphasis was placed on water quality and availability. The Department played a crucial role in developing the Western Cape Water Resilience Plan, implementing the Western Cape Sustainable Water Management Plan, and executing the Berg River Improvement Plan (BRIP). The BRIP was designed to enhance the water quality of the Berg River and improve the livelihoods of the communities along its 260 km stretch. The Agricultural Engineering Services sub-programme was a key participant in the newly adopted Western Cape Water Resilience Plan, ensuring agricultural water security in collaboration with the Department of Environmental Affairs and Development Planning, as well as the Department of Local Government. To avoid duplication of efforts, the BRIP and the Western Cape Sustainable Water Management Plan had been discontinued.

The Committee raised concern that, although the Department provided support for agricultural water use and irrigation agriculture, particularly through its involvement in water care projects, which included the management of invasive alien species and rehabilitation efforts and collaborating with the Department of Local Government and the Department of Environmental Affairs and Development Planning to implement the province's water resilience plan, municipalities did not utilise their grant funding in this regard effectively.

3. Casidra

3.1 Overview

Casidra played a key role in assisting the Department with the rollout of its comprehensive agricultural support program and the Ilima/Letsema Food Security Programme. This included project management services for rural agricultural infrastructure, agricultural initiatives, and disaster support projects, with projects valued at R6,4 million.

Casidra completed around 10,000 food security projects, trained over 4,000 farmers, and partnered with the Breede-Olifants Catchment Management Agency (BOCMA) to install rainwater harvest tanks and infrastructure across five rural districts in the Western Cape. BOCMA, responsible for water resource management in the Breede-Olifants area, collaborated with Casidra to manage and protect water resources, completing installations worth approximately R2,5 million.

Supporting its vision of fostering self-sustaining communities, Casidra implemented thousands of communities and household food security projects, provided disaster management funds to farmers in distress, offered financial record-keeping assistance to

small farmers, and delivered boreholes, water tanks, and solar power access to beneficiaries.

3.2 Key issue discussed

Casidra's strategic focus included managing the Amalienstein and Waaikraal government farms sustainably, aiming to make them profitable before they were handed over to prospective community entities. Under contract with the Department until March 2025, Casidra may extend its role depending on community intervention outcomes. To facilitate community engagement, the Institute for Justice and Reconciliation was instrumental in preparing for a smooth handover.

Currently, the farms faced challenges due to limited resources, with Casidra actively seeking additional funding sources. Water management at Waaikraal has improved, though the farm's damaged dam infrastructure remained a major concern. Farming operations included lucerne, onion seed production, and dairy management, with both farms employing a mix of contract, casual, and government workers. Despite incidents of theft, vandalism, and stray animals, Casidra has engaged with the local community and built strong relationships with smallholder farmers to address these issues and maintain operations.

Despite these challenges, the Department and Casidra were committed to finding solutions for these farms.

4. Resolutions/Actions

4.1. The Committee RESOLVED that it would:

- 4.1.1 Invite the national Department of Employment and Labour and the Department of Agriculture to brief it on their efforts to address recurring issues in respect of the employment of foreign nationals in the agricultural sector, with the aim of clarifying actions taken and dispelling any unsubstantiated rumours;
- 4.1.2 Invite the Department of Agriculture to, after it has concluded its upcoming summit with municipalities, brief it on the current status of land use management, including land rezoning for various purposes, the current risks to preserving agricultural land within the province, and the contributing factors that may emanate from the upcoming summit. This will be linked to the Department's readiness for the implementation of the Preservation and Development of Agricultural Land Bill (B8-2021); and
- 4.1.3 Undertake an oversight visit to the Amalienstein and Waaikraal farms to assess the progress made in relation to Casidra's turnaround strategies so as to gain firsthand insight into the developments and Casidra's timeline for the project to reach break-even for eventual handover to the community.

5. Conclusion

The Committee recognised the challenges experienced during the year, especially the budgetary constraints, and congratulated the Department and Casidra on sterling working under difficult circumstances. The Committee was satisfied that the predetermined objectives for the 2023/24 financial year were adequately achieved and that they were accurately reported.

12. Report of the Standing Committee on Agriculture, Economic Development and Tourism on the 2023/24 Annual Reports of the Department of Economic Development and Tourism; Western Cape Destination Marketing, Investment and Trade Promotion Agency; Saldanha Bay Industrial Development Zone Licencing Company SOC Ltd; and Atlantis Special Economic Zone, for the year ended 31 March 2024.

The Standing Committee on Agriculture, Economic Development and Tourism, having deliberated on the Annual Reports of the Department of Economic Development and Tourism and its Entities, for the year ended 31 March 2024, referred to it, reports as follows:

1. Introduction

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

As part of its oversight function, the Standing Committee on Agriculture, Economic Development and Tourism (the Committee) deliberated on the Annual Reports of the Department of Economic Development and Tourism (the Department) and its Entities, Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro); Saldanha Bay Industrial Development Zone Licencing Company SOC Ltd (SBIDZ); and Atlantis Special Economic Zone (ASEZ), on 29 October 2024.

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 2023/2024 financial year was advertised in various newspapers, inviting stakeholders and members of the public to participate in the discussions.

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

2. Department of Economic Development and Tourism

2.1 Overview

This year presented considerable challenges, including the ongoing load shedding and its toll on the economy. In addition, operational difficulties at the Cape Town Port complicated export logistics, while fiscal and capacity constraints added further pressure. Despite these obstacles, the Department capitalised on strategic opportunities, culminating in the Cabinet-approved Growth for Jobs Strategy, which now served as a guiding framework with clear goals and priorities for economic strategy.

Over the past financial year, the Department had aligned its initiatives with the Growth for Jobs Strategy, driving impactful economic growth. Key accomplishments included the Small, Medium, and Micro Enterprise (SMME) Booster Fund, supporting 116 enterprises, and the Alternative Energy Support Programme, enhancing energy security

for 12 SMME trading hubs across seven municipalities. Other highlights were major investment commitments secured through Wesgro and the successful initiatives led by the Department's Export Competitiveness Enhancement Team, the Office of the Consumer, and the Tourism Growth and Development Unit.

2.2 Key issues discussed

2.2.1 The Western Cape accounted for 55% of South Africa's agricultural exports, prompting the Committee's concern about the readiness of the Cape Town Port to manage higher export volumes in the upcoming months.

The Cape Town Port faced several ongoing challenges that impacted efficiency and the ability to manage increasing export volumes. Key issues included equipment shortages, maintenance, congestion, delays, weather related disruption, digital and operational coordination, skilled labour shortages and customs and regulatory delays. Efforts to mitigate these challenges included regular collaboration with stakeholders, investment in digital tracking systems, and ongoing dialogue with the Transnet National Ports Authority (TNPA) to improve equipment availability and address logistical bottlenecks.

Ensuring the Cape Town Port's readiness was a priority, not only for the Department but also for the province as a whole, a coordinated effort was underway, that involved the Department of Agriculture, the Department of Mobility, and the TNPA, to support efficient transit. Both the table grape and citrus seasons, key export periods for the province, saw increasing volumes over the past three to four years.

To address port readiness, the TNPA intensified efforts to secure essential equipment, such as cranes and stabilising machinery, to improve operational efficiency. Weekly meetings were held among the Department, the TNPA, and other key port users, resulting in noticeable improvements in container movement per hour. Furthermore, the Department was in the third phase of the Port Digital Cargo Dashboard project, which focused on tracking various commodities from their source in order to optimise logistics.

The Department maintained a strong, collaborative relationship with the TNPA to ensure export operations met rising demands.

2.2.2 The township economy was crucial to the Western Cape and South Africa's overall economic landscape as it promoted inclusivity, fostered local economic resilience, and addressed income inequality. Extortion within this economy was of concern to the Committee, as too was the effect on the Department's level of service delivery as a result of these extortion activities.

The Department remained committed to support the township economy and reiterated that this economy must create significant jobs. Although the Growth for Jobs Strategy referred largely to private sector economic growth, the Department was determined to promote growth within the township economy.

The City of Cape Town launched a project called Jobs Connect that made a significant contribution to job creation in, among others, the township economy. The Project offered unemployed residents work readiness skills and access to entry-level and skilled jobs. The Jobs Connect Project targeted unemployed residents within the catchment area of the City of Cape Town. All sectors of the economy were targeted with the view to creating opportunities for the unemployed. The Project also had an element of educational placement for skills development working with training institutions.

The Department, in collaboration with other Departments within the Western Cape Government, initiated several actions to address extortion within the township economy, recognising that these activities harm businesses, deter investment, and compromise economic growth in township communities. These included collaboration with law enforcement and dedicated task forces and units; community and business support initiatives; economic stabilisation and growth initiatives; and awareness and community engagement. These strategies were part of a coordinated effort by the Western Cape Government to curb extortion in township economies, aiming to create safer environments where businesses can operate without fear, stimulate economic activity, and foster trust between communities and authorities.

3. Western Cape Destination Marketing, Investment and Trade Promotion Agency (WESGRO)

3.1 Overview

Wesgro, a key provincial agency, focused on differentiating the Western Cape as a leading regional economy by promoting sustainability, innovation, and brand recognition. During the year under review, Wesgro enhanced the Western Cape's Economic Profile by positioning the province competitively and hosting global delegations. Wesgro promoted the "Made in the Cape" brand and launched tourism campaigns locally and internationally. The Agency also attracted Global Investment by facilitating R7,75 billion in investment projects, with a majority in green economy sectors, such as renewable energy and water recycling. The Western Cape also advanced its Green Hydrogen Strategy, signing a Memorandum of Understanding for a pipeline feasibility study with Gasunie, an energy network operator in the Netherlands and the northern part of Germany.

Through technology and partnerships, Wesgro increased export opportunities for goods and services. The Cape Trade Portal connected local exporters with international buyers, and a dedicated team supported the services sector, which provided 70% of the province's jobs. Tourism in the Western Cape rebounded post-pandemic, with Wesgro supporting leisure events, international campaigns, and business tourism, securing 30 event bids worth R1,03 billion.

Wesgro prioritised digital transformation and stakeholder engagement and expanded its focus areas to include energy resilience and green transition initiatives.

Wesgro's efforts led to global awards and increased economic impact, positioning the Western Cape as a vibrant, competitive region with a focus on sustainable growth and innovation.

Wesgro's audit results showed significant improvement, moving from a qualified audit opinion in 2021/22 to an unqualified audit in 2022/23, and culminating in a clean audit for 2023/24 with no findings or irregular expenditure.

3.2 Key issue discussed

3.2.1 The Committee was of the view that attracting investors to a province offered numerous benefits, including economic growth, job creation, infrastructure development, increased tax revenue, a diversified economy: skills development, enhanced global competitiveness, innovation and technology transfer; and improved quality of life for residents in the province.

In light of this, The Committee was informed that Wesgro facilitated, in collaboration with key partners, committed investments with Tanzania, Ireland, Luxembourg and the United State of America where direct foreign investment was seen.

In terms of investment promotion, Wesgro focused on two elements, the one was to attract new investment into the Western Cape from outside the Western Cape and there was also an extensive focus on encouraging Western Cape businesses to grow and expand.

The primary investment countries have been the United States of America, the European Union and the United Kingdom which has been the traditional markets over the last 18 months. Wesgro also focused on markets in China, India, Asia and continued its focus on Africa and the Middle East.

In order to attract investors, Wesgro hosted an international summit in the United Kingdom, it also investigated the diversification of markets of sectors with emphasis on attracting these investments into the municipal districts. Much work was done in respect of building the investment pipeline in the districts of the Western Cape with a focus on strategic partnership and linking investors to local suppliers.

International tourism increased by about 123% in the Western Cape but there has not been a full recovery on the domestic tourism. The Committee was pleased to be informed that a focal point of the Agency will be on having the districts benefit from international and domestic tourism.

3.2.2 The Committee expressed concern regarding the rural economy, noting that rural municipalities often faced significant challenges. Sustainability remained a concern, as only a limited number of residents were able to contribute financially. Facilitating access to the grant and donor markets to help strengthen the rural economy would be beneficial.

Wesgro shared the Committee's concern as the City of Cape Town was entirely dependent on the rural economy for its own prosperity and sustainability. Wesgro operated at a district level as it does not have the capacity to work with each municipality. Wesgro's performance on a district level was not part of the annual report but was presented to the Committee. Wesgro undertook to include the performance per district in future annual reports.

The Department was in the process of developing a plan in order to leverage grant funding and donor funding, not only from the domestic market, but also from the international market. Capacity constraints were listed as a hindrance. As soon as the capacity constraints were addressed, the Department undertook to begin with the exercise of understanding who the donors are and what their own priorities and criteria are. Only then would it be possible for the Department to proceed with project development and packaging for municipalities that could potentially land and secure the funding.

This matter was also a key priority for the Provincial Treasury. As a result, it involved collaboration, and with Wesgro actively engaging in the markets, they could provide valuable market intelligence to support this effort.

4. Saldanha Bay Industrial Development Zone Licencing Company SOC Ltd (SBIDZ)

4.1 Overview

Recognising the importance of achieving self-sustainability as an entity, the SBIDZ initiated several projects aimed at converting them into tangible results. Unfortunately, various challenges, many of which were beyond the Entity's control, hindered its performance, particularly concerning on-the-ground projects.

These challenges stemmed from several factors, including changes within state entities such as Transnet and the TNPA, which significantly impacted the Entity's relationships with investment partners. Additionally, the transition into the hydrogen sector was complicated by delays in integrating independent power producers into the national grid, further complicating green energy initiatives.

In response to these challenges, the Entity conducted a thorough review of operations in order to identify areas for improvement and address inefficiencies that were hindering growth. This review was a critical step towards turning the business around, as generating adequate income was vital for the long-term sustainability of the Entity. Without these adjustments, the company risked missing opportunities to enhance its financial success and security.

The Entity was consolidating its activities and adopting new strategies to drive growth and refocus its efforts. Its primary objectives included expanding its investor base, increasing manufacturing capabilities, diversifying sectors and value propositions to prioritise core manufacturing companies that could create immediate jobs.

The focus was on attracting black industrialists to leverage incentives from the Department of Trade, Industry and Competition, targeting companies that would drive value addition in support of provincial and national policies for localisation and employment creation in local communities. By aligning its efforts in these areas, the Entity aimed to foster business growth while contributing to the social and economic development of the region.

To strengthen its drive for investment, the Entity will be re-evaluating its Memorandum of Understanding with Wesgro, as Wesgro played a crucial role in assisting in the attraction of investors. Additionally, the Entity has made concerted efforts to include the local business community, which was eager for opportunities, not only within the zone but also from investors engaging with the broader community.

5. Atlantis Special Economic Zone (ASEZ)

5.1 Overview

The purpose of the ASEZ was to establish a sustainable Greentech Special Economic Zone that fostered a supportive business environment for the green economy, promoted integrated economic growth, and generated employment opportunities. The Entity was partially owned by the City of Cape Town and the Department of Economic Development and Tourism. It leveraged relationships with external academic institutions and international communities to fulfil its mandate effectively.

The Annual Report showcased a productive year despite fiscal constraints and economic challenges.

Significant achievements included receiving independent recognition for its efforts, winning the Financial Times Sustainable Future Award for Africa, where the Entity was named the best industrial zone on the continent, and it was also recognised in the sustainable zone category. Additionally, it received an honourable mention at the Eco Manufacturing Awards.

Partnerships were vital to the Entity's success. To this end Wesgro was commended for its invaluable support.

One of our most pressing challenges continued to be securing funding for civil infrastructure in Zones 2 and 3. The Entity explored various avenues and will continue to do so, with the latest opportunity being the Budget Facility for Infrastructure at National Treasury. However, it was concerning that the Department of Trade and Industry's Special Economic Zone Fund had limited resources, often leaving applicants in a queue for over a year before funding could be accessed for developments or factories. This situation warranted careful monitoring and may necessitate a shift in the Entity's approach to supporting and attracting investors.

The Entity maintained a close working relationship with the City of Cape Town, which held a 47% shareholding in the company. This relationship was crucial for coordinating essential infrastructure connections, land use approvals, and daily operations. When challenges arose, the Entity received strong support from both political and senior management levels within the City of Cape Town.

6. Resolutions/Actions

- 6.1. The Committee RESOLVED that it would undertake an oversight visit to the Cape Town Port to assess progress on challenges that were identified in the previous parliamentary term, particularly regarding the impact of port conditions on operations and infrastructure readiness for imports and exports.
- 6.2. The Committee REQUESTED that the Minister of Agriculture, Economic Development, and Tourism provides it with a written report detailing the strategy to address extortion within the township economic environment.

7. Conclusion

The Committee recognised the challenges experienced during the year and congratulated the Department and its Entities on sterling working under difficult circumstances. The Committee was satisfied that the predetermined objectives for the 2023/24 financial year were adequately achieved and that they were accurately reported.