

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

THURSDAY, 24 AUGUST 2017

COMMITTEE REPORT

Participating Cluster B committees and composition of delegation

The following Committees took part in the visit week:

Standing Committee on Economic Opportunities, Tourism and Agriculture;
Standing Committee on Environmental Affairs and Development Planning;
Standing Committee on Finance; Standing Committee on Human Settlements;
Standing Committee on Local Government; Standing Committee on Transport and
Public Works.

The Delegation consisted of the following members:

Beerwinkel, CF (ANC); Davids, SW (ANC); Dijana, TM (ANC); Dugmore, CM (ANC);
Hinana, NE (DA Co-ordinating Chairperson and leader of the delegation); Joseph, BD
(EFF); Joseph, D (DA); Maseko, LM (DA); Mngasela, M (DA); Nkondlo, ND (ANC);
Schäfer, BA (DA); Tyatyam, SG (ANC) ; Uys, P (ANC).

The following staff attended the visit week:

Adams, Z (Committee Co-ordinator); Barends, A (Driver: Security and Facilities);
Coetzee, J (Committee Co-ordinator); Jones, S (Committee Co-ordinator); Niekerk,
S (Committee Co-ordinator); and Vermeulen, J (Senior Committee Co-ordinator).

1. Introduction

The Joint Visit Week is a key mechanism established by the Western Cape Provincial Parliament to achieve its Constitutional oversight mandate within the province. The visit

week is intended to ensure that members of the Provincial Parliament, through its standing committees, continuously keep abreast with developments and service delivery issues in the province. It also affords the opportunity to undertake oversight visits and interact with communities and institutions in order to assess the needs and challenges they experience.

To this end the Western Cape Provincial Parliament's Cluster B undertook an oversight visit to the West Coast District to consult and interact with provincial and local government stakeholders on projects and programmes in outlying areas as part of its oversight mandate.

During the week meetings were held with municipalities and relevant stakeholders in Atlantis, Moorreesburg, Citrusdal, Clanwilliam, Velddrif, Saldanha Bay and Langebaan. Representatives of the Western Cape provincial departments were also in attendance. The Delegation also met with a private institution to learn more about the aquaculture industry, specifically mussel farming, in the area and the potential benefits to the Western Cape's economy in terms of job creation and revenue from exports.

This report highlights the delegation's findings and recommendations stemming from the visit.

2. Visit to Wesfleur Primary School: Atlantis, Tuesday, 16 May 2017

2.1 Overview and background

The Wesfleur Primary School in Atlantis forms part of the National Department of Basic Education's Accelerated Schools Infrastructure Delivery Initiative (ASIDI) Programme, which seeks to remedy backlogs in school infrastructure and eradicate defective school building infrastructure. Construction of the school commenced in December 2014 and reached practical completion in October 2015. Filcon was appointed through an open bidding process for the upgrading of three schools, namely Wesfleur, Parkview and Willems Vallei Primary Schools that were in a poor condition. The tender was awarded to Filcon on 13 February 2013 on an 11-month contract for a contract amount of R106 million. The contract was cancelled on 3 April 2014 due to non-performance and a completion contract was then awarded to Haw and Inglis on 13 November 2014 to complete the Project.

The day's meetings commenced with the Principals of the Wesfleur and Parkview Primary Schools addressing the delegation on the present state of the infrastructure at the respective schools. Although Parkview Primary School was not visited by the delegation, it formed part of the ASIDI Programme and problems experienced at both schools were fairly similar. Representatives from the Western Cape Education Department (hereinafter "the WCED"), the Department of Transport and Public Works (hereinafter "the DTPW"), the National Department of Basic Education, BSP Consulting Engineers, S Ismail Consulting Electrical Engineers and Revel Fox and Partners Architects and Planners were also present.

2.2 Findings/Observations

2.2.1 Wesfleur Primary School

- 2.2.1.1 The flooring in the school hall is uneven. As a result, an expansion joint had to be put in as the tiles were cracked. During winter, water accumulates on the stage and in the foyer and buckets have to be used due to leakages from the roof.

- 2.2.1.2 In the three weeks preceding the visit, the school experienced three water pipe bursts and this resulted in the school's municipal account escalating to over R40 000. The first water pipe burst occurred underground and was only discovered when the ground caved in. The second water pipe burst occurred in the middle of the parking bay area resulting in the area becoming flooded and therefore unusable. The third water pipe burst occurred in the sick bay. Photographs of these damages and relating complaints were forwarded and registered with the WCED. The response time was slow and, as a result, the Student Governing Body decided to fix what they could themselves. Problems are also being experienced with the sewerage system. The DTPW has liaised with the consultant team in this regard and have requested a photographic investigation into the matter.
- 2.2.1.3 The school has not been able to utilise their sports field as the Principal has deemed it unsafe due to it being unstable as a result of sagging ground. As a result, the school incurs additional expenditure of R350 when a home game is played because they have to hire a field adjacent to the school. Because it is unsafe for the learners to play outside, they are allowed to play inside the quads during intervals. This poses a safety risk and has resulted in many injuries.
- 2.2.1.4 The school is overpopulated as it accommodates 1 700 learners against a planned number of 1 350 learners. The DTPW reported that the infrastructure and service issues are being addressed. It further emphasised that the contract was a complex contract to manage as it took the consultant team four months to reconcile and provide clarity on work that had degenerated over eight months. This was the period after the initial contract was cancelled with Filcon and the time taken to appoint the existing contractor. The Department is aware of all the issues raised. The delegation is concerned that lack of funds is used as a deterrent to infrastructure rehabilitation.
- 2.2.1.5 The qualitative issues and its impact on teaching, learning and development are of concern to the delegation as well as the reporting system and the response time. The school, having been without water for two weeks due to the burst water pipes, is a major concern. The Committee further felt that the out of pocket expenses such as the hiring of facilities and the disbursement of money to individuals for repairs are unnecessary as this money could be spent on other resources.
- 2.2.1.6 The safety of learners is being compromised. The situation is not conducive to learning and recreation and places the learners at risk.

2.2.2 Parkview Primary School

- 2.2.2.1 Concerns raised by the Principal include many challenges similar to those listed above, such as the water and sewerage problems as well as the inability to utilise the sports field because it is not the required size.
- 2.2.2.2 As gangsterism is rife in the Parkview area, the safety and security of learners and educators are a concern.
- 2.2.2.3 The school entered into a verbal agreement with the DTPW that the Filcon contractors that were working on site at the time could be accommodated in the

school hall and that the payment of the electricity and water account would be for their own account. This amounted to R35 000 and will be reimbursed to the school when the final account is concluded.

2.2.3 General

- 2.2.3.1 Maintenance is categorised into day-to-day, scheduled or planned and periodic or emergency category types. In the case of the latter, the school reports the emergency to the WCED. The WCED then informs the DTPW by logging the complaint as an emergency. WCED is responsible for classifying the type of maintenance. As the budget belongs to the WCED, the DTPW cannot react to complaints unless WCED approves the service.
- 2.2.3.2 There were no liquidation applications against Filcon at the time of its appointment and, because they were appointed in terms of the supply chain process of the DTPW, accountability for Filcon's appointment is with the DTPW.

2.3 Information requested

The Delegation REQUESTED that:

- 2.3.1 The Principals of the two schools submit a report listing the problems experienced at the respective schools; and
- 2.3.2 The DTPW together with the WCED provide the Delegation with a response to the list of problems experienced, clearly outlining how the issues will be addressed and the timeframes attached thereto.

3. Visit to West Coast District Municipality: Moorreesburg, Thursday 16 May 2017

3.1 Overview

- 3.1.1 The second meeting of the day was with the Westcoast District Municipality in Moorreesburg. The visit commenced with a walk about of the Disaster Management Centre that is located on the same premises as the West Coast District Municipality.
- 3.1.2 After the walk-about of the Disaster Management Centre, the Delegation was briefed by the Municipality on challenges with regard to shared services as well as their Disaster Management Services.

3.2 Walk about at the Disaster Management Centre (DMC)

- 3.2.1 The Delegation observed the facility which is used as a Joint Operation Centre during disasters.
- 3.2.2 The Centre came into operation in September 2008, and has a 24 hour call-taking and dispatch facility and operates in conjunction with the Department of Health: Emergency Medical Services (EMS).

3.2.3 The following services operate from the DMC:

- West Coast District Municipality: Disaster Management Centre
- Fire Brigade Services (6 stations)
- Disaster Management Call centre
- EMS: Call centre
- Provincial traffic services
- Moorreesburg Ambulance Station

3.2.4 Compliance with Section 44 of the Disaster Management Act (57 of 2002) continues to be a major challenge due to financial constraints. Urgent changes to the funding and staffing model is needed for the Centre to fully operate.

3.3 West Coast District Municipality Shared Services

3.3.1 Background

3.3.1.1 The West Coast District Municipality (WCDM) received clean audit reports for the past six financial years, being 2010/2011 – 2015/2016. Its funding amounted to R244 million for the 2014/15 financial year, while expenditure for the 2014/15 financial year amounted to R275 million resulting in an over expenditure of R31 million. The Auditor-General did not report on any irregular, unauthorised or wasteful expenditure in this regard.

3.3.1.2 In April 2014, the WCDM entered into a three year contract with Saldanha Bay Municipality to provide fire and rescue services on behalf of the Saldanha Bay Municipality. The District Municipality is also assisting them with the establishment of its own fire and rescue service.

3.3.1.3 The District Municipality's risk management is an established part of the Shared Services Programme with all the local municipalities participating during the 2014/15 financial year.

3.3.1.4 The WCDM actively participates in various intergovernmental structures. These structures/forums include:

- District Co-ordinating Forum and Technical Committee (Municipal Managers' Forum);
- IDP Co-ordinating Committee;
- Multi-sectoral Forum;
- District Safety Forum;
- Disaster Management Advisory Forum;
- IDP LED Managers' Forum; and
- District Internal Auditors' Forum.

3.3.1.5 During the briefing it was highlighted that at a municipal level, various tiers of government can provide assistance and support between tiers, for example, district to district and across tiers, for example, district to local.

- 3.3.1.6 Municipalities often provide support to other municipalities on a short term basis. This normally occurs when a municipality is in crisis and does not have the capacity or skills to deliver such a service. The municipality receiving the support would not normally pay for such support.
- 3.3.1.7 Inter-municipal co-operation takes place on a horizontal level where a municipality enters into a service level agreement with another municipality in terms of Section 76(b) of the Municipal Structures Act (Act 117 of 1998), to provide the agreed service or part thereof on its behalf. The municipality that delivers the service will do it at the agreed fee, while the recipient municipality would implement performance measures to monitor the service and support in terms of the agreement. Core services such as waste management, bulk water or services listed in Section 84(1) of the Municipal Structures Act (Act 117 of 1998), are shared in the region. It becomes a district function in terms of the Act, and the respective district municipality will be held accountable for the delivery of such services.
- 3.3.1.8 Occasionally two or more municipalities will share resources on a short term basis, to deliver a non-core function, or where all municipalities contribute to delivering the specific service e.g. when the municipalities in a region agree to share presiding officers for disciplinary hearings.

3.3.2 Findings

- 3.3.2.1 It is evident from the briefing, that various legislation prescribe and promote service delivery on an integrated and co-operative manner. Inter-municipal co-operation enhances this vision by seeking ways to improve service delivery in an effective and efficient way and to improve co-operation between the different levels of local government.
- 3.3.2.2 Co-operative relations between different spheres of government as well as local governments in different regions should be considered as ways of improving service delivery in the province.

3.3.3 Information requested

The Delegation REQUESTED that the Municipality provide the Standing Committee on Local Government with their:

- 3.3.3.1 Tourism Strategy for the West Coast Region; and
- 3.3.3.2 Integrated Coastal Management Plan for the West Coast Region.

3.3.4 Resolutions

The Delegation RESOLVED that the Standing Committee on Local Government would:

- 3.3.4.1 Request the Minister of Health to investigate the possibility of increasing the number of ambulances in the West Coast Region; and
- 3.3.4.2 Request the Minister of Local Government to explore the possibility of appointing additional isiXhosa speaking persons at the Disaster Management Centre so that each shift has an isiXhosa speaking operator.

4. Visit to the Waste Water Treatment Works: Citrusdal, Wednesday, 18 May 2017

4.1 Overview

The visit commenced with a meeting at 09:00 in the Old Council Chambers at the Citrusdal Municipal office. Representatives of the Department of Human Settlements, the Acting Municipal Manager, the Principal Engineer of the Water and Wastewater Engineering Company and a Ward Councillor were in attendance.

During the meeting the Principal Engineer briefed the Committee on the status of the Riverview Waste Water Treatment Works (WWTW) in Citrusdal. In addition hereto discussions were held on the challenges experienced during the project as well as on the future plans for the WWTW.

After the meeting the Department, the municipal officials and members of the public accompanied the Committee on a walk-about of the project.

4.2 Background

The existing WWTW in Citrusdal is located adjacent to and on the banks of the Oliphants River. It is also within close proximity of the residential properties in the area and does not conform to the 800m buffer limit. A major concern at the existing works is that the design capacity has been reached. The Plant has been designed to hold a capacity of 960kl per day. The Plant's current flow exceeds 1 450kl per day. The WWTW has experienced flooding in the past and preventative measures have been implemented by the municipality to combat the overflow of untreated water from entering into the Oliphants River. The Plant has since been upgraded to increase flow and biological process capacity.

The Cederberg Municipality commenced with the initial phases to relocate the WWTW on 21 January 2013. Phase one of the WWTW was completed in July 2013 at a total cost of R8.3 million. The completion of the new WWTW was expected during the 2015/16 financial year but due to limited funding the Project could not be finalised. The Department of Human Settlements contributed R5 million towards Phase 1 of the WWTW. Phase 2 of the WWTW commenced with funding from the Department of Water Affairs. The funding was utilised for the completion of the civil component of the WWTW. The WWTW is scheduled to become fully operational by the end of 2017.

The purpose of the project is to ultimately treat sewer volumes of 2,376Ml/day derived from a population of 15,321 people (approximately 3,064 households) and allowing for an increase in the average consumption per capita from 25l/c/d to 75l/c/d over a 15-year time period. The targeted categories of consumers to be serviced are domestic waste water users throughout the Citrusdal region, the commercial and light industrial users and the institutional users under the Cederberg Local Municipality.

Due to the inadequate capacity of the current WWTW, additional serviced sites cannot be provided. Any further development and/or upgrading can only take place once the new WWTW's is completed and commissioned. This will ensure that the increased sewer volumes are managed effectively. The Department of Human Settlements has made funding available to the value of R16 346 603 towards the completion of the WWTW.

4.3 Riverview Housing Project

During 2010 the Cederberg Municipality requested funding from the Department of Human Settlements to develop a portion of the Petersfield land for an Emergency Housing Programme. The land was procured to accommodate two informal settlement communities from the Sandkamp and Jaagvlei areas in Citrusdal.

These two informal settlement areas were subjected to a limited number of chemical toilets and water points and urgent relocation interventions were required to provide the informal settlements with access to proper basic services.

The Department of Human Settlements under the Emergency Housing Programme (EHP) approved limited funding for the provisioning of water and sanitation services on a shared basis. Underground services were constructed and completed by March 2011. A ratio of four families to one precast toilet was provided.

Further funding was requested from the Department of Human Settlements to upgrade the existing serviced sites to Stage 3 under the Upgrading of Informal Settlements Programme (UISP). Funding was approved for the upgrading of roads, storm water infrastructure and the provisioning of additional toilet facilities by 10 January 2014. Construction of the roads and storm water system commenced in February 2014 and was finalised by 12 September 2014. Further hereto additional precast toilet facilities were provided to all of the erven under the UISP. A total of 392 sites were serviced whereby a ratio of two families now shared one precast toilet facility.

Upon completion of the WWTW the Cederberg Municipality has committed to commence with the development of the existing project approval of 668 sites and 392 on the Enhanced Serviced Sites under the UISP.

Due to the water shed for sewerage, only 184 serviced sites out of the remaining 276 planned sites will be installed in the next Phase. The Project is expected to be finalised by the end of 2017.

4.4 Findings and observations

4.4.1 During the walk-about of the WWTW the Delegation observed:

- 4.4.1.1 All the civil work has been finalised;
- 4.4.1.2 Mechanical and electrical equipment must still be installed on the civil structures to finalise the project;
- 4.4.1.3 The WWTW's main function is currently focused on the treatment of waste water;
- 4.4.1.4 Work on the irrigation pump station has been halted to save costs and will be finalised at a later stage when funding becomes available;
- 4.4.1.5 Farm land that was purchased to accommodate the new Plant and the future upgrading of the Plant;
- 4.4.1.6 Treated waste water is channeled to the Citrusdal golf course for irrigation; and
- 4.4.1.7 The old WWTW will be utilised as an overflow storage facility and for irrigation.

4.5 During the walk-about of the Riverview Housing Project the Delegation observed:

- 4.5.1 Two households share electricity and toilet facilities;
- 4.5.2 No provision has been made for underground drainage systems for outside household basins;
- 4.5.3 Unhygienic stagnant domestic waste water stemming from individual households were prevalent on the properties; and
- 4.5.4 The taps on some of the properties were leaking.

4.6. Resolutions

It was RESOLVED that the Standing Committee on Human Settlements would:

- 4.6.1 Conduct an oversight visit to the Citrusdal Riverview Housing Project on the same day as the meeting to observe the housing project; and
- 4.6.2 Invite the Department of Human Settlements to brief it on the implementation of an upgraded domestic waste drainage systems for the housing units in Riverview.

5. Visit to the Cederberg Municipality: Clanwilliam, Thursday 18 May 2017

5.1 Overview

The last meeting of the day was with the Cederburg Municipality in Clanwilliam. The Municipality provided a progress report on the functioning and challenges of Ward Committees as well as a briefing on the Back to Basics Programme highlighting the successes and challenges.

5.2 Ward Committees

5.2.1 Background

- 5.2.1.1 In terms of the recommendations of the Municipal Demarcation Board, Cederberg Municipal areas are divided into 6 wards, namely:

- Ward 1: Citrusdal farms
- Ward 2: Citrusdal
- Ward 3: Clanwilliam
- Ward 4: Eland Bay and Graafwater
- Ward 5: Lamberts Bay and Leipoldtville
- Ward 6: Wupperthal

- 5.2.1.2 The ward committees for these six wards were established within the 90 day period after the inauguration meeting of the newly elected Council, which was held on 17 November 2016.

- 5.2.1.3 The process started on 17 August 2016. According to the Council's approved guidelines on the functionality of ward committees and after consultation with the Speaker and ward councillors it was decided that a sectorial- and geographical approach will be followed in the compilation of the ward committees. This was due

to the nature of the wards, some being rural and some urban with extreme logistical challenges in some wards.

- 5.2.1.4 During August and September 2016 nominations for sectorial- and geographical representation were invited. The closing date for nominations was 16 September 2016. In instances where more than one nomination was received per sector or geographical area, elections of representatives were conducted during the last week of September 2016.
- 5.2.1.5 Wards 1, 3 and 6 were constituted without elections while, elections for Wards 2, 4 and 5 were conducted on the 27 and 28 September 2016, respectively. The elections were conducted by the Office of the Speaker and all six ward committees for Cederberg Municipality was established at the end of September 2016 which was within the timeframe of 90 days.
- 5.2.1.6 Training of the ward committee members was conducted during October 2016 and their first meeting took place in November 2016.
- 5.2.1.7 The compilation of the ward committees are in line with the demographics of the area with equal male, female and youth representation.

5.2.2 Findings

- 5.2.2.1 During the deliberation with the Delegation it was highlighted that the demarcation of municipal boundaries are problematic which is having an effect on the functioning of ward committees. Rural wards can encompass a large geographic area, with some towns about 100km apart, which makes it difficult for the ward committees to operate.
- 5.2.2.2 Due to the distances between towns, it was found that there is an exclusion of sectors or geographical representation in ward committees. To overcome this, sub-committees have been established.
- 5.2.2.3 Logistical requirements, such as offices and transport, also limit the effective functioning of ward committees. In ward six, for example, meetings are held in the Moravian Church hall which presents its own challenges.
- 5.2.2.4 A major concern that was highlighted is that Directorates do not use ward committees effectively as a tool to share municipal information. Certain Mayoral Committee or Council items such as zoning, building plans, liquor licences, etcetera, should first be submitted to ward committees for input before being submitted for consideration to Mayoral Committees or Councils.
- 5.2.2.5 Due to a lack of funding, skills development and training of ward committee members are not conducted as it should be.
- 5.2.2.6 A major concern that was highlighted was the fact that factionalism and/or political ambitions of ward committee members undermine the authority of the ward councillors. A Code of Conduct is in place and is enforced to ensure ward committee members are aware of their duties.

- 5.2.2.7 The acting Municipal Manager highlighted that all their ward committees were established within the 90-day timeframe and that they are trained in-house and function optimally. As custodian of the Ward Committees, the Speaker, his ward councillors and the administration are dedicated to ensure the effective functioning of the ward committees.
- 5.2.2.8 Efforts have been made to recognise ward committee members as being important role players by means of uniform identity within communities. The Municipality provides ward committee members with golf shirts and identity tags so as to ensure that they are visible in the community when conducting their official duties.
- 5.2.2.9 Sectoral meetings take place on a regular basis and to enhance the importance of these sectoral meetings, reports are submitted to the Speaker. A monthly stipend is paid to the ward committee assistants in terms of the approved “Out of pocket Expenses” policy.
- 5.2.2.10 The appointment of six ward assistants helps with the logistical and secretarial support to ward councillors and ward committees. The Department of Local Government also provides continual support and training to the Municipality to assist and enhance the functioning of Ward Committees.

5.2.3 Resolutions

The Delegation RESOLVED that the Standing Committee on Local Government would engage the Department of Local Government on the:

- 5.2.3.1 Issue of the demarcation process of ward boundaries, as the current demarcation hampers the effective functioning of ward committees.
- 5.2.3.2 Support and training provided to Cederberg Municipality (and other municipalities in general) with regard to training of ward committee members especially in relation to public participation processes.

5.3 Back to Basics Programme

5.3.1 Background

- 5.3.1.1 The Cederberg Municipality, since its amalgamation in 2000, has been under severe financial and service delivery strain. In 2003 Cederberg Municipality was part of Project Consolidate. Over the years it had different names but ultimately it is a financial and service delivery assistance programme by Provincial and National Departments.
- 5.3.1.2 On 4 February 2015, the Department of Local Government, together with other provincial departments, national departments and the Cederberg Municipality, conducted a diagnosis of the Municipality. The findings of which formed the blueprint for a customised Back to Basics Support Plan.
- 5.3.1.3 Through the current monitoring initiatives by the Department of Local Government in the province, municipalities were categorised in terms of:

- Audit outcomes;
- Blue and green drop status;
- Stability at top management level;
- Financial sustainability; and
- Outcomes of MGRO, RMT, IDP Indaba and related processes.

5.3.1.4 This pre-determined criteria assisted in the determination of the level of support required by municipalities. Subsequently, ten municipalities were identified in the province, including the Cederberg Municipality, to be assisted through the Back to Basics Programme.

5.3.1.5 The Back to Basics Support plan focused on five pillars namely:

- Putting people first;
- Delivering basic services;
- Good governance;
- Sound financial management; and
- Building capacity.

5.3.1.6 The Programme was implemented at the Municipality, with the assistance from both provincial and national departments. A monitoring framework was implemented, whereby report back meetings were held with the Municipality and the relevant departments to monitor implementation.

5.3.2 Information requested:

5.3.2.1 The Delegation REQUESTED that the Municipality provide the Standing Committee on Local Government with:

- A report on the Elands Bay Fish Market, highlighting the feasibility study, the co-operative's that were formed and the funding for the fish market;
- A report on the current status of the Desalination Plant ;
- The findings and recommendations of the audit that was carried out on the electricity and water meters;
- Clarity on privately owned land and trust owned land as well as the status of the Elandskloof Housing project;
- A status report on the Organisational Review and the estimated completion date;
- A report on the involvement of the Municipality in the Saldanha IDZ Project; and
- A report on the current status of the raising of the Theewaterskloof dam wall and the benefit it will bring to the community in terms of job creation and skills development.

6. Visit to Rocherpan Nature Reserve: Velddrif, Thursday 18 May 2017

6.1 Overview and background

Rocherpan Nature Reserve (hereinafter “the Reserve”) is a coastal nature reserve known for its wide range of bird species and colourful wildflowers. The Reserve, which lies 25km north of Velddrif on the Cape West Coast, consists largely of wetland and a 4,7km stretch of sandy Atlantic coastline. Rocherpan was established as a nature reserve in 1974 and the adjacent section of the Atlantic Ocean was declared a marine nature reserve in 1988, giving the Reserve a total area of 1 081 hectares.

The delegation undertook a short hike where the recreational facilities on the reserve were showcased.

6.2 Findings/Observations

- 6.2.1 Expansion plans are underway for the Reserve where stewardship options, as a form of expropriation, are being investigated. The Reserve is regarded as a critical biodiversity area because of the unique type of vegetation conserved there. There are various options of stewardship. The owner still owns the land but, because of its conservation value, it allows CapeNature the opportunity to expand without owners losing their property. Stewardship is a cost effective way of executing conservation and acquiring protected areas. Working with land owners that have a common conservation interest, allows CapeNature to enlist a contract nature reserve which has exactly the same status as a provincial nature reserve. It can be managed either in partnership or in some cases, where the conservation area is adjacent to a reserve, CapeNature can take over the management of that land. Partnership allows for the expansion of a conservation estate without the expenses attached thereto. Private land owners often take on the responsibility of managing the conservation area themselves. This takes the burden off the state as private land owners fund the conservation on their property by implementing a management plan that is audited by CapeNature annually. This is an excellent method to expand protected areas because of its cost effectiveness.
- 6.2.2 The Reserve comprises of eight self-catering units, two bird hides, a circular hiking trail, a swimming pool, a children’s play area and picnic and braai facilities. Apart from this, the Reserve also contributes to the recreational needs of day-visitors. It is zoned to accommodate a wide variety of recreational activities such as bird-watching, photography and shore angling.
- 6.2.3 Challenges experienced include the shortage of water and illegal access. The Reserve is far removed from any municipal or bulk water connection. It relies mainly on rainfall for its water supply for domestic and tourism use. Water is harvested from the roofs of all buildings and the roof of parking areas into various storage tanks. This however is dependent on rain and due to the recent drought conditions and low rainfall, water had to be transported from the local municipal reservoir at Dwarskersbos to fill the tanks on the Reserve. Each cabin is fitted with a water meter. A prepaid system will be introduced within the next two months to limit the amount of water consumption depending on the number of guests per cabin. Another technology in the process of being introduced is that which enables

water to be harvested from air. On a good fog day, 1 500 litres of water can be harvested and this is sufficient to fill all the tanks on the Reserve.

- 6.2.4 Access to the marine protected area by vehicles from Dwarskersbos along the beach especially at low tide is a challenge. Patrolling and monitoring this illegal access is difficult due to increasing resource constraints.
- 6.2.5 Rocherpan enjoys a cordial relationship with the Berg River Municipality. Regular meetings are held and tourism development along the West Coast is fully supported as it results in job creation.
- 6.2.6 The Reserve provides nine contract job opportunities (mainly semi-skilled and unskilled jobs in the tourism and conservation sector) to the Velddrif community which forms part of the Expanded Public Works Programme.
- 6.2.7 There are youth and education awareness programmes. Existing agreements are in place with various universities. The Field Manager visits local schools in the area and the possibility of starting a junior ranger group amongst the Noordhoek Primary School learners in the area is being investigated. CapeNature also encourages community involvement and have established a Protected Areas Advisory Committee in the area which is open to any interested person to participate in the discussions.

7. Visit to the Diazville Housing Project: Saldanha Bay, Thursday 18 May 2017

7.1 Overview

The visit commenced with a meeting at 14:30 in the Council Chambers at the Vredenburg Municipal office. Representatives of the Department of Human Settlements, the Municipal Manager, Municipal Officials and Ward Councillors were in attendance.

During the meeting the Municipality briefed the Delegation on the core business of the municipality. They elaborated on the processes involved in approving business plans and the measures implemented by the Department and Municipality when approving and deciding on projects. The Municipality discussed the Diazville Housing Project and the challenges experienced in terms of updating the Housing Demand Database.

After the meeting the Department, the municipal officials and members of the public accompanied the Committee on a walk-about of the Diazville Housing Project.

7.2 Background information on the Diazville Housing Project

The Diazville Housing Project commenced in 2014. A total of 563 sites were earmarked for residential development for beneficiaries who reside in the Diazville and neighbouring Middelpoos and White City communities. A total budget of R35 003 391.92 was approved to fund the project. To date only R 24 685 266.69 was spent on the entire Project.

Construction of the Diazville Housing Development was divided into three phases. Phase one consists of 102 units. The serviced sites project construction commenced on 9 May 2013 and was finalised on 26 November 2015. A total budget of R11 183 994 was approved

to fund the construction of the 102 units in Phase one. A total amount of R 12 028 044.00 was spent on Phase one. A variance of R844 050.00 for Geotech was approved to finalise Phase one.

Phase two consists of 220 units. Construction on Phase two commenced on 1 November 2014 and was finalised on 28 February 2017. A budget of R24 122 340.00 was approved for the construction of 220 units. A total amount of R26 411 236.00 was spent on the project. A variance of R2 288 896.00 was approved to include units for the disabled.

Phase three consists of 117 units which are at various degrees of completion. This is due to vandalism and theft by the community. Construction on Phase three commenced on 1 November 2016 and was finalised on 31 July 2017. A total budget of 12 508 110.41 was approved for Phase three. Additional funding to the value of R432 865.85 was requested for the employment of armed security for a period of two months to safeguard the site.

7.3. Findings and observations

- 7.3.1 The Saldanha Bay Municipality has received a clean and an unqualified audit from the Auditor- General for the past four years.
- 7.3.2 The Municipality was rated as one of the top ten most productive municipalities by the Municipal Data and Intelligence Agency.
- 7.3.3 Saldanha Bay has a population of 111 173 people of which 26 592 have formal housing, 835 traditional housing and 7 855 informal housing.
- 7.3.4 A total of 32 063 of the population in Saldanha Bay have access to piped water and 3 487 do not have access to piped water.
- 7.3.5 Only 30 496 of the Saldanha Bay population have access to flush and chemical toilets and 5 055 make use of other sanitation methods.
- 7.3.6 The Saldanha Bay Municipality reported the vandalism on the Diazville housing project. Additional funding to the value of R432 865.85 was made available to secure the project.
- 7.3.7 During the walk-about the Delegation was able to access two houses. Both houses were owned by disabled persons.
- 7.3.8 Ms Maria Coetzee, a 63 year old who resides in Diazville, requested that a ramp be constructed at her residence. She indicated that due to her disability she is unable to access her home with ease.
- 7.3.9 Ms Katie Visser indicated that she was satisfied with her unit and that she was able to move around the unit in her wheelchair with ease. The unit was built with a wheelchair ramp.

7.4 Recommendation

The Delegation RECOMMENDED that the Saldanha Bay Municipality provide Ms. Coetzee with a wheelchair ramp.

8. Meeting with Southern Atlantic Sea Farms Pty Ltd: Saldanha Bay, 19 May 2017

8.1 Overview and background

The Delegation visited Southern Atlantic Sea Farms Pty Ltd (SASF) in Saldanha Bay to receive a briefing by SASF on the process of manufacturing, harvesting and exporting

mussels from local mussel farms to exporting the product to international markets. The Department of Agriculture also briefed the delegation on the role it has played in assisting SASF through Casidra as the implementing agent.

SASF is a Phakisa approved mussel farming project situated in Saldanha Bay that specialises in the farming, processing, packaging and selling of mussels to local and international markets. The company is owned by three stakeholders; Mr. E Malan (40%), Mr. A Machlachlan (33%) and Ms. L Adams (27%). Ms. L Adams, the project's Black Economic Empowerment (BEE) partner, approached the Department of Agriculture for funding assistance in acquiring a 27% partnership in the mussel business. The request was referred to the Aquaculture Commodity Project Allocation Committee (ACPAC) for consideration. Thereafter, the request was granted and an amount of R3 520 395 was given as Ms. Adams' 27% contribution.

Casidra was appointed by the Department to implement the project deliverables to ensure the successful procurement/implementation of the required items. Casidra assisted with the purchase of concrete mooring blocks, floats, polysteel rope and chain, hiring of a crane boat, special longline mussel cultivation ropes, and two marine diesel engines.

The project consists of longline mussel farming on 30 hectares of leased water rights, which has the potential to deliver 2 000 tons of mussels per year. Once the company is in full production it hopes to sell to markets such as the European Union and East Asia.

The Delegation received the initial briefing by SASF at the Saldanha Protea Hotel, then proceeded to have a tour of the factory where the mussels will be processed and packaged before being exported.

8.2 Findings and Observations

8.2.1 General

8.2.1.1 SASF has been operating within the Aquaculture sector since 2014, initially focusing on salmon farming; however, since 2015 the Project's focus has largely been on mussel farming. The mussel farming industry is estimated to grow by 200% in the next few years.

8.2.1.2 The Project consists of longline mussel farming on 30 hectares of leased water rights, which has the potential to deliver 2 000 tons of mussels per year. The longlines, which are specially imported from New Zealand, are anchored by means of 1.2 ton concrete blocks to the ocean floor, 30 metres under water. The longlines are supported by floats and each longline is 200 metres long that hang in 20 metre loops on which the mussels grow.

8.2.1.3 Casidra was appointed by the Department of Agriculture on 23 February 2016 to implement the Project deliverables, which included R2 574 500 for infrastructure expenses and R945 895 for two 200Hp marine diesel engines and the installation thereof in a boat.

8.2.1.4 Mussel farming in South Africa has been slow for many years with total production in 2012 amounting to 570 tons for the year. The various hurdles preventing growth

of the mussel industry included lack of access to water spaces for mussel farming, lack of financing, a system burdened with red tape in terms of water leases and permits, and a very small local South African market. However, Operation Phakisa streamlined many of these hurdles and created the opportunity for Saldanha Bay to become the ideal location for aquaculture activities.

- 8.2.1.5 Saldanha Bay is the best area in South Africa for shell fish farming as the area is protected from adverse weather conditions, it has nutrient rich water for filter feeders such as mussels and oysters, it has a high volume of plankton activity, and an ideal location in relation to transport and support services. The high quality of the water has resulted in high quality tasting mussels. The vast amount of mussels growing on longlines in Saldanha Bay is rarely seen in other countries.
- 8.2.1.6 The potential increase in aquaculture activities in Saldanha Bay will benefit the local community in terms of employment creation, and an increase in service providers and equipment suppliers. This is especially beneficial for the declining fishing industry as it will create jobs for out of work fishers.
- 8.2.1.7 SASF has, in cooperation with the Department of Agriculture and Casidra, implemented a mentorship programme for new mussel production companies, Requa Enterprises (Pty) Ltd and Chapmans Aquaculture (Pty)Ltd. SASF has recently confirmed three more projects for the Mentorship Programme, namely, Xesibe Aquaculture (Pty)Ltd, Suntele Fishing (Pty)Ltd and Golden Mussel (Pty)Ltd. The Programme provides mentorship on technical/design expertise, administrative management, financial management, long term viability, and training and skill transfer. SASF has ensured that all mentee projects have long term supply and purchase agreements for their mussels that are produced at SASF's processing facility.

8.2.2 Challenges

- 8.2.2.1 In the past, the aquaculture industry was not prioritised by government; however, over the past two years, many government departments have bought into Operation Phakisa in terms of aquaculture except for a few such as the Department of Public Works (DPW).
- 8.2.2.2 Neighbouring communities have complained about the practices utilised by SASF during the processing of mussels saying that the Company is polluting the water. According to SASF, this accusation is not based on scientific fact, and the Company utilises responsible aquaculture practices and sustainable farming methods to protect its surrounding environment, while also complying with regulations set out by the governing authority of marine resources.
- 8.2.2.3 The quality and standard of the mussel products will be factor hindering exports to international markets. SASF has identified the need for a processing facility of international standards dedicated to the processing and marketing of an export quality/standards product that will ensure the viability of the mussels.
- 8.2.2.4 The largest mussel producers in the world are China (680 000 metric tons/year), Europe (500 000 mt per year), Thailand (300 000 mt per year), and Chile (290 000

mt per year). Chile is SASF's main competitor, with similar labour practices and costs. Although the local mussel industry is well positioned, South Africa will only be able to compete with Chile and other mussel producing countries once production costs are reduced.

- 8.2.2.5 Although the first market that SASF exports to will be China, the company aims at exporting its products to countries within the European Union, as well as the United States. Entering the European market is possibly SASF's biggest challenge; however, it is the most important market for the company's success. When entering into a new market, there are guidelines to follow concerning food safety. DAFF is tasked with initiating the process of "opening" the market; however, there is a lack of response on the part of the international market. SASF approached Wesgro to intervene on this matter; however, the entity can only intervene on instruction from the provincial government.

8.3 Recommendations

The Delegation RECOMMENDED that SASF:

- 8.3.1 Write to the Chairperson of the Standing Committee on Economic Opportunities, Tourism and Agriculture to communicate the challenges experienced while trying to access international markets; and
- 8.3.2 Embark on marketing and branding initiatives that will make Saldanha Bay known for its fresh mussel produce.

8.4 Resolutions

The delegation RESOLVED that the Standing Committee on Economic Opportunities, Tourism and Agriculture:

- 8.4.1 Invite the National Department of Agriculture, Forestry and Fisheries and the National Department of Environmental Affairs, as custodians of Operation Phakisa, as well as the Western Cape's Department of Agriculture to brief the Committee on the potential of the aquaculture sector and the challenges experienced by businesses entering the sector; and
- 8.4.2 Visit the SASF facility in early 2018 to assess the progress it has made after being fully operational for six months.

8.5 Visit to the Southern Atlantic Sea Farms Pty Ltd facility

The delegation observed that:

- 8.5.1 The aquaculture industry competes with property development initiatives for production space;
- 8.5.2 The property being used by SASF is an old fish production company that had to close down. The facility already contains many of the fixtures needed for the processing of the mussels;
- 8.5.3 The new facility was still vacant as the processing equipment designed and manufactured in the European Union is due to arrive in the next three months and renovations to the facility will start within the next two or three weeks giving

SASF the capacity to process 10 000 tons of raw mussels into various products; and

8.5.4 Marketing will be essential for the success of the SASF mussel brand.

9. Visit to Mykonos Casino: Langebaan, Friday 19 May 2017

9.1 Overview

The day concluded with a visit to Caledon Casino (“the Casino”) where the management team of the Casino briefed the delegation on compliance to the Western Cape Gambling and Racing Act (Act 4 of 1996) and Regulations. The Casino is one of three Tsogo Sun (“the Group”) Casinos in the Western Cape, of which the remaining two are the Garden Route Casino and Caledon Casino.

The Western Cape Gambling and Racing Board and Provincial Treasury were also present and participated in the discussions. The Delegation conducted a walk-about of the Casino before the meeting.

9.2. Background

Mykonos Casino is located in Langebaan on the Club Mykonos Holiday Resort premises. The Casino opened in November 2000 and is owned by Tsogo Sun, a black owned company. The major shareholder for the Tsogo Sun Group is the Hosken Consolidated Investments Limited (HCI). HCI owns 47.6% of the shares in Tsogo Sun and the public owns the remaining 52.4%. The South African Clothing and Textile Union is a major shareholder in HCI.

The Casino has two spheres whereby the one sphere deals with the gaming industry and the other sphere deals with the hotel industry.

9.3 Findings

- 9.3.1 Tsogo Sun owns 14 casinos across six provinces. The Casinos are 100% owned by the Tsogo Sun Group. The Group employs over 22 000 direct and indirect employees.
- 9.3.2 The Casinos are fully licensed and is fully compliant with the Western Cape Gambling and Racing Act (Act 4 of 1996) and Regulations.
- 9.3.3 Mykonos Casino has a level-2 Broad Based Black Economic Empowerment (B-BBEE) rating.
- 9.3.4 Mykonos Casino employs 128 direct and 44 outsourced employees. The outsourced employees are mainly employed for gardening, security and cleaning services.
- 9.3.5 The Casino has a training academy to train all staff and prospective employees at the Casino. The Academy receives a budget of R30 million per year. All trainees receive meals, transport and a stipend. Not all trainees are employed by the Casino.

- 9.3.6 The Casino indicated that despite the economic downturn and consequential decline in operating margins from 47% to 37% no employees were retrenched and that the Group maintained above inflation remuneration increases for the workforce.
- 9.3.7 The Casino has a customer base of approximately 10 526 club members who account for 66% of gaming revenue. The Casino reported that 55% of the gamblers are female and 45% are male.
- 9.3.8 The Gaming Tax that the Casino paid fluctuated as follows over the last few years: R1.53 million in 2013, R1.81 million in 2014, R1.52 million in 2015 and R1.48 million in 2016.
- 9.3.9 The Group has contributed R52 million through Corporate Social Investments (CSI) during the 2016 financial year. Through its CSI programmes, the Casino has contributed towards a number of organisations amongst others, the West Coast Community Trust, the FDSA (Flora, Dorothy, Sandra and Anna) Community Centre in Velddrif/Noordhoek, youth centres and schools. The Casino works closely with the Western Cape Department of Education and sports unions to ensure that the Sports Academy complements and does not duplicate other sporting efforts. It also contributes to the Interactive Whiteboard Education project for primary schools in the West Coast.
- 9.3.10 The Casino procures 45% of its goods and services from local vendors.
- 9.3.11 The Casino has instituted a number of measures to ensure compliance to the Financial Information Centre Act (Act 31 of 2008) (FICA) Regulations. This includes providing all staff with training on FICA requirements, conducting weekly internal FICA audits and the utilisation of a system (GoAML) that monitors threshold transactions (Thresholds are determined by the Act). Any transaction more than R25 000 is reported in terms of FICA requirements. Bi-annual meetings are held with the WCGRB and KPMG FICA audits to ensure compliance.
- 9.3.12 The Casino is currently utilising the FAST system to monitor the gaming floor and plans to upgrade to the R600k/migration Internet Protocol Camera technology by July 2017. The 24 hour monitoring and surveillance system is used to not only detect suspicious activity on the gaming floors but also to increase the safety of its clients and staff. There are currently 184 cameras including 16 top of the range IP cameras installed at the Casino, foyer, passages and back of the house areas. The Casino also has a Cheeteye Electronic Occurrence book which monitors events in real-time.
- 9.3.13 The Casino implements the Group self-exclusion policy through which clients request to be excluded from the gambling premise and activities. They refer clients to the National Responsible Gambling Council for counseling. These members are removed from the database of the Casino and staff at the cash desk are requested not to provide a service to self-exclusion individuals.

9.4. Challenges

The National Gambling and Racing Act (Act 7 of 2004) makes provision for a national exclusion list but since its promulgation the list has not been finalised.

9.5. Tour of the Casino

The delegation observed the various gaming floors, the security measures; including surveillance cameras and how limited pay-out machines are operated.

10. Acknowledgement

The Delegation is thankful for the various officials, councilors and private individuals for their willingness to meet with the Delegation and to share information.