PARLIAMENT
OF THE
REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS,
TABLINGS AND
COMMITTEE REPORTS

TUESDAY, 17 MAY 2022

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National Assembly

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ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Bills passed by Houses – to be submitted to President for assent

   (1) Bill passed by National Council of Provinces on 17 May 2022:

   (a) Division of Revenue Bill [B6–2022] (National Assembly – sec 76).

   (2) Bill passed by National Council of Provinces on 17 May 2022:


National Assembly

The Speaker

1. Bills passed by Council and returned to Assembly for concurrence

   (1) Bill, subject to proposed amendments, passed by Council on 17 May 2022 and returned for consideration of Council’s proposed amendments:
2. **Referral to Committees of papers tabled**

(1) The following papers are referred to the **Portfolio Committee on Women, Youth and People with Disabilities** for consideration and report:

(a) Strategic Plan of the Commission for Gender Equality for 2019 – 2024.

(b) Amended Strategy of the Commission for Gender Equality for 2019 – 2024.

(c) Commission for Gender Equality 5 Year Strategy Amendment Report for 2019 – 2024.

(d) Annual Performance Plan of the Commission on Gender Equality for 2022/2023.

(2) The following paper is referred to the **Portfolio Committee on Communications** for consideration and report. Report of the Auditor-General on the Financial Statements and Performance Information is referred to the **Standing Committee on Public Accounts** for consideration:


3. **Introduction of Bills**

(1) **The Minister of Communications and Digital Technologies**

(a) **South African Postbank Limited Amendment Bill** [B12-2022] (National Assembly – proposed sec 75) [Explanatory summary of Bill and prior notice of its introduction published in *Government Gazette* No 46204 of 6 April 2022.]

Introduction and referral to the **Portfolio Committee on Communications** of the National Assembly, as well as referral to the Joint Tagging Mechanism (JTM) for classification in terms of Joint Rule 160.

In terms of Joint Rule 154 written views on the classification of the Bill may be submitted to the JTM. The Bill may only be classified after the expiry of at least three parliamentary working days since introduction.
4. Part 4 of Report of Judicial Commission of Inquiry into Allegations of State Capture, Corruption, and Fraud in the Public Sector, including Organs of State

(1) A letter, dated 17 May 2022, was received from the President of the Republic, informing the National Assembly that the Secretary of the Judicial Commission of Inquiry into Allegations of State Capture, Corruption, and Fraud in the Public Sector, including Organs of State, presented Part 4 of the Commission’s report to The Presidency. He states that the report is available online at https://www.thepresidency.gov.za.

The President further states that government will have four months, from receipt of the final report, to submit to Parliament an implementation plan in response to the report. In addition to submitting the plan, the President expresses his appreciation that Parliament will need to engage in its own process on the recommendations that affect it directly, and share this portion of the report, and any other portions thereof with similar contents, to assist in this work.

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**TABLINGS**

**National Assembly and National Council of Provinces**

1. The Speaker and the Chairperson


2. The Minister of Finance

   (a) Draft Amendment of Schedules 1, 2 and 3 to the Financial Intelligence Centre Act, 2001 (Act No 38 of 2001) submitted in terms of the Financial Intelligence Centre Act.

**National Assembly**

1. The Speaker

   (a) Public Protector Report No 114 of 2021/2022 on an investigation into allegations of irregular procurement processes and unauthorised deviations and expansions, within the State Information Security Agency (Sita) by former CEO, Dr Setumo Mohapi.

   Referred to **Portfolio Committee on Communications** for consideration.
COMMITTEE REPORTS

National Assembly
1. Report of the Portfolio Committee on Mineral Resources and Energy on the 20022/23 Annual Performance Plan and Budget of the Department of Mineral Resources and Energy (Vote 34) and its entities, dated 17 May 2022.

The Portfolio Committee on Mineral Resources and Energy (hereafter, the PCMRE or Committee), having considered the 2022/23 Annual Performance Plan (APP) and Budget of the Department of Mineral Resources and Energy (DMRE) and its entities, reports as follows:

1. INTRODUCTION

The Parliament of the Republic of South Africa (Parliament) has a constitutional obligation to oversee the work and spending of public resources by the Executive as outlined in Section 55:2 [(a), (b)] of the Constitution of the Republic of South Africa, 1996. Furthermore, Section 77 (3) of the Constitution stipulates that an Act of Parliament must provide for a procedure to amend money Bills before Parliament. This Constitutional provision resulted in Parliament passing the *Money Bills Amendment Procedure and Related Matters (Act No. 9 of 2009)* (the Money Bills Act). The Money Bills Act sets out the process that allows Parliament to make recommendations to the Minister of Finance to approve, reject or amend the budget of a National Department.

Therefore, Parliament, through its Committees and other mechanisms, should be the guardian of the use of State resources, the overseer of fiscal discipline and cost-effectiveness for the common good of all the citizens. Therefore, Parliament should assess the plans and conduct regular performance reviews and annual performance assessments of the DMRE and its entities. The Department’s APP forms part of the Medium-Term Strategic Framework (MTSF) of government and provides a strategic direction to the Department, Provincial Departments, and entities, statutory bodies and the sector as a whole inclusive of the Department’s social, and business partners. The APP is premised on governments priorities as espoused in the MTSF 2019-2024, and build towards attainment of the National Development Plan (NDP): Vision 2030 aspirations.
The purpose of this report is to report to the National Assembly (NA) on the Portfolio Committee on Mineral Resources and Energy’s findings after evaluating and assessing the Annual Performance and Budget of the DMRE and its entities.

2. THE COMMITTEE PROCESS

The APP, Strategic Plans and Budgets of the Departments and their entities are due for tabling to Parliament at the end of the preceding financial year, such as 31 March 2022. The DMRE tabled its APP on 04 April 2022, whilst the entities tabled the same on 14 April 2022.

Subsequently, on 03 and 06 May 2022, the Committee was briefed by the Department and its entities on their Strategic Plans and Budget.

3. THE DEPARTMENT OF MINERAL RESOURCES AND ENERGY

The DMRE is mandated to ensure the transparent and efficient regulation of South Africa’s mineral resources and minerals industry, and the secure and sustainable provision of energy in support of socio-economic development. The mining, minerals and energy sector is regulated by several Acts. The key regulatory Acts, amongst others, include:

- The Mineral and Petroleum Resources Development Act (2002), which provides the regulatory framework for equitable access to and the sustainable development of mineral resources and related matters.
- The Mine Health and Safety Act (1996), which governs mine health and safety.
- The National Energy Act (2008), which empowers the Minister to plan for and ensure the security of supply for the energy sector.
- The Petroleum Products Act (1977), which regulates the petroleum industry at the manufacturing, wholesale and retail levels.
- The Electricity Regulation Act (2006), which establishes a national regulatory framework for the electricity supply industry, including registration and licensing.

1 National Treasury, (2022)
In an endeavour to discharge its mandate effectively and efficiently, the Department is structured as follows:

- Programme 1: Administration;
- Programme 2: Minerals and Petroleum Regulation;
- Programme 3: Mining, Minerals and Energy Policy Development;
- Programme 4: Mine Health and Safety Inspectorate;
- Programme 5: Mineral and Energy Resources Programme and Projects; and
- Programme 6: Nuclear Energy Regulation and Management.

Additionally, eleven State Owned Entities (SOEs, or entities) are entrusted to assist in discharging the Department’s mandate. The eleven entities reporting to the Department are the Council for Mineral Technology Research (MINTEK), Mine Health and Safety Council (MHSC), State Diamond Trader (SDT), South African Diamond and Precious Metals Regulator (SADPMR), Council for Geoscience (CGS), National Nuclear Regulator (NNR), National Radioactive Waste Disposal Institute (NRWDI), South African National Energy Development Institute (SANEDI), South African Nuclear Energy Corporation (NECSA), Central Energy Fund (CEF) Group of Companies (SOC) Ltd, and National Energy Regulator of South Africa (NERSA).

3.1 Annual Performance Plan of the Department for 2022/23 Financial Year

This section provides analysis of the overall budget allocation for the DMRE for the 2022/23 financial year, as well as the Annual Performance Plan (APP).

The key priorities of the Department for the 2022/23 financial year, as contained in the APP and presented by the Department on 3 May 2022 are to:

- Implement all legislation that was approved by Cabinet before end of March 2022;
- Develop and review existing legislation to encourage investment, growth and transformation in the mining and energy sectors;
- Promote the establishment of an independent transmission company under Eskom Holdings;
• Improve the turnaround time of licensing of mining permits, mining rights through the procurement of the new Information Communication technology (ICT) infrastructure and system;

• Finalise the Governance Framework for the coordination of Nuclear New Build Programme and Multi-Purpose Reactor (MPR);

• Improve nuclear safety, liabilities and emergency management by finalising pre-feasibility study for the procurement of a Centralised Interim Storage (CIS) Facility;

• Continue to implement various energy interventions in the IRP2019 to improve energy infrastructure and increase access to more affordable energy;

• Implement and monitor Occupational Health and Safety (OHS) Improvement Strategy to promote health and safety in the mining sector;

• Enable the rollout of Liquid Petroleum Gas (LPG) as an alternative energy source;

• Expedite the process of rationalisation of DMRE’s State Owned Entities (SOEs) to ensure that they are aligned to achieve the developmental objectives and improve performance efficiency; and

• Strengthen governance structures and their effectiveness to achieve a clean audit outcome in the 2022/23 financial year.

Table 1: Overall Budget of the Department of Mineral Resources and Energy

<table>
<thead>
<tr>
<th>Programmes</th>
<th>Budget (R million)</th>
<th>Nominal Increase / Decrease in 2022/23</th>
<th>Real Increase / Decrease in 2022/23</th>
<th>Nominal Percent change in 2022/23</th>
<th>Real Percent change in 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme 1: Administration</td>
<td>625.9</td>
<td>729.6</td>
<td>103.7</td>
<td>72.3</td>
<td>16.57%</td>
</tr>
<tr>
<td>Programme 2: Minerals &amp; Petroleum Regulation</td>
<td>542.8</td>
<td>493.1</td>
<td>-49.7</td>
<td>-70.9</td>
<td>-9.16%</td>
</tr>
<tr>
<td>Programme 3: Mining, Minerals &amp; Energy Policy Development</td>
<td>803.9</td>
<td>880.0</td>
<td>76.1</td>
<td>38.2</td>
<td>9.47%</td>
</tr>
<tr>
<td>Programme 4: Mine Health &amp; Safety Inspectorate</td>
<td>235.5</td>
<td>236.6</td>
<td>1.1</td>
<td>-9.1</td>
<td>0.47%</td>
</tr>
<tr>
<td>Programme 5: Mineral &amp; Energy Resources Programmes &amp; Projects</td>
<td>5 922.1</td>
<td>6 840.4</td>
<td>918.3</td>
<td>623.7</td>
<td>15.51%</td>
</tr>
<tr>
<td>Programme 6: Nuclear Energy Regulation &amp; Management</td>
<td>1 111.2</td>
<td>1 166.0</td>
<td>54.8</td>
<td>4.6</td>
<td>4.93%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>9 241.5</td>
<td>10</td>
<td>1 104.2</td>
<td>658.7</td>
<td>11.9%</td>
</tr>
</tbody>
</table>

Source: National Treasury, (2022)

NB: Explanatory note
As evident in the above table, the overall budget of the DMRE is R10.3 billion for the 2022/23 financial year. In the previous financial year (2021/22), the Department had a total adjusted budget of R9.2 billion. In nominal terms (without inflation), the Department’s budget increases by 12 percent from the previous financial year, and it increases by 7 percent when one takes cognisance of inflation (real terms).

It is important to note that the bulk of the Department’s budget is allocated for transfers and subsidies. In the current financial year (2022/23), subsidies and transfers amount to R8.2 billion of the total budget; the remainder of the budget is for departmental operations. The bulk of the R8.2 billion is allocated for the public corporations and private enterprises (R5.2 billion) and provinces and municipalities (R2.4 billion).

With regard to economic classification of expenditure, current payments amount to R2 billion for 2022/23, which is comprised of R1 037.1 billion for the compensations of employees and R1 031.2 billion for goods and services, which comprise catering for departmental activities, computer services, consultants, operating leases, travel and subsistence. In the previous financial year, the compensation of employees was the same as in the current financial year at R1 037.1 billion, whilst goods and services had received R631.4 million.²

As can be seen from table 2, the significant share of the budget, R6.8 billion, is in Programme 5: Mineral and Energy Resources Programmes and Projects, the largest programme of the Department. In real terms, the budget for the programme increased by 10.5 percent.

Programme 5 receives the biggest share (66 percent) of the total allocated Departmental budget for the 2022/23 financial year, followed by Programme 6 at 11 percent. Programme 3 receives 9 percent of the share, while Programme 1 receives 7 percent.

² Department of Resources and Energy, (2021)
Programme 4 receives the smallest share of the budget allocation, which is only 2 percent of the total budget allocation.

### 3.1.1 Programme Analysis

As indicated in the preceding section, the Department has six programme areas, namely: (1) Administration, (2) Minerals and Petroleum Regulation, (3) Mining, Minerals and Energy Policy Development, (4) Mine Health and Safety Inspectorate, (5) Mineral and Energy Resources Programmes and Projects, (6) Nuclear Energy Regulation and Management. It is also noteworthy that these departmental programmes have their respective sub-programmes as well. What follows below is an analysis of the budget allocation, as well as the key annual performance targets for each programme.

### 3.1.2 Programme 1: Administration

The aim of this programme is to provide strategic leadership, management and support services to the Department.

<table>
<thead>
<tr>
<th>Sub-Programmes</th>
<th>Budget (R- Million)</th>
<th>Nominal Increase / Decrease in 2022/23</th>
<th>Real Increase / Decrease in 2022/23</th>
<th>Nominal Percent change in 2022/23</th>
<th>Real Percent change in 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry</td>
<td>39,0</td>
<td>-2,0</td>
<td>3,6</td>
<td>-5,13%</td>
<td>-9,21%</td>
</tr>
<tr>
<td>Departmental Management</td>
<td>41,4</td>
<td>-1,2</td>
<td>-2,9</td>
<td>-2,90%</td>
<td>-7,08%</td>
</tr>
<tr>
<td>Audit Services</td>
<td>22,3</td>
<td>-0,8</td>
<td>1,7</td>
<td>-3,59%</td>
<td>-7,74%</td>
</tr>
<tr>
<td>Financial Administration</td>
<td>103,1</td>
<td>-8,2</td>
<td>12,3</td>
<td>-7,95%</td>
<td>-11,92%</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>306,9</td>
<td>71,8</td>
<td>55,5</td>
<td>23,40%</td>
<td>18,08%</td>
</tr>
<tr>
<td>Office Accommodation</td>
<td>113,3</td>
<td>43,9</td>
<td>37,1</td>
<td>38,75%</td>
<td>32,77%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>625,9</strong></td>
<td><strong>103,7</strong></td>
<td><strong>72,3</strong></td>
<td><strong>16,6%</strong></td>
<td><strong>11,55%</strong></td>
</tr>
</tbody>
</table>

**Source:** National Treasury, (2022)

The programme receives R729.6 million for the 2022/23 financial year, which translates into a nominal increase of 16.6 percent, and a real increase of 11.6 percent. As was the case in the previous financial year, the Corporate Services sub-programme receives the
biggest share of the Administration allocation (R378.7 million), followed by the Office Accommodation sub-programme with an allocation of R157.2 million. All other sub-programmes have seen a decrease in budget allocation, the biggest decrease being in Financial Administration and the Ministry sub-programmes, a decrease of 12 percent and 9 percent, respectively.

For the 2022/23 financial year, in line with the above budget, the Administration programme has set itself nine (9) performance targets. In the previous financial year (2021/22), the programme had fourteen (14) performance targets. The key performance targets for this programme during the year under review are as follows:

1. One hundred percent (100%) reduction of Wasteful and fruitless expenditure compared to prior year.
2. One hundred percent (100%) reduction of irregular expenditure compared to prior year.
3. Unqualified audit opinion for year under review.
4. Ninety-five (95%) resolution of reported incidents of corruption.
5. Four (4) approved Shareholder compacts and Corporate Plans of Schedule 2 State Owned Entities (SOEs)
7. Forty-four (44) Quarterly Performance Reports produced
9. One hundred percent (100%) approved invoices from service providers paid within 30 days of receipt

For the 2022/23 financial year, the Department’s approved organisational structure comprises 1 630 posts, with a vacancy rate of 10.1 percent on active posts.

3.1.3 Programme 2: Minerals and Petroleum Regulation

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3 DMRE Annual Performance Plan, (2021)  
4 DMRE Annual Performance Plan, (2020)  
5 DMRE Annual Performance Plan, (2022)
This programme regulates the mining, minerals and petroleum sectors to promote economic growth, employment, transformation and sustainable development.

Table 5: Programme 2 Budget Allocation for 2022/23 Financial Year

<table>
<thead>
<tr>
<th>Programme</th>
<th>Budget</th>
<th>Nominal Increase / Decrease in 2022/23</th>
<th>Real Increase / Decrease in 2022/23</th>
<th>Nominal Percent change in 2022/23</th>
<th>Real Percent change in 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals &amp; Petroleum Management</td>
<td>16.8</td>
<td>14.8</td>
<td>-2.0</td>
<td>-11.90%</td>
<td>-15.70%</td>
</tr>
<tr>
<td>Mineral Regulation &amp; Administration</td>
<td>411.2</td>
<td>366.2</td>
<td>-45.0</td>
<td>-10.94%</td>
<td>-14.78%</td>
</tr>
<tr>
<td>Environmental Compliance &amp; Enforcement</td>
<td>22.2</td>
<td>21.3</td>
<td>-0.9</td>
<td>-4.05%</td>
<td>-8.19%</td>
</tr>
<tr>
<td>Petroleum Compliance Monitoring, Enforcement &amp; Fuel Pricing</td>
<td>29.4</td>
<td>27.7</td>
<td>-1.7</td>
<td>-5.78%</td>
<td>-9.84%</td>
</tr>
<tr>
<td>Petroleum Licensing &amp; Fuel Supply</td>
<td>63.1</td>
<td>63.2</td>
<td>0.1</td>
<td>0.16%</td>
<td>-4.15%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>542.8</td>
<td>493.1</td>
<td>-49.7</td>
<td>-9.2%</td>
<td>-13.107%</td>
</tr>
</tbody>
</table>

Source: National Treasury, (2022)

The Programme receives an allocation of R493.1 million for the 2022/23 financial year. This reflects a decrease of 9 percent in nominal terms and a decrease of 13 percent in real terms. As can be seen in Table 5 above, budget allocation has decreased across the five sub-programmes. Programme budget allocations include transfer payments to the South African Diamond and Precious Metals Regulator (SADPMR), Petroleum Agency South Africa (PASA) and international membership fees.

The Mineral Regulation and Administration sub-programme once again receives the largest share of the programme’s budget to the value of R366.2 million, which illustrates a decrease of 11 percent in nominal terms, and a decrease of 15 percent in real terms. This sub-programme administers and evaluates prospecting and mining rights and licensing.
Compared to the 12 targets that it had set itself in the previous financial year, for the 2022/23 financial year, the Minerals and Petroleum Regulation Programme has set itself 9 performance targets, and they are the following:

1. About 4 000 jobs enabled through the issuing of mining rights and petroleum licences.
2. A total of 120 SLP development projects completed.
3. 212 SLP inspections conducted
4. 150 legal compliance inspections (mineral laws-MLA) conducted.
5. 500 Mining Economics (Mining Works Programme/Prospecting Work Programme (MWP)/PWP) inspections conducted.
6. 1 275 Environmental Inspections conducted.
7. 1 500 petroleum retail site compliance inspections conducted.
8. 1 080 fuel samples tested.
9. 120 mining rights and permits granted and/or issued to Historically Disadvantaged South Africans (HDSA) controlled entities.

3.1.4 Programme 3: Mining, Minerals and Energy Policy Development

This programme formulates, maintains and implements integrated minerals and energy policies to promote and encourage investment in the mining and energy industry.

Table 6: Programme 3 Allocation for 2022/23 Financial Year

<table>
<thead>
<tr>
<th>Programme</th>
<th>Budget 2021/22</th>
<th>Budget 2022/23</th>
<th>Nominal Increase / Decrease in 2022/23</th>
<th>Real Increase / Decrease in 2022/23</th>
<th>Nominal Percent change in 2022/23</th>
<th>Real Percent change in 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining, Minerals &amp; Energy Policy Development Management</td>
<td>24,9</td>
<td>64,6</td>
<td>39,7</td>
<td>36,9</td>
<td>159,44%</td>
<td>148,27%</td>
</tr>
<tr>
<td>Minerals &amp; Petroleum Policy</td>
<td>26,9</td>
<td>25,2</td>
<td>- 1,7</td>
<td>- 2,8</td>
<td>-6,32%</td>
<td>-10,35%</td>
</tr>
<tr>
<td>Nuclear, Electricity &amp; Gas Policy</td>
<td>19,8</td>
<td>19,1</td>
<td>- 0,7</td>
<td>- 1,5</td>
<td>-3,54%</td>
<td>-7,69%</td>
</tr>
<tr>
<td>Economic Analysis &amp; Statistics</td>
<td>50,8</td>
<td>49,3</td>
<td>- 1,5</td>
<td>- 3,6</td>
<td>-2,95%</td>
<td>-7,13%</td>
</tr>
<tr>
<td>Economic Growth, Promotion &amp; Global Relations</td>
<td>665,4</td>
<td>705,5</td>
<td>40,1</td>
<td>9,7</td>
<td>6,03%</td>
<td>1,46%</td>
</tr>
<tr>
<td>Mineral &amp; Energy Planning</td>
<td>16,2</td>
<td>16,3</td>
<td>0,1</td>
<td>- 0,6</td>
<td>0,62%</td>
<td>-3,72%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>803,9</td>
<td>880,0</td>
<td>76,1</td>
<td>38,2</td>
<td>9,5%</td>
<td>4,75%</td>
</tr>
</tbody>
</table>

$^6$ DMRE Annual Performance Plan (2021)

$^7$ DMRE Annual Performance Plan, (2022)
For the 2022/23 financial year, the Mining, Minerals and Energy Policy Development programme receives a budget allocation of R880 million that reflects an increase of 9.5 percent in nominal terms and an increase of 4.7 percent in real terms.

As in the previous financial year, the **Economic Growth, Promotion and Global Relations sub-programme** receives the largest share of the budget to the value of R705.9 million, an increase of 1.4 percent in real terms. The sub-programme is responsible for promoting economic growth and investment in the sector. This sub-programme also makes transfers to the Council for Geoscience (CGS) and the Council for Mineral Technology and Research (Mintek).

There is a significant budget increase in the **Mining, Minerals and Energy Policy Development Management sub-programme**. The programme provides overall management to Programme 3. For the current financial year, the programme receives R64.6 million, an increase of 159 percent in nominal terms and increase of 148 percent in real terms.

The **Economic Analysis and Statistics sub-programme** receives R49.3 million, a decrease of 3 percent in real terms. The aim of this sub-programme is to advise the Department on trends in the mining and energy industries in order to attract investment.

The **Minerals and Petroleum Policy sub-programme** receives R25.2 million, a decrease of 6 percent in nominal terms and a decrease of 10 percent in real terms. This sub-programme develops and reviews policy and legislative frameworks for the mining, minerals and petroleum sectors. In addition, it conducts research; and monitors the impact of policy implementation.

The **Nuclear, Electricity and Gas Policy sub-programme** receives R19.1 million, a decrease of 7.6 percent in real terms. This sub-programme develops and reviews policy and

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8 Ibid
9 Ibid
legislative frameworks for the nuclear, electricity and gas sectors. Moreover, it conducts research; and monitors the impact of policy implementation.\textsuperscript{10}

**Minerals and Energy Planning sub-programme** receives the smallest share of the budget, i.e. R16.3 million. This reflects a decrease of 3 percent in real terms. The sub-programme is entrusted with ensuring the security of supply of mineral and energy resources.

For the 2022/23 financial year, Mining, Minerals and Policy Development programme has set itself twenty (20) performance targets. This compares to 29 targets in the previous financial year. Performance targets for the current financial year are as follows:

4. Precious Metals Bill Gazetted for public comments.
5. Diamonds Amendment Bill Gazetted for public comments.
6. Amended Regulations to section 75, 76 and 77 of the Mineral Resources and Petroleum Development Act (MPRDA) gazetted for implementation.
8. Jewelry and Battery Minerals Value Chain implementation plans approved by the Minister.
10. Six (6) investment promotion events participated in.

\textsuperscript{10} Ibid
13. In relation to the envisaged amended gas act, Gas Regulations gazetted for public comments.
14. Electricity Pricing Policy review submitted to Cabinet for final approval.
15. Electricity Regulation Amendment Bill submitted to Cabinet for tabling in Parliament.
17. The Just Energy Transition (JET) Socio-Economic Baseline Report approved by the Minister.
18. Report on the implementation of the greenhouse gas (GHG) Framework
19. Four (4) carbon offset projects approved.
20. Eight (8) quality mineral publications published.
21. Four (4) Annual Energy statistics reports published
22. Ten (10) progress reports on agreed areas of collaboration and cooperation implemented
23. One (1) new agreements Concluded
24. Ten (10) progress reports on multilateral strategic partnerships

3.1.5 Programme 4: Mine Health and Safety Inspectorate

The objective of this programme is to ensure the health and safety of employees in the mining sector.

Table 7: Programme 4 Budget Allocation for 2022/23 Financial Year

<table>
<thead>
<tr>
<th>Programme</th>
<th>Budget 2021/22</th>
<th>Budget 2022/23</th>
<th>Nominal Increase / Decrease in 2022/23</th>
<th>Real Increase / Decrease in 2022/23</th>
<th>Nominal Percent change in 2022/23</th>
<th>Real Percent change in 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mine Health &amp; Safety Management</td>
<td>9,1</td>
<td>10,1</td>
<td>1,0</td>
<td>0,6</td>
<td>10,99%</td>
<td>6,21%</td>
</tr>
<tr>
<td>Mine Health &amp; Safety Regions</td>
<td>211,4</td>
<td>212,5</td>
<td>1,1</td>
<td>- 8,1</td>
<td>0,52%</td>
<td>-3,81%</td>
</tr>
<tr>
<td>Occupational Health</td>
<td>14,2</td>
<td>14,1</td>
<td>-0,1</td>
<td>-0,7</td>
<td>-0,70%</td>
<td>-4,98%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>235,5</strong></td>
<td><strong>236,6</strong></td>
<td><strong>1,1</strong></td>
<td><strong>-9,1</strong></td>
<td><strong>0,5%</strong></td>
<td><strong>-3,986%</strong></td>
</tr>
</tbody>
</table>

*Source: National Treasury, (2022)*

The Mine Health and Safety Inspectorate programme accounts for 2.29 percent of the total departmental budget allocation for the 2022/23 financial year. Programme budget allocations include transfer payments to the Mine Health and Safety Council (MHSC),
which is tasked with promoting a culture of health and safety in the mining sector.\textsuperscript{11} For the current financial year, this programme receives a total budget of R236.6 million, constituting a nominal increase of 0.5 percent and a real decrease of 4 percent.

As evident in the table above, the largest share of the budget is allocated to the \textbf{Mine Health and Safety Regions sub-programme}, receiving an amount of R212.5 million. This reflects a nominal increase of 0.5 percent and a real decrease of 3.8 percent. The sub-programme develops strategies to reduce occupational diseases and injuries in the mining sector and conducts audits and inspections.\textsuperscript{12}

\textbf{Occupational Health sub-programme} receives R14.1 million, reflecting a decrease of 5 percent in real terms. This sub-programme is entrusted with establishing an occupational health centre to provide specialist services to the mine health and safety inspectorate, with particular focus on regional components.

In the current financial year, the Mine Health and Safety Inspectorate programme has set itself 12 performance targets. During the year under review, the programme seeks to:

1. Reduce by 10\% occupational fatalities compared to the prior year.
2. Reduce occupational injuries by 5\% compared to the prior year.
3. Reduce by 10\% of occupational diseases (including tuberculosis) compared to the prior year.
4. Complete 80\% of investigations (initiated vs completed).
5. Complete about 80\% of inquiries (initiated vs completed).
6. Conduct a total 8 000 qualitative inspections (cumulative, including individual and group audits).
7. 1 MHS Annual Report submitted to parliament
8. About 100 percent of identified necessary SLAs entered into to improve health and safety in mining
9. 100 percent adherence to prescribed timeframes for Chief Inspector of Mines (CIOM) appeals.

\textsuperscript{11} Ibid
\textsuperscript{12} Ibid
10. 80 percent adherence to prescribed timeframes for medical appeals.
11. 80 percent adherence to prescribed timeframes for MPRDA applications.
12. 100 percent Administration of Government Certificate of Competency (GCC) exams policy.

### 3.1.6 Programme 5: Mineral and Energy Resources Programmes and Projects

The programme manages, coordinate and monitor programmes and projects focused on access to mineral and energy resources.

Table 8: Programme 5 Budget Allocation for 2022/23 Financial Year

<table>
<thead>
<tr>
<th>Programme</th>
<th>Budget</th>
<th>Nominal Increase / Decrease in 2022/23</th>
<th>Real Increase / Decrease in 2022/23</th>
<th>Nominal Percent change in 2022/23</th>
<th>Real Percent change in 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmes &amp; Projects Management</td>
<td>6.1</td>
<td>6.1</td>
<td>0.0</td>
<td>- 0.3</td>
<td>0.00%</td>
</tr>
<tr>
<td>Integrated National Electrification Programme</td>
<td>5 206.9</td>
<td>6 037.6</td>
<td>830.7</td>
<td>570.7</td>
<td>15.95%</td>
</tr>
<tr>
<td>Programmes &amp; Projects Management Office</td>
<td>67.8</td>
<td>67.2</td>
<td>- 0.6</td>
<td>- 3.5</td>
<td>-0.88%</td>
</tr>
<tr>
<td>Regional Programmes &amp; Projects Management Office</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Electricity Infrastructure &amp; Industry Transformation</td>
<td>6.2</td>
<td>120.2</td>
<td>114.0</td>
<td>108.8</td>
<td>1838.71%</td>
</tr>
<tr>
<td>Energy Efficiency Projects</td>
<td>254.2</td>
<td>250.5</td>
<td>- 3.7</td>
<td>- 14.5</td>
<td>-1.46%</td>
</tr>
<tr>
<td>Renewable Energy Projects</td>
<td>185.2</td>
<td>158.7</td>
<td>- 26.5</td>
<td>- 33.3</td>
<td>-14.31%</td>
</tr>
<tr>
<td>Environmental Management Projects</td>
<td>195.7</td>
<td>200.2</td>
<td>4.5</td>
<td>- 4.1</td>
<td>2.30%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>5 922.1</td>
<td>6 840.4</td>
<td>918.3</td>
<td>623.7</td>
<td>15.5%</td>
</tr>
</tbody>
</table>

*Source: National Treasury, (2022)*

As stated above, this is the largest programme of the Department, thus, the Programme accounts for 66 percent of the total departmental budget allocation for the 2022/23 financial year. The programme receives R6.8 billion for the 2022/23 financial year. This reflects an increase of 10.5 percent in real terms. As is the case year-on-year, the bulk of the budget goes to the Integrated National Electrification Programme sub-programme – an allocation of R6 billion. This sub-programme oversees and manages the financing and implementation processes for the electrification programme; and makes transfers to Eskom, municipalities and private providers.13 Another sub-programme that shows significant increase in budget allocation is the Electricity Infrastructure and Industry Transformation – an increase from R6.2 million in 2021/22 to R120.2 million in

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13 Ibid
2022/23. The sub-programme oversees programmes and projects focused on the development, improvement and transformation of the electricity generation, transmission and distribution sector, and independent power producers.

The remaining (6) sub-programmes of this programme, experience budget decreases in both nominal and in real terms. These include:

- **Environmental Management Projects sub-programme** receives R200.2 million, a decrease of 2 percent in real terms. The sub-programme provides strategic guidance on environmental management and climate change. It also assists mines to prevent the uncontrolled movement of water into and out of underground holdings and mine openings (acid mines).\(^{14}\)

- **Regional Programmes and Projects Management Office sub-programme** receives zero budget allocation for the year under review. This sub-programme provides regional energy-related advisory services.

- **Renewable Energy Projects sub-programme** receives R158.7 million, a decrease of 18 percent in real terms.

- **Energy efficiency project sub-programme** receives R250.5 million, a decrease of 5.7 percent in real terms. This sub-programme advances energy efficiency in South Africa through planning and coordinating activities and interventions focused on energy efficiency market. The sub-programme also makes transfers for municipal energy efficiency programmes.

- **Programmes and Projects Management Office sub-programme** receives R67.2 million, a decrease of 5 percent in real terms.

- **Programmes and Projects Management sub-programme** receives R6.1 million, a decrease of 4 percent in real terms.

For the 2022/23 financial year, the Mineral and Energy Resources Programmes and Projects programme has twenty-one (21) planned performance targets. The annual performance targets for 2022/23 financial year include:

1. Issue Request for Proposals (RFP) for 513 MW from Storage.

\(^{14}\) Ibid
2. Issue Request for Proposals (RFP) 2600 MW (BW 6) from renewable energy.
3. Request for Proposals (RFP) 1600 MW from renewable energy (BW 7) developed.
4. Issue Request for Proposals (RFP) for 1500 MW from coal
5. Issue Request for Proposals (RFP) for 3000 MW from gas
7. Approved Renewable Energy Sector Master Plan
8. 15 000 additional households electrified through non-grid technology
9. 4 Reports on the monitoring and verification of the implementation of the grid electrification of additional 200 000 households by Eskom and contracted municipalities
10. INEP Masterplans developed for KwaZulu-Natal (KZN), Eastern Cape (EC), Gauteng (GP), Limpopo (LIM), Mpumalanga (MP) and North West (NW) provinces.
11. One (1) mine water management plan implemented
12. 3 derelict and ownerless mine sites rehabilitated
13. 0.5 TWh savings- Quarterly reports on the planning, implementation and monitoring of EEDSM projects in industry, buildings or residential sector to achieve
14. Quarterly reports on the planning, implementation, monitoring and achievement of 0.0196 TWh savings by EEDSM grant participating municipalities
15. Mining Sector Women Empowerment and Gender Equality Strategy and Implementation plan drafted
16. 4 Quarterly reports on implementation of Energy Sector Empowerment and Gender Equality Strategy and Gender Policies and Frameworks
17. 20 percent of preferential procurement to qualifying women, Youth and PWDs from allocated projects budgets of INEP, Energy Efficiency, Derelict and Ownerless Mines Programmes Ownerless Mines Programmes
18. 30 small scale miners
19. 10 women owned small scale miners
20. Draft Mining Sector Youth Strategy and Implementation Plan
3.1.7 Programme 6: Nuclear Energy Regulation and Management

The aim of this programme is to manage the South African nuclear energy industry and control nuclear materials in terms of international obligations, nuclear legislation and policies to ensure the peaceful use of nuclear energy.

Table 9: Programme 6 Budget Allocation for 2022/23 Financial Year

<table>
<thead>
<tr>
<th>Programme</th>
<th>Budget</th>
<th>Nominal Increase / Decrease in 2022/23</th>
<th>Real Increase / Decrease in 2022/23</th>
<th>Nominal Percent change in 2022/23</th>
<th>Real Percent change in 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>R million</td>
<td>2021/22</td>
<td>2022/23</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nuclear Energy Management</td>
<td>4,8</td>
<td>4,6</td>
<td>- 0,2</td>
<td>- 0,4</td>
<td>-4,17%</td>
</tr>
<tr>
<td>Nuclear Safety &amp; Technology</td>
<td>1 094,6</td>
<td>1 149,6</td>
<td>55,0</td>
<td>5,5</td>
<td>5,02%</td>
</tr>
<tr>
<td>Nuclear Non-Proliferation &amp; Radiation Security</td>
<td>11,8</td>
<td>11,8</td>
<td>0,0</td>
<td>- 0,5</td>
<td>0,00%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1 111,2</td>
<td>1 166,0</td>
<td>54,8</td>
<td>4,6</td>
<td>4,9%</td>
</tr>
</tbody>
</table>

Source: National Treasury, (2022)

This programme receives the second largest budget allocation, after Programme 5, an allocation of R1.1 billion. Nominally, the budget for this programme increases by 5 percent, and increases by 0.4 percent in real terms.

**Nuclear Safety and Technology sub-programme** receives the bulk of the budget, R1.06 billion, an increase of 3 percent in nominal terms and a decrease of 1 percent in real terms. This sub-programme manages and implements all matters related to nuclear safety and technology, as required by legislation and international agreements. It also implements nuclear energy policy, in line with the requirements of the Integrated Resource Plan (IRP). In addition, the sub-programme administers all matters pertaining to nuclear technology, safety, liability and emergency management with the aim of improving the governance of the nuclear sector. This sub-programme also makes transfers to the South African Nuclear Energy Corporation (Necsa), the National Nuclear Regulator (NNR) and the National Radioactive Waste Disposal Institute (NRWDI); and is responsible for paying membership fees to international organisations.15

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15 Ibid
Nuclear Energy Management sub-programme receives R4.8 million, reflecting an increase of 48.6 percent in real terms. This sub-programme provides overall management to Programme 6, and oversees the national liaison office of the International Atomic Energy Agency (IAEA); and is responsible for managing the African regional cooperative agreement for research, development and training related to nuclear science and technology.

Nuclear Non-proliferation and Radiation Security sub-programme receives R11.8 million, reflecting an increase of 15.5 percent in real terms. This sub-programme manages and implements all matters related to nuclear non-proliferation and radiation security, as required by legislation and international agreements. It also administers the use of nuclear material, related equipment and facilities, including nuclear technology, to ensure compliance with legislation and international agreements.

In the current financial year, the Nuclear Energy Regulation and Management Programme has set itself ten (10) performance targets, as opposed to the seven (7) planned targets for the previous financial year. The current targets include:

1. Request for Proposal for procurement of 2 500MW Nuclear Programme issued.
2. Four (4) quarterly monitoring reports on Koeberg Nuclear Power Plant life extension Programme through established Technical Oversight Committee meetings.
3. Feasibility study for Central Interim Storage Facility (CISF) completed and submitted to Cabinet for approval.
4. Draft Feasibility study on Multi-Purpose Reactor (MPR) completed and submitted for Gateway Review.
5. Seventy percent (70%) of authorisation applications processed within the 8-week time period.
6. Forty (40) Nuclear Safeguards compliance reports approved.
7. Twenty (20) Nuclear Security compliance reports approved.
4. ANNUAL PERFORMANCE PLANS AND BUDGETS OF THE ENTITIES REPORTING TO THE DEPARTMENT

As stated above, there are eleven entities that report to the Department. This section provides an overview of the APPs and Budget of the 11 entities.

According to the Department, of the R6.6 billion earmarked for transfer to entities that receive government grant, over the medium term, NECSA will receive R3 billion or 45.4 percent of which R2.3 billion will assist the entity with its operational and capital requirements, once-off allocation of R40 million in 2022/23 for preparatory work for the new multipurpose reactor project and the balance for Decommissioning and Decontamination of past strategic nuclear facilities. The CGS follows with R1.6 billion or 24.1 percent of the total entities’ allocation mainly for its operations and for funding the geological mapping for mining exploration. MINTEK will receive R985.2 million or 14.9 percent for its operations inclusive of R8.6 million from the expanded public works incentive scheme. The remaining six (6) entities will receive 15.6 percent of the total entities’ budget, all for operational requirements.

<table>
<thead>
<tr>
<th>Entity</th>
<th>SADPMR R'000</th>
<th>PASA R'000</th>
<th>Mintek R'000</th>
<th>CGS R'000</th>
<th>MHSC R'000</th>
<th>SANEDI R'000</th>
<th>NECSA R'000</th>
<th>NNR R'000</th>
<th>RWDI R'000</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTEF Allocation</td>
<td>192 001</td>
<td>282 590</td>
<td>985 207</td>
<td>1,590 821</td>
<td>14 402</td>
<td>247 493</td>
<td>2 995 842</td>
<td>143 314</td>
<td>153 543</td>
<td>6,605 213</td>
</tr>
</tbody>
</table>

Source: DMRE, (2022)

4.1 Council for Geoscience (CGS)

For the 2022/23 financial year, CGS has a budget of about R482.5 million. Of this, R355.7 million is a government grant allocation. It is important to note that on 8 February 2022, the final 2022 MTEF allocation letter was received by CGS with confirmed additional funding allocations of R500 million (R0 in 2022/23; R200m in 2023/24 and R300m in 2024/25). The additional allocations are to be used for the geoscience activities which includes the onshore and offshore map coverage in support of the National Exploration
Strategy. This means that the implementation of economic recovery onshore and offshore mapping projects in the CGS will be accelerated to augment contribution towards the South African Economic Reconstruction and Recovery Plan.

Moreover, CGS reported that technical adjustments were implemented on the MTEF projects where funding for the Rehabilitation of derelict and ownerless mines and the Water Ingress Solutions was moved to commercial revenue to align to the DMRE’s budget classifications in compliance with the National Treasury budget classification circular. Therefore, the outsourcing of these MTEF projects will be based on either a contract between the DMRE and CGS or a normal open tender process.

The key programme areas for the CGS for the 2022/23 financial years are as follows:

### 4.1.1 Geoscience Technical Programme (GTP)

Key Outcomes of the 2022/2023 GTP are as follows:

- South Africa to become an attractive destination for investment in the minerals resources sector, resulting from Mineral delineation of at least Copper prospects, Nickel/cobalt prospects, Lithium prospects and Gold prospects.
- South Africa’s water and environmental systems that are characterised and mapped in a nationally consistent way, resulting from Regional groundwater and environmental assessments (including climate change) in key basins, National map of groundwater systems that integrate available geoscience data and emerging technologies.
- Geohazards/land use/risk management: Products and services that deliver actionable information on community safety, land use and infrastructure development in collaboration with a range of sectors/entities.
- Development of a healthy pipeline of long-term innovative projects.
- Contribution towards accelerated economic reconstruction and recovery

### 4.1.2 Geoscience for minerals and energy resources projects
The following are the key focus geoscience for minerals and energy resources projects for the 2022/23 financial year:

**Onshore Geoscience Mapping Project:** Focus areas include Namaqualand and Griqualand West, in the Northern Cape Province, Cedarberg region in the Western Cape Province, Mthatha in the Eastern Cape Province, Tugela region between the Free State and KwaZulu Natal Provinces, The Bushveld Complex region around Limpopo, Mpumalanga, and North West Provinces, Basin analyses across the Karoo and Cape Basins.

**Offshore Geoscience Mapping Project:** Activities in this project for the 2022/23 financial year include offshore geoscience mapping in the False Bay regions of the Western Cape Province and finalisation of the data processing of the Table Bay Geoscience Map.

**The Just Transition Project:** The key project areas include Geothermal energy potential of South Africa and Molteno coalfield.

Carbon Capture Utilisation and Storage (CCUS) Project: The project aims to research, develop, and implement CCUS technologies in South Africa as well as developing a revised CCUS potential map. In the 2021/22 financial year, CGS secured a state-owned piece of land to develop the proposed pilot plant (near Leandra, Mpumalanga, close to the major CO₂ emission sources (e.g. Coal-fired power stations, Secunda petro-chemical plant). **Karoo Deep Drilling (KDD) and Environmental Baseline Project:** The projects aim to develop a geo-environmental baseline model to inform regulations for possible shale gas exploration and exploitation in the southern Karoo. The 2021/22 financial year saw the completion of the KDD project, including the complete and successful site abandonment of the drilling site. A final drilling depth of 2,978 meters was reached in October 2021 in the lowermost sequence of the Karoo Supergroup. The core has been transported and largely scanned with the hyperspectral scanner at the National Core Library. Gas analysis have also been ascertained and highlight the occurrence of natural gas.

**4.1.3 Geoscience for infrastructure and land-use projects**

**Infrastructure and land-use projects:** The Projects are aimed to support safe and judicious development of land by assessing ground stability, evaluate appropriate land-
use in line with development suitability prior to development, contribute towards the community safety (in terms of geohazards), and Pro-active distaste management and response readiness, and Assess building materials to support infrastructure development.

**Seismic Hazard Analysis – Koeberg Nuclear Power Station:** Koeberg Nuclear Power Station long term operation (LTO) license lapses mid-2024. CGS is undertaking work in support of renewal of LTO – meeting National Nuclear Regulator’s requirements.

### 4.1.4 Geoscience for health, groundwater and the environment

**Mine Water and Legacy Mines Projects:** The CGS is continuing to support the DMRE in developing mitigation strategies that will lead to the sustainable management of mine water and legacy mines in South Africa.

**Groundwater assessment for future mining and water security:** Artificial intelligence, hydrogeological modelling and other techniques have been used to assess the groundwater status for future mining and water security.

### 4.1.6 Geoscience diplomacy projects

**African footprint of the CGS and Current Projects/Activities:** During the year under review, activities in this project include Finalising the geological mapping project in Malawi, Processing and interpretation of the airborne geophysical data collected for the Ministry of Mines in the Kingdom of Eswatini as well as the finalisation of the integrated report, Expanding the geological mapping in Namibia (until 2022), and Engaging with Central African Republic and the Democratic Republic of Congo as part geoscientific collaborations.

### 4.2 National Nuclear Regulator (NNR)

For the 2022/23 financial year, the NNR has budget of R348 million of which 86 percent is generated from business operations while 14 percent is government grant. According to the NNR, this revenue mix is projected to prevail over the MTEF period. The entity projects to spend about 68 percent of its budget on Compensation of Employees while 28 percent is allocated to Goods and Services. The government grant received for the year under review is R47.3 million.
In terms of non-financial performance, for the medium term, the NNR has set itself the following key focus areas or performance targets:

- Nuclear installation site licence (NISL)
- Long-term operation (LTO) of Koeberg Nuclear Power Station
- Regulatory engagements with NECSA regarding Thabana pipe store extension and new proposed Multi-Purpose Reactor (MPR)
- Steam generator replacement (SGR) project (Nuclear Power Plant)
- Cape Town site office construction project
- Regulatory concerns regarding NTP radiochemicals complex
- The regulation of additional storage for used fuel.

Moreover, the NNR is reviewing and assessing the following activities for Koeberg Nuclear Power Plant:

- Spent fuel storage
- Long Term Operation
- Reactor Pressure Vessel Head Replacement
- Transient Interim Storage Facility
- Radioactive waste Management, and
- Steam Generator Replacement

According to the NNR, the first round of hearings for Nuclear Installation Site License for Thyspunt site were conducted successfully during the 2\textsuperscript{nd} quarter, and the 2\textsuperscript{nd} and final round will be done during the 3\textsuperscript{rd} quarter 2022/23.

Necsa activities under review by the Regulator for the period are as follows:

- SAFARI-1 Research Reactor Ageing Management Project
- Application for Nuclear Installation License
- Regulatory Nuclear Emergency Exercise
- Uranium Residue Projects
• Operational Safe-Mode: Molybdenum and Iodine Lines Operational Readiness Run.

4.3 National Radioactive Waste Disposal Institute (NRWDI)

According to NRWDI, the revenue over the MTEF will increase from R51.93 million in 2022/23 to R54.25 million in 2024/25. This is an increase of R2.32 million or 4.3 percent over the MTEF. The NRWDI will derive its revenue from transfer payments received from government allocations. This allocation is expected to increase below inflation from R50.30 million in 2022/23 to R52.75 million in 2024/25. On obtaining the Vaalputs Nuclear Installation Licence, NRWDI will also be able to generate revenue in the form of waste disposal fees from radioactive waste generators, in particular NECSA and Eskom. This will be used for the purpose of the Vaalputs low level waste disposal function. Funding to be used mainly for infrastructure projects will, over the long term, be obtained from the Radioactive Waste Management Fund, where-in fees will be raised and collected in line with the polluter-pays-principle.

In terms of the performance for the period under review, the NRWDI has set itself the following targets or focus areas:


• **Safe and secure disposal of all classes of radioactive waste:** Radioactive waste safely and securely disposed at Vaalputs. Preparation for physical security upgrades for Vaalputs to store or dispose other radioactive waste classes.

• **National Waste Inventory Report:** Preparation for the publication of a national waste inventory report.
• **Capability for new radioactive waste disposal facilities**: CISF project development

• **Established Research and Development (R&D) programme for long term radioactive waste management solutions**: R&D programme to be launched.

• **Ensure compliance with applicable statutory requirements**: Compliance assurance plan to be implemented.

4.4 South African National Energy Development Institute (SANEDI)

SANEDI has a budget of R125 million for the upcoming year, coming from the MTEF (65%) and other sources (35%). There is European (EU) funding of R13 million and a further R18 million from the Department of Science and Innovation’s (DSI) Energy Secretariat in the form of admin fees. Based on the funding secured, SANEDI is satisfied that the APP, as approved, is fully funded.

In terms of the performance for the period under review, the SANEDI has set itself the following targets or focus areas:

- **Cleaner Fossil Fuels**: Alternative low carbon energy and mitigation options to limit serious, negative and environmental impacts from conventional energy sources.

- **Renewable Energy**: Support the accelerated and informed development of South Africa’s clean energy portfolio and renewable energy (RE) sector.

- **Smart Grids**: Demonstrate and assess intelligent energy systems infrastructure, as an enabler for municipal sustainability

- **Data and Knowledge Management**: Collation, development and utilisation of credible, objective and high-quality data and information relating to the areas of SANEDI’s responsibility.

- **Cleaner Mobility**: Developing Cleaner Mobility solutions for public transportation.

4.5 South African Nuclear Energy Corporation (NECSA)

The South African Nuclear Energy Corporation, for a number of years, experienced governance and financial challenges. It has been running on a profit loss for the past three years. During the current financial year, it projects a profit loss of R23 million, which is
expected to improve to a positive balance in the next financial year. During the year under review, the entity received a government grant of R1 008 192. The graph below shows NECSA’s financial performance plans, to ensure that the company is profitable.

Graph 1: NECSA Revenue Projections

Source: NECSA, (2022)

In terms of non-financial performance, NECSA has set itself five strategic pillars to turn the company around. The five strategic pillars are Financial Recovery and sustainability, Research and Innovation, Profitable Commercial Enterprises, Business continuity and efficiency, Talent excellence and high performance culture. In its strategic plans, NECSA set its performance targets according to the abovementioned strategic pillar or focus areas. Thus, for the 2020/23 financial year, NECSA has set itself the following targets:

Financial Recovery and sustainability: Under this focus area, NECSA had set itself two performance indicators, namely financial performance in which it aims Group Net Profit After Tax to be positive post the current financial year. The Group projects a R23 million loss in the 2022/23 financial year, expecting this to change to a profit from 2023/24 financial year. The second performance indicator is achieving an unqualified audit opinion for the 2020/23 financial year. For the past three years, the entity has been receiving a disclaimer opinion from the Auditor General of South Africa (AGSA).
**Research and Innovation:** Three performance indicators have been set for this performance area, namely, Increased revenue from Contract Research and Development, 23 peer-reviewed research publications, and 6 innovation disclosures.

**Profitable Commercial Enterprises:** The two performance indicators for this strategic focus area is improved financial performance of the NTP Group and Pelchem Net Profit After Tax of R19.7 million in 2022/23 financial year.

**Business continuity and efficiency:** In terms of this focus areas, NECSA aims that the Disabling Injury Incidence Rate (DIIR) be <1.8 in the 2022/23 financial year, Public dose impact limit (mSv per annum) of <0.25, SAFARI-1 Operational availability of 287 days in 2022/23 financial year, Replacement of SAFARI-1 Reactor, and the execution of Decontamination and Decommissioning (D&D) Programme (Stage 1).

**Talent excellence and high performance culture:** Three performance targets have been set in this regard, namely Staff productivity at 48 percent (Group HR Basic Salary cost as percentage of Group Revenue), 100 percent improvement of performance culture and maintaining core skills, and 67 percent of Black Professionals in Middle Management and Higher.

### 4.6 MINTEK

Mintek reported that its planning process for the 2023/2025 MTEF period was conducted during Quarter 4 of the 2021/2022 financial year. Most of Mintek’s models, assumptions and projections were based on current information regarding the market amidst the Covid19-pandemic. The industry in general is under severe financial strain due to the pandemic. The restrictions on local and international movements affects Mintek’s ability to receive samples for analysis, offer piloting services and visit sites/facilities to service operations. Mintek’s ability to earn local and foreign income is thus significantly hampered.

Cash locked up in working capital is a continuous focus area for Mintek. The current ratio improved to 1.8:1 The ratio indicates that Mintek’s short term obligations were adequately covered by current assets. Estimated surplus of R25.7 million predicted for
2022 with a decreased surplus planned for 2023. Achievement of 2023 revenue target will be dependent on recovery of market.

It should be noted that single largest contributor to costs is staff cost. It has maintained around 54 percent. The inflationary increases for last few years only. There have been no incentives/bonuses paid to employees.

Over the past 10 years Mintek has filed 123 invention disclosures and 46 provisional RSA patents applications. In 2021/22 Mintek filed 8 invention disclosures, these include:

- Platchem Technology, Continuum-armed bandit for optimising minerals processing operations
- Development of the SARS-CoV-2—Opt—Nano Silver photoluminescence nanobiosensor for the detection of SARS-Cov-2 viral particles
- Design and production of a recombinant HIV-1/HIV-2 fusion antigen Synthesis of Panni nanoframes via thermal reduction
- The Development of PtCo/C Electrocatalysts for Hydrogen Proton Exchange Membrane Fuel Cells at Commercial Scale
- The Scale-up of Pt/C Heat Stabilized Fuel Cell Catalysts
- Alginate-based nano-adsorbent resin for removal of heavy metals in aqueous solutions

In 2021/22 Mintek registered no new patents. New invention disclosures were reviewed for patentability, none of them currently meet the patenting criteria and are kept as trade secrets.

Key performance indicators for 2022/23 were identified as follows:
- Conduct relevant, applied research and technological innovation by setting a target of 40 journal papers, 40 conference papers, 5 book chapters and 1 book, 10 invention disclosures, 4 new patents, 5 new trademarks.

**Mintek has set the following strategic programmes for the 2022/23 financial year:**

- Establishing a Rare Earth (REE) Industry in South Africa
- Establishing Medical Diagnostic Manufacturing capability in South Africa
• Revival of the Ferroalloys Industry in South Africa
• Incubating Fuel Cell Manufacturing at Mintek
• Energy Storage as an Enabler of a Just Energy Transition
• Coal Gasification
• Revitalising South Africa’s Iron Ore Industry
• Unlocking the Bushveld Complex’s Titaniferous Magnetite

4.7 State Diamond Trader (SDT)

For the 2022/23 financial year, SDT has a revenue of 826 million. Revenue only consists of rough diamonds and the forecast is based on market conditions and the production level of the producers. According to SDT, the revenue is expected to increase marginally over the next five years. The Gross profit margin percentage will remain stable at 4 percent over the budget period. The Operating costs are expected to increase by at least 5 percent for the next five years. Finance expense relates to interest to be incurred on credit facility. SDT indicated that they will make a minimum profit over the next five years.

The state Diamond Trader has set itself 26 annual performance targets for this financial year categorised as follows:

Table 10: SDT Annual Performance Targets

<table>
<thead>
<tr>
<th>Key Issues</th>
<th>Annual Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Functions (Trading)</td>
<td>To increase the current purchase of rough diamonds to 4.5%.</td>
</tr>
<tr>
<td></td>
<td>To increase rough diamonds sold to Historically Disadvantaged South Africans (HDSA) to R67 million.</td>
</tr>
<tr>
<td></td>
<td>To increase the supply of carats to clients to 148 carats</td>
</tr>
<tr>
<td></td>
<td>To recruit 5 Enterprise Development Programme</td>
</tr>
<tr>
<td></td>
<td>To improve internal security</td>
</tr>
</tbody>
</table>
The SDT has faced challenges of funding on financial model for operations while growing local diamond beneficiation industry. An average of 15 percent of rough diamonds production is desired by clients. Clients do not receive suitable rough diamonds as a result of the run of mine provisions. There has been a lack of start-up funding and no funding from commercial banks. The inability to allocate required rough diamonds to all clients due to limited accessibility is also challenge.
SDT has faced the challenge of taxation alignment with other legislation. According to SDT, the Industry is experiencing a decline in production. This threatens level of supply and growth of the industry and lead to unstable and shrinking markets. With regards to Fair Market value it is not supportive of transformation agenda (mark-up). Producers always have upper hand over SDT. SDT has to make margins to sustain its operations.

4.8 South African Diamond and Precious Metals Regulator (SADPMR)

The SADPMR’s compiled the budget based on the MTEF guidelines issued by National Treasury. The guidelines identified the Zero-Based Budgeting (ZBB) as more appropriate. Projected inflation as per MTEF guidelines applied to expenditure budget items where applicable. The capital expenditure is not budgeted for and funded from the reserves. Table 12 below illustrates SADPMR’s preliminary budget for 2022-2025 MTEF Budget:

Table 11: SADPMR MTEF Budget

<table>
<thead>
<tr>
<th></th>
<th>MTEF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022/23</td>
</tr>
<tr>
<td></td>
<td>R'000</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
</tr>
<tr>
<td>Grant allocation</td>
<td>62,894</td>
</tr>
<tr>
<td>Internal general revenue</td>
<td>51,565</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>114,459</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
</tr>
<tr>
<td>Compensation of employees</td>
<td>85,450</td>
</tr>
<tr>
<td>Goods and services</td>
<td>27,359</td>
</tr>
<tr>
<td>Non cash</td>
<td>1,542</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>114,351</td>
</tr>
<tr>
<td><strong>Surplus</strong></td>
<td>108</td>
</tr>
</tbody>
</table>

The entity has identified the challenges and strides to overcome those challenges and which intervention they require as follows:
<table>
<thead>
<tr>
<th>Challenges</th>
<th>Intervention</th>
<th>Action required</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT exemption on imports for industry on to free up much-needed cash.</td>
<td>• No VAT on import of diamonds destined to South Africa.</td>
<td>• Engagement with SARS</td>
</tr>
<tr>
<td>Export levy – Discourage exports in order to increase local beneficiation</td>
<td>• Introduce export levies and service fees on precious metals exports and imports</td>
<td>• Amendment of Diamonds Act, Precious Metals Act and Export Levy (Administration) Act</td>
</tr>
<tr>
<td>COVID-19 pandemic has brought uncertainty on future revenue generation</td>
<td>• Continuous monitoring of impact of revenue generation on the sustainability of the Regulator with regular feedback to the Oversight division at the DMRE • Implementation of Financial Sustainability Strategy and stakeholder engagement</td>
<td>• Regular meetings with DMRE Oversight division and National Treasury where relevant</td>
</tr>
</tbody>
</table>

With regards to regulatory compliance, the table below illustrates SADPMR output and indicators for 2022/23:
<table>
<thead>
<tr>
<th>Output</th>
<th>Output Indicators</th>
<th>APP Target 2022/23</th>
<th>MTEF target 2022/23 to 2024/25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformation on the diamond and precious metals industries</td>
<td>No. of licensees assessed</td>
<td>160</td>
<td>610</td>
</tr>
<tr>
<td></td>
<td>No. of enterprises developed/ partnerships created</td>
<td>6</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>No. of enterprises developed/ partnerships monitored and maintained</td>
<td>7</td>
<td>30</td>
</tr>
<tr>
<td>Verified fair market value of diamonds</td>
<td>Percentage of diamond verified for fair market value</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Detected undisclosed polished synthetic diamonds</td>
<td>Percentage of polished diamonds subjected for verification</td>
<td>100%</td>
<td>1001%</td>
</tr>
<tr>
<td>Ensured equitable access of diamonds in the DEEC</td>
<td>No. of Beneficiators and dealers accessing the DEEC for the first time</td>
<td>8</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>No. of HDP Beneficiators accessing the DEEC for the first time</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Proper administration of KPCS</td>
<td>No. of quarterly imports, exports statistics reports and KP annual report submitted</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>No. of Bilateral Engagements</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>------------------------------</td>
<td>-----</td>
<td>----</td>
</tr>
<tr>
<td>No. of Multilateral Engagements</td>
<td></td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>Trained new entrants in diamond planning, marking, sorting, valuation and pricing</td>
<td>No. of trained new entrants</td>
<td>6</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>No. of trained new entrants monitored and evaluated post-training</td>
<td>5</td>
<td>21</td>
</tr>
</tbody>
</table>

### 4.9 Central Energy Fund (CEF) Group of Companies (SOC) Ltd

The Group is expected to remain solvent over the planning period, with the average net asset value of R9.4 billion. Total Assets are expected to increase from R29 billion in the first year to R33 billion in the outer year of the planning period, due to the increase in the cash and cash equivalents as a result of incremental dividends received from 40 percent ROMPCO shares. External funding is expected to increase to R3.3 in 2022/23 financial year mostly due to the external loan of R3 billion to acquire additional 15 percent ROMPCO shares.

The Group records a net loss of R321 million in the first year (2022/23) due to: CEF SOC – planned investment in new energy assets; PetroSA – high operating expenses for Gas to Liquids (GTL) refinery (that is under care and maintenance) cross-subsidized by the Trade Supply & Logistics (TS&L) business; Strategic Fuel Fund (SFF) – low revenue generated from storage as result of loss of major client; Petroleum Agency of South Africa (PASA) – self generated income and allocation from National Treasury (NT) not enough to cover operations.

CEF Group is projected to generate an average net loss of R436M per annum for the first two years (2023 and 2024) of the planning period. Then an average net profit of R1.3BN per annum for last two years of the planning period, attributable to: Implementation of initiatives to turn-around PetroSA – improvements in the TS&L business model, revival of the refinery and increased dividends from ROMPCO transaction.
The CEF has adopted 5 key strategic themes and these will be achieved through 15 Group plays, executed by all entities across the CEF Group, for the period under review:

<table>
<thead>
<tr>
<th>Strategic Theme</th>
<th>15 Group Plays</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidation &amp; Turnaround</strong></td>
<td>Reset &amp; Consolidate Reset the strategic direction of the group &amp; consolidate to drive efficiencies and synergies</td>
</tr>
<tr>
<td></td>
<td>PetroSA and AEMFC stabilisation Extraordinary intervention to ensure financial stabilisation of subsidiaries</td>
</tr>
<tr>
<td></td>
<td>SANPC Enablement Implementation of the SANPC to drive efficiencies, commercial stabilization &amp; integration</td>
</tr>
<tr>
<td><strong>Commercial Sustainability</strong></td>
<td>Improve Group Profitability Optimisation &amp; cost management of existing operating assets</td>
</tr>
<tr>
<td></td>
<td>Strategic Capital &amp; Portfolio Management Strategic capital allocation and investment optimisation</td>
</tr>
<tr>
<td><strong>Strategy &amp; Long Term Growth</strong></td>
<td>Expand Gas portfolio Develop local gas economy through infrastructure investment, gas aggregation and sale</td>
</tr>
<tr>
<td></td>
<td>Market expansion and diversification Develop and expand new step-out opportunities along the value-chain to maximise long-term value creation</td>
</tr>
<tr>
<td></td>
<td>Drive Upstream E&amp;P development Enable and promote investment in upstream exploration and production to drive beneficiation of sovereign reserves</td>
</tr>
<tr>
<td></td>
<td>New Energy investment Drive the just energy transition through profitable investment in alternative energy sources</td>
</tr>
<tr>
<td><strong>Human Performance &amp; Organisational Alignment</strong></td>
<td>Human capital development &amp; structure opt. Drive an engaged and high-performing workforce empowered by a fit-for-purpose operating model</td>
</tr>
<tr>
<td></td>
<td>Environmental and social development Develop strong community relations and maintain a positive social impact</td>
</tr>
<tr>
<td>Operational Excellence</td>
<td>Strategic partnerships &amp; stakeholder management</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Process and systems optimisation</td>
</tr>
<tr>
<td></td>
<td>Automation and digital solutions</td>
</tr>
<tr>
<td></td>
<td>Governance and risk management</td>
</tr>
</tbody>
</table>

### 4.11 National Energy Regulator of South Africa (NERSA)

Projected revenue for the 2022/23 financial year amounts to R337 million, which is R2,4 million (0.7%) higher than the R335 million budget for 2021/22. There were no increases in levy rates to licensees and only a minimal increase in the license fee rate, however, volumes were anticipated to recover slightly as lockdown restrictions were relaxed hence the marginal increase in projected revenue. Budgeted operating expenditure for the 2022/23 financial year amounts to R397 million, which is R12,3 million (3.2%) higher than the R384 million budget for 2021/22. In order to refund the regulated industries and to reduce the impact of levy increases over the three-year MTEF period, NERSA is budgeting for deficit over this period. The projected deficit of R59,8 million for 2022/23 will be covered from NERSA’s accumulated surpluses. Capital Expenditure for the 2022/23 financial year amounts to R13.6 million, which is 2.6 percent lower than the R14.0 million for 2021/22. The budget includes mainly the development of software licenses and replacement of motor vehicles used for travelling during compliance audits and other regulatory activities.

NERSA’s regulatory activities are grouped in the following programmes:

a) Programme 1: Regulatory Service Delivery

b) Programme 2: Advocacy And Engagement

**PROGRAMME 1: REGULATORY SERVICE DELIVERY**

b) Subprogramme: Electricity Industry Regulation
c) Subprogramme: Piped-Gas Industry Regulation

d) Subprogramme: Petroleum Pipelines Industry Regulation

<table>
<thead>
<tr>
<th>Key regulatory activities</th>
<th>Envisaged Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Setting and/or approval of tariffs and prices</td>
<td>• Economic growth through affordable prices and tariffs;</td>
</tr>
<tr>
<td>2. Licensing and registration</td>
<td>• Fair balance between the needs of the customer (end user) and the regulated</td>
</tr>
<tr>
<td>3. Compliance monitoring and enforcement</td>
<td>entities</td>
</tr>
<tr>
<td>4. Dispute resolution, including mediation, arbitration and handling of</td>
<td>• Increasing energy capacity in the country;</td>
</tr>
<tr>
<td>complaints</td>
<td>• Orderly development of the energy industry</td>
</tr>
<tr>
<td>5. Setting of rules, guidelines and codes for the regulation of the three</td>
<td>• Access to more energy from new/alternative suppliers</td>
</tr>
<tr>
<td>energy industries</td>
<td>• Transformation of the regulated industries, in line with the BBBEE Act</td>
</tr>
<tr>
<td></td>
<td>• Secure and reliable supply of energy</td>
</tr>
<tr>
<td></td>
<td>• Safe, efficient and environmentally friendly operation of regulated energy</td>
</tr>
<tr>
<td></td>
<td>facilities to produce, handle, store and transport energy</td>
</tr>
</tbody>
</table>

**Strategic Outcomes**

- Efficiency in facilitating entry, setting prices and resolving disputes
- A stable and diverse energy sector system, and pricing regime which supports access through regulatory services that are delivered on time and to quality standards

PROGRAMME 2: ADVOCACY AND ENGAGEMENT
**Subprogramme: Regulatory and Policy Advocacy**

<table>
<thead>
<tr>
<th>Key regulatory activities</th>
<th>Envisaged Impact</th>
</tr>
</thead>
</table>
| 1. Regulatory advocacy aimed at improvement of the regulatory framework provided through legislation, regulation and government policies | • Investor confidence and lessening the regulatory burden on licensees  
• Regulatory certainty |
| 2. Regulatory and Policy advocacy procedure | |

**Strategic Outcomes**

- Energy industry regulatory framework is relevant for the effective regulation for the benefit of the customers and stakeholders  
- Innovation drives our response to the transition of the Industry

**PROGRAMME 2: ADVOCACY AND ENGAGEMENT**

**Subprogramme: Customer and Stakeholder Engagement**

<table>
<thead>
<tr>
<th>Key activities</th>
<th>Envisaged Impact</th>
</tr>
</thead>
</table>
| 1. Stakeholder engagements for the regulated industries | • Effective and efficient regulation supported by appropriate systems, processes, procedures and resources  
• Investor confidence and lessening the regulatory burden on licensees  
• Regulatory certainty |
| 2. Customer education programmes | |

**Strategic Outcomes**

- Energy industry regulatory framework is relevant for the effective regulation for the benefit of the customers and stakeholders  
- Innovation drives our response to the transition of the Industry
• Integrated and value-added services to customers

**ORGANISATIONAL ACTIVITIES**

NERSA’s organisational activities are grouped in the following programmes:

a) Programme 2: Advocacy And Engagement  
b) Programme 3: Innovation  
c) Programme 4: Operational Efficiency and Quality Management  
d) Programme 5: People and Organisational Culture

<table>
<thead>
<tr>
<th>Programmes</th>
<th>Key activities</th>
<th>Envisaged Impact</th>
</tr>
</thead>
</table>
| 2. Advocacy and engagement                   | 1. Partnership creation to position NERSA as a recognised regulator nationally, regionally and internationally  
                                           | 2. Implementation of the stakeholder management plan                           | • Effective and efficient regulation supported by appropriate systems, processes, procedures and resources |
| 3. Innovation                                | 1. Information management framework developed                                  |                                                                                  |
|                                               | 2. ICT Strategy implemented                                                    |                                                                                  |
| 4. Operational Efficiency and Quality        | 1. Revised NERSA operating model                                              |                                                                                  |
| Management                                    | 2. Financial Sustainability Strategy and Plan                                  |                                                                                  |
|                                               | 3. Revised organisational business processes                                  |                                                                                  |
|                                               | 4. Implementation of gender mainstreaming initiatives                         |                                                                                  |
4.11 Mine Health and Safety Council (MHSC)

For the 2022/23 financial year, the MHSC has a budget of R20.7 million. The income is mainly derived from mine levies (R1 12 944 618), and State Grant (4 717 000). The remainder of the income is derived from exchange of transactions. As depicted in Table 10 above, over the MTEF period, MHSC will receive an estimated State Grant of R14.4 million. In terms of the performance for the period under review, the MHSC has set itself the following targets or focus areas:

**Prevention of fall of ground:** Through the Centre for Education and Training of Mineworkers, MHSC will continue to facilitate the training of Seismologists and Rock Engineers with partner institutions including the CGS, Mining Qualifications Authority (MQA), Wits University and the University of Pretoria. Guideline for the mitigation of geo-technical risks is to be completed by end of September 2022. Research project is currently underway to determine the appropriate Average Pillar Stress (APS) criterion for design of regional pillars in platinum reefs, gold reefs and other ore/minerals.

**Prevention of Transport Accidents:** Review of Guideline for the Compilation of a Mandatory Code of Practice for Trackless Mobile Machines. Implementation of collision avoidance technology in the mining sector for diesel powered machines.

**Prevention of noise induced hearing loss:** MHSC is disseminating the revised Guideline for the Compilation of a Mandatory Code of Practice for an Occupational Health Programme for Noise. A workshop on the guideline will be held on 4th and 5th of May 2022. In collaboration Acoustic laboratories at UP, MHSC is developing a camera which will assist the SA Mining Industry to: Achieve targeted silencing of machines, Increase the effectiveness of analysing moving noise sources, and to prevent unauthorized modifications of machines. According to the MHSC, quieter machines lead to elimination
of Noise Induced Hearing Loss and associated compensation claims. Hence, by June 2022, MHSC will be in a position to promote the use of this camera in the mining industry.

**Prevention of occupational lung diseases as well as TB and HIV/AIDS:** A commemoration event will be convened in December 2022 on World TB Day. MHSC continues to disseminate guidance notes on TB and HIV. The MHSC is reviewing the Current Airborne Exposure Limits in Schedule 22.9 (A) of the MHSA to reduce exposure of employees to high level airborne pollutants and reduce chances of employees developing occupational lung diseases. The MHSC is disseminating the following documents within the Regional Tripartite Forum (RTF) Structures: Guidance note on HIV Self-Testing for the South African Mining Industry, Guidance note on strengthening the HIV Counselling and Testing (HCT) uptake in SA mining industry, and Guidance note on HIV management and control.

**The use of Advanced Technology:** Strategic Partnership with Wits University to develop Drone Technology focussing on the following areas – Research project to be completed in November 2023 for implementation in the South African mining industry. Review of regulations dealing with Rescue, First Aid, and Emergency Preparedness and Response (Including provisions for Missing Persons Locator Systems). To be completed by September 2023.


**Mine Health and Safety Summit 2022:** The 2022 Occupational Health and Safety (OHS) summit will seek to review progress towards achievement of the milestones which were agreed upon at the 2014 OHS summit by the stakeholders for implementation by 2024.
Communities affected by mining activities: Development of Guideline for Minimum Standards for protection of communities against Ground Vibration, Noise, Air-Blast and Fly rock when conducting blasting operations for explosive manufactures and mining companies to comply with.

5. OBSERVATIONS

The Committee noted with concern that time allocated to it to deal with the Budget and Strategic Plans is insufficient. The Committee had to deal with the Annual Performance Plans of the Department and 11 entities within two days.

The Portfolio Committee observed the following matters in relation to the performance plans and budget of the DMRE and entities reporting to it:

5.1 Department of Mineral Resources and Energy

- The Committee noted with concern the fact that budget for the Administration Programme has increased, as opposed to decrease post the merger process of the two Departments, although the Department explained that part of the increase was due to the former Department of Mineral Resources’ leases that did not go through the Department of Public Works and Infrastructure, and the cost for private leases are much higher.
- The Committee was concerned about the licensing backlog and delays within the Department.
- The Committee observed with concern the fact that the South Africa was rated the 10th least country regarding attractiveness on mining investment.
- The Committee noted the positive reports with regards the gazetting of the Exploration Strategy for public comment.
- The Committee noted that the Annual Performance Plan (APP) did not reflect the targets for the Risk Mitigation Independent Power Producers Procurement Programme (RMIPPPP) and Bid Window 5, in as much as the Department indicated that the only outstanding phase in the process was the signing of the contracts by Eskom.
The Committee raised a concern that, legislatively, the Integrated Resource Plan for electricity is supposed to be reviewed every two years, however, there seemed to be no plans from the Department to embark in this process, although the Department had cited capacity challenges as the main reason for the delays.

The Committee was informed that the tender for the new cadastral system was issued and that the process now is with the State Information Technology Agency (SITA), from whom they are now awaiting confirmation regarding the evaluation of the bids.

The Committee noted that the fuel price review is part of the DMRE’s plans. Apart from the APP, the DMRE also has an Operational Plan, within which the Regulatory Accounting System review sits, which is a priority for the DMRE during this financial year.

The Committee noted that there was no clarity on the monitoring mechanisms relating to the Social and Labour Plans. Members highlighted that Social and Labour Plans remain key in addressing development initiatives in mining communities.

The Committee was concerned about the lack of clarity in the annual performance plan regarding the National Solar Water Heater Programme.

The Committee noted with concern delays in the finalisation of the RMIPPPP.

The Committee is concerned that there are no further developments with the new oil refinery, which was envisaged to be built in Coega.

Members pointed out that electrifying households in informal settlements and rural areas needed to be prioritised.

### 5.2 MHSC

- The Committee welcomed the appointment of Mr. David Mampitha as the Chief Executive Officer of the MHSC.
- The Committee welcomed the long overdue Mine Health and Safety Summit that entity plans to hold in 2022.
- The Committee notes the initiatives undertaken by the MHSC relating to women in the sector.
The Committee noted that the reports did not reflect the number of inspectors, their skills and fields of specialisation in the respective regional offices.

5.3 MINTEK

- The Committee was concerned that, establishing a Rare Earth Industry in South Africa is slow.
- The Committee noted MINTEK’s challenges regarding internal marketing and commercialisation.

5.4 SDT

- The Committee noted SDT concerns regarding delays in policy review by government impacting the delays in the amendments to the Diamonds Act.
- Members noted the absence of a clear strategy to deal with identification of strategic minerals.

5.5 SADPMR

- The Committee observed that SADPMR has no VAT included on diamonds imported to South Africa.
- Moreover, the Committee noted the challenge of export levies and service fees that are not built into the precious metals exports and imports, and the impact thereof on local beneficiation.

5.6 CGS

- The Committee was glad that CGS had received addition funding of R500 million for its mapping project, starting from the 2023/24 financial year.
- The Committee was impressed by the CGS projects, especially with the fact that the drilling project in the Karoo had been completed.
5.7 NNR

- The Committee was concerned about the commitment made by the NNR to build a R58 million office space in Cape Town, instead of utilising other government offices.

5.8 NRWDI

- The Committee noted the continued delays in the finalisation of the Radioactive Waste Management Fund Bill. The delays impact on NRWDI’s effectiveness to execute its mandate.
- Moreover, the Committee was concerned about the slow progress of the NRWDI’s Nuclear Installation Licence application process, aimed at NRWDI’s takeover of the management and operation of Vaalputs from NECSA.

5.9 SANEDI

- The Committee was concerned about the location of SANEDI, stating that its mandate is confusing.

5.10 South African Nuclear Energy Corporation (NECSA)

- The Committee was impressed with NECSA’s turnaround strategy, which showed that in the next financial year the entity will no longer be operating on a loss.

5.11 CEF Group of Companies (SOC) Ltd

- The Committee noted CEF’s Group turnaround strategy, but the financial situation still remained dire.
- The Committee noted with concern the slow progress on the merger of the three entities within the Group, namely PetroSA, SFF and IGAS.
- The Committee noted statement made by the Chairperson of the CEF Board on their interventions as far as acts of sabotage, i.e. cable theft, fuel theft etc. The
Committee supports and believes that such interventions will address issues of consequence management and energy stability, but continue to recognise that innocent until proven otherwise.

**5.12 NERSA**

- A concern was raised that the regulatory process for the IPPs, especially for the less than 100 MW projects, was onerous.
- It was also noted that the Electricity Regulation Act and Electricity Pricing Policy are outdated.

**6. RECOMMENDATIONS**

Having considered the planning documents and budgetary allocations for the 2022/23 financial year, the Committee recommends that the Minister of Mineral Resources and Energy, should:

1. Present the procedure followed with regard to the merger of the two departments and provide a report on the number of offices of the Department of Mineral Resources and Energy (DMRE), with its cost differences (i.e. owning and leasing).
2. Develop mechanisms and initiatives to clear the licensing backlogs and update the Committee on progress made in clearing the backlog, including a detailed report on the average number of licensing applications for mining and energy per day, respectively, and a detailed breakdown of the steps to be followed for each application.
3. Update the Committee on progress made in addressing issues raised by the Fraser Institute regarding South Africa and mining investment prospects.
4. Ensure that the Integrated Resource Plan (IRP), is reviewed every two years, as per the legislative requirements.
5. Develop mechanisms, with the National Energy Regulator of SA (NERSA) to ease the regulatory requirements for the Independent Power Producer (IPP) projects.
6. Expedite the finalisation of the Risk Mitigation Independent Power Producers Procurement Programme (RMIPPPP), and other IPP projects.
7. Update the Committee on all pieces of legislation due for submission to Parliament in the MTEF period.
9. Submit and present to the Committee the Exploration Strategy.
10. Consider reviewing the mandate or location of South African National Energy Development Institute (SANEDI).
11. Ensure that the degradation of safety culture at Koeberg Nuclear Power Station is addressed as a matter of urgency.
12. In consultation with the Minister of Finance, ensure that the issue of VAT included on diamonds imported to South Africa is addressed as a matter of urgency.
13. Address the suspensive conditions for NERSA that delay the procurement framework for the 2 500MW Nuclear Programme.
14. Consider identifying alternative investor(s) for the new oil refinery.
15. Develop measures to mediate issues timeously between Eskom, IPP Office, and NERSA that delay the signing of contracts for the programmes already procured.
16. Ensure that the professional Service providers complete their studies within the set timeframe to expedite the drafting and implementation of the Electrification Master Plan necessary to address the barriers to electrifying households in sparsely populated rural areas and informal settlements.
17. Fill the Department’s funded vacant posts as well as align the training and development with its mandate to minimize dependence on consultants and service providers.
18. Implement the Social Contract for Mining as a platform to engage respective landowners to address the lack of access to land for exploration.
19. Engage with the National Treasury to increase South Africa’s budget share in geoscience to diversify supply of minerals in support of the mining and energy industries.
20. Monitor social and labour plans to ensure that they address the challenges directly affecting the mining communities, particularly the triple challenges of poverty, inequality unemployment as well as inclusivity.
21. Provide a report on the cadastral system as per the outstanding reports for the following regional offices: Mpumalanga, Limpopo and the North West provinces.

22. Develop a monitoring and consequence management mechanism with regard to the Solar Water Heater Programme.

23. Present, with the Central Energy Fund Board (CEF), the consequence management processes as and when they have been finalised.

7. CONCLUSION

The Portfolio Committee on Mineral Resources and Energy will continue to fulfil its Constitutional mandate. It is guided by the Parliamentary rules in conducting the oversight on the functioning of the Department of Mineral Resources and Energy. This is done to ensure proper and effective functioning and compliance with the legislation and policy requirements.

Report to be considered.
2. Report of the Portfolio Committee on Women, Youth and Persons with Disabilities on the Annual Performance Plan (Budget Vote 20) of the Department of Women, Youth and Persons with Disabilities for financial year 2022/23, dated 17 May 2021

The Portfolio Committee on Women, Youth and Persons with Disabilities, having considered the Annual Performance Plan and Budget of the Department in the Presidency for Women, Youth and Persons with Disabilities for 2022/23 on the 3 May 2022, the National Youth Development Agency on 10 May 2022 and the Commission for Gender Equality on 6th and 11th May 2022, reports as follows:

1. Introduction

As per the Announcement, Tablings and Committees (ATC) No. 36 of 11 March 2022, the Department of Women, Youth and Persons with Disabilities 2022/23 tabled its Annual Performance Plan for 2022/23 for consideration and report. The National Youth Development Agency’s (NYDA) Revised Strategic Plan and Annual Performance Plan (APPs) 2022/23 were tabled the for consideration and report as per the ATC No. 47 of 29 March 2022. The CGE’s Amended 5 Year Strategic Plan of the Commission on Gender Equality for 2019 – 2024 and the Annual Performance Plan of the Commission on Gender Equality for 2022/23 was tabled as per the ATC No. 71 on 16 May 2022.

The Portfolio Committee on Women, Youth and Persons with Disabilities, in performing its constitutional oversight mandate, engaged with the Department of Women, Youth and Persons with Disabilities (hereafter referred to as the Department), the National Youth Development Agency (NYDA) and the Commission for Gender Equality (CGE) on their respective Annual Performance Plans for 2022/23 and revised Strategic Plans on 3rd, 6th, 10th and 11th May 2022 respectively. The Auditor General of South Africa also briefed the Committee on its assessment of the Department’ APP and NYDA’s APP for the current financial year (FY) 2022/23. This report considers all matters pertaining to the Department, and thereafter the CGE and NYDA insofar as the tabled documents are concerned.

2. Mandate and strategic objectives of the Department
The Department of Women, Youth and Persons with Disabilities was Gazetted on 26 June 2019 following the Presidential Announcement of the sixth administration. At that stage, the Department was once again reconfigured and was charged with “taking the lead on socio-economic transformation and implementation of the empowerment and participation of women, youth and persons with disabilities through mainstreaming, advocacy, monitoring and evaluation.”

Subsequently, the mandate was changed to, “regulate the socio-economic transformation and implementation of the empowerment and participation of women, youth and persons with disabilities.”

(a) Vision

The Department indicated that its revised vision is “Rights of Women, Youth and Persons with Disabilities realized.”

(b) Mission

The revised mission of the Department will by undertaken “By regulating the rights of Women, Youth and Persons with Disabilities.”

(c) Constitutional mandate

“The department derives its mandate from the Constitution of the Republic of South Africa, in particular, section 9 (3) which states that “the state may not unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth; and section 10 states that “Everyone has inherent dignity and the right to have their dignity respected and protected.”

Therefore, the mandate of the department is to regulate the socio-economic transformation and implementation of the empowerment and participation of women, youth and persons with disabilities. In order to give effect to its mandate, the Department will implement the following programmes as outlined in the APP of 2022/23:

1 Department of Women, Youth and Persons with Disabilities Strategic Plan 2020-2025, pg.10
2 Department of Women, Youth and Persons with Disabilities (2022) Annual Performance Plan 2022/23, p.10
3 Department of Women, Youth and Persons with Disabilities Annual (2022) Performance Plan 2022/23, pg. 110
4 Ibid
5 Department of Women, Youth and Persons with Disabilities (2022) Annual Performance Plan 2022/3
• **Programme 1**: Administration, managed by three (3) sub-programmes – Departmental Management, Financial Management; Corporate Management and Office accommodation.

• **Programme 2**: Mainstreaming Women’s Rights and Advocacy, with four sub-programmes which are Management: Advocacy and Mainstreaming for the Rights of Women; Social Empowerment of Women (SEW); Economic Empowerment of Women (EEW) and the Commission for Gender Equality (CGE)

• **Programme 3**: Monitoring, Evaluation, Research and Coordination with four sub-programmes namely; Management: Monitoring, Evaluation, Research and Coordination; Research and Knowledge Management; International Relations, Stakeholder Management and Capacity Building and Monitoring and Evaluation

• **Programme 4**: Mainstreaming Youth and Persons with Disabilities Rights and Advocacy

3. **Analysis of Budget for the Department of Women, Youth and Persons with Disabilities**

According to the APP 2022/23, it has been aligned with the policy priorities of the Medium Term Strategic Framework 2019-2024 namely;

- “A gender, youth and disability responsive public service.
- Transformed, representative and inclusive economy which prioritises women, youth and persons with disabilities.
- All women, girls, youth and persons with disabilities enjoy good quality health care and better life opportunities.
- Human dignity for persons with severe disabilities, women and girls’ achieved through freedom of choice and decent living conditions.
- Transform ownership and management patterns by supporting women-owned and led enterprises.
- All women, girls, youth and persons with disabilities are and feel safe and enjoy freedom and a better life.
- A better Africa and world for all women, girls, youth and persons with disabilities.”

The ENE (2022) indicates that “Over the MTEF period, the department will continue to focus on strengthening the coordination of the national response to gender-based violence; promoting

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6 Department of Women, Youth and Persons with Disabilities (2022) Annual Performance Plan 2022/23, p.3
more responsive planning, budgeting, monitoring and evaluation in government; protecting the rights of people with disabilities; and supporting the participation of young people in the mainstream economy.” As such, the Department’s budget structure was amended from five to four programmes, to align better with the department’s mandate.

In reflecting on the budget allocation and expenditure for the Department for 2021/22, the following Table provides a summary to illustrate the allocations, adjusted appropriation and expenditure as presented by the Department during its third quarter presentation of 2021/22. According to the National Treasury 2021 Estimates of National Expenditure (ENE) released in February 2021, the Department under Vote 20, initially received an annual appropriation of R763.5 million. Transfer payments are then done for two entities, namely the Commission for Gender Equality (CGE) and the National Youth Development Agency (NYDA). During the 2021/22 FY approximately R91.4 million was to be transferred to the CGE and approximately R471 million to the NYDA. This amounts to R562.2 million. However, it must be noted that adjustments were made to the overall budget. Hence Treasury allocated an additional R1.969 million to the Department for higher salary increases that were not provided for in the original budget. In addition, Treasury also transferred the provisional allocation of R430 million for the Presidential Youth Employment Initiative (PYEI) for disbursement and use by the NYDA into the Department’s budget. This increased the transfers to the NYDA to R900 million for 2021/22, and increased the total available budget of the Department to R1.12 billion. The implementation of the PYEI was to commence in Quarter 3 of 2021/22. Notwithstanding that, the additional allocation did not significantly impact on the Department’s operating budget which in essence increased from R201.2 million to R203.1 million to undertake its programmes and meet its targets for 2021/22. As reflected in Table 1 below, Programme 1 Administration saw an increase from an original appropriation of R98.071 million to R110.247 million. What was evident from the Q3 expenditure review was that the Department had underspent in all its programmes. The Administration programme continued to present the largest expenditure as a percentage of the Department’s programme budget as well as the overall operating budget. Programme 4, the Rights of Persons with Disabilities spent the least amount of its programme budget at 43.5%.

Table 1: Department budget 2021/22

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7 National Treasury (2022) Estimates of National Expenditure, Vote 20 Department of Women, Youth and Persons with Disabilities, p. 362
8 Levendale, C (2022) Overview: Department of Women, Youth and Persons with Disabilities - Annual Performance Plan 2022/23 and Budget 2022/23: Programmes 1, 2 and 3
9 Levendale, C (2022) Overview: Department of Women, Youth and Persons with Disabilities - Annual Performance Plan 2022/23 and Budget 2022/23: Programmes 1, 2 and 3
According to the National Treasury 2022 Estimates of National Expenditure (ENE) released in February 2022, the Department under Vote 20, received an annual appropriation of R987.3 million. However, it must be noted that the Department facilitates transfer payments to two entities, namely the Commission for Gender Equality (CGE) and the National Youth Development Agency (NYDA). During the 2022/23 financial year, the Department was expected to transfer R100.7 million to the CGE and R681.5 million to the NYDA. This amounts to R782.2 million as reflected in Table 1 below. This means that the Department would be left with an actual operating budget of approximately R205.1 million to undertake its programmes and meet its targets for 2022/23.

Table 2: Department of Women, Youth and Persons with Disabilities Budget Summary

<table>
<thead>
<tr>
<th>Programmes</th>
<th>2022/23</th>
<th>2023/24</th>
<th>2024/25</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Current Payments</td>
<td>Transfers Subsidies</td>
</tr>
<tr>
<td>1. Administration</td>
<td>98.7</td>
<td>96.4</td>
<td>0.0</td>
</tr>
<tr>
<td>2. Social Transformation and Economic Empowerment</td>
<td>134.3</td>
<td>33.1</td>
<td>100.7</td>
</tr>
<tr>
<td>3. Policy Stakeholder, Coordination and Knowledge Management</td>
<td>42.5</td>
<td>41.6</td>
<td>-</td>
</tr>
<tr>
<td>4. Mainstreaming Youth and Persons with Disabilities Rights and Advocacy</td>
<td>711.8</td>
<td>29.9</td>
<td>681.5</td>
</tr>
<tr>
<td><strong>Total Expenditure Estimates</strong></td>
<td>987.3</td>
<td>201.0</td>
<td>782.2</td>
</tr>
</tbody>
</table>

Of the R205.4 million, R113 million (56.2%) of the Department’s operating budget is allocated to Compensation of Employees and R87.9 million (43.8%) to Goods and Services. The key cost drivers under Goods and Services for the Department is as follows:

- Property Payments: R19.1 m

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10 Adapted from Estimates of National Expenditure (2022), Vote 20 Department of Women, Youth and Persons with Disabilities, p.361
• Travel & Subsistence: R18.4 m  
• Consultants: R15.6 m  
• Venues & facilities: R5.7 m  
• External Audit Costs: R4.4 m

The aforementioned cost drivers consume approximately 72% (R63.2 million) of the Goods and Services allocation. The next section provides a more in-depth analysis of the budgetary allocation per programme for the Department and a reflection of the targets.

3.1 Programme 1: Administration

The purpose of this programme is to provide strategic leadership, management and support services to the department. This programme is comprise of five sub-programmes namely;

• **Ministry**: Provide executive support to political principals.
• **Departmental Management**: Provide executive support, strategic leadership and management of the Department.
• **Corporate Management**: Provide effective human capital management, facilities and auxiliary management and ICT systems enables for the Department.
• **Financial Management**: Provide and ensure effective, efficient financial management and supply chain services. This included budget planning and expenditure monitoring; and the management of procurement, acquisition, logistics, asset, and financial transactions.
• **Office Accommodation**

The total allocation for this programme is R98 708 million which constitutes 48% of the Department’s operational budget. This allocation is R11.5 million less than in the 2021/22 financial year. However, when taking into consideration the Real Rand change, this programme only sees a decrease of 14.2% to its allocation which amounts to R15.8 million. Table 3 outlines the expenditure under Programme 1 per sub-programme.\(^\text{11}\)

**Table 3: Sub-programme allocations for 2022/23**

<table>
<thead>
<tr>
<th>Sub-Programme</th>
<th>2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry</td>
<td>R23 945m</td>
</tr>
</tbody>
</table>

\(^{11}\) Levendale, C (2022) Overview: Department of Women, Youth and Persons with Disabilities - Annual Performance Plan 2022/23 and Budget 2022/23: Programmes 1, 2 and 3
<table>
<thead>
<tr>
<th>Departmental Management</th>
<th>R16 078m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Services</td>
<td>R24 200m</td>
</tr>
<tr>
<td>Financial Management</td>
<td>R15 586m</td>
</tr>
<tr>
<td>Office Accommodation</td>
<td>R18 900m</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>R98 709 million</strong></td>
</tr>
<tr>
<td>Compensation of employees</td>
<td>R57 605m (58.3%)</td>
</tr>
<tr>
<td>Goods and services</td>
<td>R38 796m (39.3%)</td>
</tr>
</tbody>
</table>

The key cost drivers as per the APP 2022/23 are as follows:

- Compensation of Employees (R57 605 million) which constitutes 58.3% of the overall allocation for this programme.
- Good and services (R38 796 million) which constitutes 39.3% of the overall allocation for this programme.

As per the ENE 2022, the main cost drivers for Good and services are as follows:

- Property payment R19.1 million
- Audit costs: External R4.4 million
- Computer services: R3.1 million
- Travel and Subsistence: R4.5 million

This programme has a staff compliment comprising of 75 posts and is earmarked to achieve 7 targets. Most of the targets are compliance related as listed below.

- Unqualified Audit opinion on predetermined objectives
- 100% payment of all valid invoices within 30 days
- Unqualified Audit opinion on Annual Financial Statements
- Maintain a vacancy rate of less than 10% annually
- 4 reports on Human Resource Plan implemented
- 3 reports on Master Information Technology Strategy and Plan (MITSP)
- 40% procurement spend on entities owned by women*

*new target

Overall, the targets for Programme 1 have remained fairly similar between 2021/22 and 2022/23 except for one new target that was introduced as noted above.

**3.2 Programme 2: Mainstreaming Women’s Rights and Advocacy**
The purpose of this programme is to promote good governance regarding the rights and transformation of the social and economic empowerment of women. This programme consists of four sub-programmes namely:

- **Management: Advocacy and Mainstreaming for the Rights of Women**: Provides strategic leadership and management to the programme.

- **Social Empowerment of Women (SEW)**: Promote good governance to further transformation, social justice and empowerment and rights for women.

- **Economic Empowerment of Women (EEW)**: Mainstreams and promotes good governance to further transformation, economic justice, empowerment and rights of women.

- **Commission for Gender Equality (CGE)**: Facilitates transfer payments to the Commission for Gender Equality, which promotes gender equality and respect for women’s rights.

Expenditure under Programme 2 is allocated as follows:

**Table 4: Sub-programme allocation for 2022/23 in Programme 2**

<table>
<thead>
<tr>
<th>Sub-Programme</th>
<th>2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management: Advocacy and Mainstreaming for the Rights of Women</td>
<td>R 5 761m</td>
</tr>
<tr>
<td>Social Empowerment of Women</td>
<td>R 22 993m</td>
</tr>
<tr>
<td>Economic Empowerment of Women</td>
<td>R 4 797m</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>R33 551 million</strong></td>
</tr>
<tr>
<td>Compensation of Employees</td>
<td>R 15 282m (46%)</td>
</tr>
<tr>
<td>Goods and services</td>
<td>R17 787m (54.3%)</td>
</tr>
</tbody>
</table>

The total programme allocation is R134 273 million which is inclusive of the transfer payment of R100 722 million to the Commission for Gender Equality (CGE), leaving the programme with an operating budget of R33 551 million. On closer examination, this programme’s operating budget increased from R27 million in 2021/22 to R33.6 million in 2022/23. However, the Real Rand change was only R5.2 million (19.09% increase).

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12 Levendale, C (2022) Overview: Department of Women, Youth and Persons with Disabilities - Annual Performance Plan 2022/23 and Budget 2022/23: Programmes 1, 2 and 3

13 Ibid
From the operating budget of R33 551 million, R15 282 million (46%) is for Compensation of Employees and R17 787 million (54.3%) will go towards Goods and services. This programme consumes 16.3% of the Department’s operational budget. The main cost driver under Goods and services is Consultants: Business and advisory services at R8.7 million (49% of G&S allocation) as per the Estimates of National Expenditure 2022. This is a significant increase from the previous financial year 2020/21 when R4.9 million was allocated. In addition, the other key cost driver under Goods and services is Travel and subsistence, which is allocated R4.6 million (26% of G&S allocation).

This programme has 22 posts and is earmarked to achieve 11 annual targets for the current FY as listed below:

- 1 research report on the development of a socio-economic index developed
- 4 interventions to support economic empowerment and participation of WYPD implemented
- 1 report produced on the development of the WYPD Socio-Economic Empowerment Index
- 4 interventions to support empowerment and participation of women, youth and persons with disabilities implemented
- 4 Quarterly report on implementation of NSP on GBVF Monitoring Framework developed
- 1 National Departments monitored on implementation of NSP GBVF
- 9 provincial departments and 4 municipalities’ plans monitored on the implementation of NSP GBVF
- 18 Rapid Response Teams established
- 2 Reports on implementation of Comprehensive National GBVF Prevention Strategy developed
- 2 GEYODI machineries convened

This programme has undergone name changes and structural changes to its sub-programmes when compared to the 2021/22 APP.

3.3 Programme 3: Monitoring, Evaluation, Research and Coordination
The purpose of this programme is to provide research, knowledge management, international relations, stakeholder management and monitoring and evaluation for women, youth and persons with disabilities. It comprises of four Sub-Programmes namely:

- **Management**: Monitoring, Evaluation, Research and Coordination: Provides strategic leadership and management to the programme.
- **Research and Knowledge Management**: Provides research and knowledge management services on the rights of women, young people and people with disabilities to encourage transformation in their interests.
- **International Relations, Stakeholder Management and Capacity Building**: Manage and coordinates the provision of international relations, stakeholder participation and capacity building for women, young people and persons with disabilities.
- **Monitoring and Evaluation: Women, Youth and Persons with Disabilities**: Ensures the effective monitoring and evaluation of policies priorities that encourage transformation in the interests and the empowerment of women, young people and people with disabilities throughout government.

The total allocation for this programme is R42 516 million which constitutes 20.7% of the Department’s operational budget. This allocation is R1 884 million more than in the 2021/22 financial year. However, when taking into consideration the Real Rand change, this programme only sees increase of 7.88% to its allocation which amounts to R3 million. The table below outlines the expenditure under Programme 3 as follows:

**Table 5: Sub-programme allocation for 2022/23 in Programme 3**^{14}

<table>
<thead>
<tr>
<th>Sub-Programme</th>
<th>2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management: Monitoring, Evaluation, Research &amp; Coordination</td>
<td>R6 180m</td>
</tr>
<tr>
<td>Research &amp; Knowledge management</td>
<td>R8 002m</td>
</tr>
<tr>
<td>International Relations, Stakeholder Management &amp; Capacity Building</td>
<td>R19 416m</td>
</tr>
<tr>
<td>Monitoring and Evaluation: WYPD</td>
<td>R8 918m</td>
</tr>
<tr>
<td>TOTAL</td>
<td>R million</td>
</tr>
</tbody>
</table>

14 Levendale, C (2022) Overview: Department of Women, Youth and Persons with Disabilities - Annual Performance Plan 2022/23 and Budget 2022/23: Programmes 1, 2 and 3
The programme has a total allocation of R42.5 million, of which R24 401 million (57.4%) is allocated for Compensation of employees and R18 187 million (40.4%) is allocated for Goods and services. Of the Goods and services budget, R4.9 million or nearly % is allocated for Travel and subsistence as per the Estimates of National Expenditure for 2022. The other main costs drivers under Goods and services are as follows:

- Catering: Departmental activities – R2.2 million
- Consultants: Business and advisory services – R2.4 million
- Transport provided: Departmental activity – R2 million
- Venue and facilities – R2 million

This programme has 26 posts and is earmarked to achieve 12 annual targets for the current FY as listed below:

- 1 Status Report on the implementation of the National Gender Policy Framework developed
- 1 Status Report on the implementation of the Regulatory Framework for Women, Youth and Persons with Disabilities (WYPD) mainstreaming developed
- 2 Progress reports on the piloting of the Integrated Knowledge Hub developed
- 1 Research report on government priorities produced
- 2 reports on compliance of government commitments with international and regional commitments of women produced
- 50% of national departments implementing GRPBMEAF
- 1 monitoring report on the empowerment of women, youth and persons with disabilities produced
- 1 evaluation conducted on empowerment of WYPD
- 4 status reports on the implementation of the WYPD International Relations Strategy Developed
- 2 progress reports developed on the implementation of the WYPD Stakeholder Management Framework
- 12 Stakeholder engagements conducted
- 4 community mobilisation initiatives conducted
This programme had undergone name changes and structural changes to its sub-programmes when compared to the APP of 2021/22.

3.4 Programme 4: Mainstreaming Youth and Persons with Disabilities Rights and Advocacy

The purpose of Programme 4 is to promote good governance regarding the rights and transformation of the social and economic empowerment of youth and persons with disabilities. The objectives of the programme are as follows:

- Promote the development and empowerment of young people by reviewing legislative frameworks to advance their rights over the medium term.
- Support, monitor and coordinate government’s implementation of the 2015 White Paper on the Rights of Persons with Disabilities.

This programme is comprised of 4 sub-programmes namely;

- **Management: Advocacy and Mainstreaming for the Rights of Youth and Persons with Disabilities** provides strategic leadership and management to the programme.
- **Advocacy and Mainstreaming for the Rights of Youth** manages advocacy for and the mainstreaming of rights for young people, their social and economic empowerment, and transformation in their interests. This sub-programme also oversees the performance of the National Youth Development Agency.
- **Advocacy and Mainstreaming for the Rights of Persons with Disabilities** advocates for and the mainstreaming of rights for people with disabilities, their social and economic empowerment, and transformation in their interests.
- **National Youth Development Agency** makes transfers to the National Youth Development Agency.

The total allocation for this programme is R711.8 million which is inclusive of the transfer to the NYDA of R681.3 million. Its operational budget is R30.4 million (less the NYDA transfer) which constitutes 14.8% of the Department’s operational budget - also the smallest allocation. This allocation is R2.2 million more than in the 2022/22 financial year.\(^\text{15}\) However, when taking into consideration the Real Rand change, this programme only sees an increase of 3.11%\(^\text{15}\)

\(^\text{15}\) Matthews, T (2022) Department of Women, Youth and Persons with Disabilities: Analysis of Programme 4: 2022/23
to its allocation which amounts to R 900 000. The Expenditure under Programme 4 is allocated as follows:

Table 6: National Youth Development expenditure trends by sub-programme

<table>
<thead>
<tr>
<th>Sub-programme</th>
<th>2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management: Advocacy &amp; Mainstreaming for the Rights of Youth and Persons with Disabilities</td>
<td>R1.3 m</td>
</tr>
<tr>
<td>Advocacy &amp; Mainstreaming for the Rights of Youth</td>
<td>R12.4 m</td>
</tr>
<tr>
<td>Advocacy &amp; Mainstreaming for the Rights of Persons with Disabilities</td>
<td>R16.8m</td>
</tr>
<tr>
<td>NYDA</td>
<td>R681.3m</td>
</tr>
<tr>
<td>Total</td>
<td>R711.8m</td>
</tr>
<tr>
<td>Compensation of Employees</td>
<td>R15.8 m</td>
</tr>
<tr>
<td>Goods and Services</td>
<td>R14.1m</td>
</tr>
</tbody>
</table>

The programme’s budget, which is now the combination of the two programmes, has not changed the Department’s budgeting allocation for youth and persons with disabilities since 2021/22. Of the R 30.5 million, 50% (R 15.8 million) of the budget is allocated to Compensation of Employees and R14.1 million to Goods and Services (46% of total operational budget). Of the Goods and services budget, R4.5 million (32%) is allocated for travel and subsistence as per the Estimates of National Expenditure for 2022. The other main costs driver under Goods and services are for Consultants: Business and advisory services, R3.9 million (28%) and venue and facilities for R2.2 million (16%).

This programme has 20 posts and is earmarked to achieve 13 annual targets for the current FY as listed below:

Sub-programme: Advocacy and Mainstreaming Rights of Youth

- 4 NYP Implementation Monitoring Reports produced
- South African Youth Development Bill refined
- 4 NYDA quarterly monitoring reports produced
- 4 National Youth Machinery Meetings convened
- 2 International youth engagement reports produced

16 Levendale, C (2022) Overview: Department of Women, Youth and Persons with Disabilities - Annual Performance Plan 2022/23 and Budget 2022/23: Programmes 1, 2 and 3
Sub-programme: Advocacy and Mainstreaming Rights of Persons with Disabilities

- 1 Awareness raising report developed on the Awareness Raising Framework
- 1 Awareness raising report developed on Self representation framework
- 1 Awareness raising report developed on Reasonable accommodation framework
- 1 Report on awareness raising on Universal design and access framework developed
- 1 status report on national and international obligations on the inclusion of persons with disability produced
- 1 analysis report on draft Annual Performance Plans for all national government departments produced
- 1 draft evaluation report on the implementation of the White Paper in the Rights of Persons with Disabilities developed
- 1 status report on the disability rights monitoring tool developed

4. National Youth Development Agency (NYDA)

4.1 Mandate of the NYDA

The NYDA derives its mandate from legislative frameworks such as the NYDA Act (54 of 2008), the National Youth Policy (2009-2014) and the draft Integrated Youth Development Strategy as adopted by the Youth Convention of 2006. Section 3 of the Act mandates the Agency to develop policy and an “Integrated Youth Development Strategy”. The Act further mandates the NYDA to “initiate, design, coordinate, evaluate and monitor all programmes aimed at integrating the youth into the economy and society, guide efforts and facilitate economic participation and empowerment, and the achievement of education and training”.

The NYDA values are underpinned by Accountability, Respect, Professionalism and Integrity.

The NYDA’s vision is a credible, capable and activist development agency that is responsive to the plight of South Africa’s youth. Its mission is to mainstream youth issues into society and to facilitate youth development with all sectors of society.

As per the Revised Strategic Plan (2020-2025) and APP 2022/23, the NYDA has now three programmes namely:

- **Programme 1: Administration** - The purpose of this programme is to enable effective and efficient capabilities for service delivery and supporting functions.
• **Programme 2: Operations** (includes: economic development through youth entrepreneurship, Jobs programme, and National Youth Service) The purpose of the programme is to enhance the participation of young people in the economy through targeted and integrated economic programmes, including skills and education programmes, and national youth services.

• **Programme 3: Integrated Youth Development** - The purpose focuses on fostering a mainstreamed, evidence based, integrated and result oriented youth development.

### 4.2 Analysis of Budget of the NYDA for 2021/22

According to the National Treasury 2022 Estimates of National Expenditure (ENE), “Over the MTEF period, the NYDA will focus on providing interventions to support the creation of decent employment and the development of skills, and encourage entrepreneurship, for all young people. These interventions will take the form of financial and non-financial support to enable young people to access skills and jobs, establish and sustain enterprises, and gain access to markets. Financial support is provided through grants to township and rural enterprises run by young people, whereas non-financial support includes accounting, website development, business plan writing and marketing.”

Over the medium term, the ENE (2022) states the following:

- R789.5 million is allocated for developing entrepreneurial skills among young people through business management training and mentorships;
- R286.7 million is allocated to helping youth find employment through the jobs programmes; and
- R498.5 million is allocated to ensure that young people stay engaged in service to their communities and build the spirit of patriotism, solidarity, social cohesion and unity in diversity. This funding will also provide for stipends for young people participating in the programme, as well as project management costs and some training.

Finally, expenditure is expected to increase from R718.3 million in 2022/23 to R770.9 million in 2023/24. The NYDA is set to derive 64% (R481 million) of its revenue over the MTEF period through transfers from the Department. In addition to the transfer payment received, the

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18 Ibid
NYDA’s overall budget also includes interest income of R5 million and donor income of R71 million plus the Presidential Youth Employment Fund Income allocation of R200 million. In so doing, giving the NYDA an accumulative budget of R757 million for 2022/23. “Furthermore, Revenue is expected to decrease at an annual average of 18.9 percent, from R1 billion in 2021/22 to R543.5 million in 2024/25, as a result of additional allocations for the presidential employment initiative coming to an end in 2023/24.”¹⁹

As per the ENE 2022, spending on Compensation of Employees (CoE) is expected to increase from R199.8 million in 2022/23 to 206.6 million in 2023. CoE accounts for an estimated 28% (R199.8 million) of the NYDA’s total expenditure for the current FY 2022/23. Goods and services accounts for 45% (R326.5 million) of the NYDA’s total budget. The table below outlines the expenditure per programme as presented by the NYDA to the Committee at its APP briefing.

Table 7: NYDA Expenditure per Programme for 2022/23

<table>
<thead>
<tr>
<th>PROGRAMME</th>
<th>2022/2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>R86 232 000</td>
</tr>
<tr>
<td>Economic Participation</td>
<td>R185 870 494</td>
</tr>
<tr>
<td>Integrated Youth Development</td>
<td>R5 183 000</td>
</tr>
<tr>
<td>Decent Employment through Jobs Programme</td>
<td>R68 766 000</td>
</tr>
<tr>
<td>National Youth Service</td>
<td>R205 059 000</td>
</tr>
<tr>
<td><strong>Sub-total of programmes</strong></td>
<td><strong>R551 110 494</strong></td>
</tr>
<tr>
<td>Employee costs</td>
<td>R206 018 523</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>R757 129 017</strong></td>
</tr>
</tbody>
</table>

Based on the aforementioned table, the NYS programme constitutes 27% of the NYDA’s total allocated budget followed by Economic Participation constituting 25%. According to the table above, Compensation of Employees is a key cost driver accounting for 27.2% of the total budget.

In terms of the APP 2022/23, the programme allocation is noted as follows:²⁰

- **Programme 1** was allocated R140 847 000 (19% of NYDA’s overall budget) with Compensation of Employees (CoE) amounting to R54 255 000 and Goods and Services (G&S) R86 232 000

²⁰ Ibid
• **Programme 2** was allocated R575 650 000 (76% of NYDA’s overall budget) with CoE amounting to R145 584 000, G&S R235 066 000 and Transfers and subsidies R192m.

• **Programme 3** was allocated R 5 183 000 with G&S amounting to R5 183 000

### 4.3 Programme analysis for NYDA for 2022/23

For the current FY, the NYDA has earmarked to achieve 22 targets across three programmes as outlined below.

#### 4.3.1 Programme 1: Administration

The overall outcome for this programme is an efficient and effective Agency characterised by good corporate governance and ethical leadership. This programme has a total of 11 targets of which one is new as listed below.

- NYDA Quarterly Management Reports
- Reviewed and Implemented Annual Workplace Skills Plan
- R 150 million in funds sourced from the public or private sectors to support youth development programmes
- 6 SETA6 partnerships established
- 2 partnerships signed with technology companies
- Review and implement ICT Strategic Plan indicating 75% achievement of ICT targets in the plan by end of the financial year
- Review and implement Integrated Communication and Marketing Strategy
- Produce and approve the NYDA Strategic Risk Register by Ops Exco
- Reviewed annual SCM Procurement Plan and produced quarterly reports
- Annual Report on partnerships established with Disability organisations to promote youth development
- 100% implemented and monitored ERP (enterprise resource planning) modules in all NYDA platforms (new)

#### 4.3.2 Programme 2: Operations

The overall outcomes for this programme are as follows:
- Increased access to socio-economic opportunities, viable business opportunities and support for young people to participate in the economy.
- Increased number of young people entering the job market trained
- Increased co-ordination and implementation of NYS programmes across all sectors of society

This programme has a total of 14 Annual targets of which 7 are new as listed below:
- 2000 youth owned enterprises supported with financial interventions
- 25 000 youth supported with non-financial business development interventions
- 6200 jobs created and sustained through supporting entrepreneurs and enterprises
- 1000 beneficiaries supported with business development support services offered to young people by NYDA (new)
- Participate on the National Pathway Management Network to facilitate youth job placement opportunities
- 75 000 young people capacitated with skills to enter the job market
- 10 000 young people placed in jobs (new)
- 60 organisations and departments lobbied to implement NYS
- Produce an annual report on the NYS Programme
- 11 000 young people participating in NYS Expanded Volunteer Projects (new)
- 7 000 young people participating in CWP (Community Work Programme) programmes (new)
- 35 000 young people securing paid service opportunities (new)
- 20 000 young people who have completed planned service activities (new)
- 7 000 young people transitioning out of the National Youth Service (NYS) into other opportunities (new)

4.3.3 Programme 3: Integrated Youth Development

The overall outcome for this programme is to produce research reports which influences change in the youth sector and build sustainable relationships. The annual targets (4 in total) are as follows:

- impact programme evaluations conducted
- Produce annual report on Integrated Youth Development Strategy
- 3 youth status outlook reports produced
- Develop a status of the Youth Report in the country
5. Commission for Gender Equality

5.1 Mandate of the CGE

The background and context of CGE’s work emanates from Section 181 of the Constitution (1996) and it is one of the Chapter 9 institutions which are independent entities for strengthening democracy. The CGE is therefore required to report to the National Assembly at least once a year regarding the progress of carrying out its strategic objectives. Section 187 of the Constitution stipulates that the Commission should promote respect for gender equality, and protect and develop its attainment, as well as monitor, educate, lobby, advise and report on issues related to gender equality.

In line with the CGE’s obligation to strengthen constitutional democracy with a focus on the attainment of gender equality, the CGE has a legislative mandate and functions which include the following:

a) **Monitor, evaluate and make recommendations on:**
   - Policies and practices of organs of state, statutory bodies and functionaries, public bodies or private businesses, to promote gender equality.
   - Any existing law including indigenous law and practices.
   - Government’s compliance with international conventions with respect to gender equality.

b) **Propose/recommend on:**
   - New law that may impact on gender equality or the status of women.

c) **Develop, conduct or manage**
   - Educational strategies and programmes that foster understanding about gender equality and the role of the CGE.

d) **Investigate and resolve conflicts**
   - On gender matters and complaints through mediation, conciliation and negotiation or referral to other institutions.

e) **Liaise and interact**
   - With institutions, bodies or authorities with similar objectives to the Commission.
   - With any organisation which actively promotes gender equality and other sectors of civil society to further the objectives of the Commission.
f) Prepare and submit reports
  - To Parliament on aspects relating to gender equality.

In addition, the Commission for Gender Equality may:

  - Conduct or order research to be conducted;
  - Consider recommendations, suggestions and request from any source.

The Commission is publicly funded and is thus subject to the reporting requirements of the Public Finance Management Act (Act No 1, 1999). The obligations of the PFMA include an audit by the Auditor General. In line with its Constitutional mandate, the vision of the Commission for Gender Equality remains to strive for “a society free from all forms of gender oppression and inequality”, while its mission includes to “advance, promote, protect, monitor and evaluate gender equality through undertaking research, public education, policy development, legislative initiatives, effective monitoring and litigation”.

5.2 Analysis of the Commission for Gender Equality’s Budget 2022/23

For the 2022/23 financial year, the Commission for Gender Equality (CGE) received an allocation of R100 722 million through a transfer payment from the Department of Women, Youth and Persons with Disabilities. Of the total allocation, R65.1 (65%) of the CGE’s budget is allocated for Compensation of employees, while R35.6 (35%) is allocated towards Goods and services. The Commission has repeatedly reiterated that it is a “human capital driven” institution, with its employees carrying out the bulk of its services, and as such the bulk of its funding is allocated for compensation of employees. Hence for 2022/23 the CGE has a total establishment of 110 personnel including 12 Commissioners.

Outcome 4, which is the outcome focusing on the operations and systems of the Commission, continues to receive the largest proportion of the budget. While the nominal rand change between 2021/22 and 2022/23 is approximately R9.346 million, when taking into account inflation, the real rand change in allocation is R5 million (5.48%) as reflected in the table below.21

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Table 8: CGE comparative analysis of Strategic Outcomes for 2021/22 – 2022/23

<table>
<thead>
<tr>
<th>Programme</th>
<th>Budget</th>
<th>Nominal Increase / Decrease in 2022/23</th>
<th>Real Increase / Decrease in 2022/23</th>
<th>Nominal Percent change in 2022/23</th>
<th>Real Percent change in 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Outcome 1: An enabling legislative environment</td>
<td>11 526 564,0 R million</td>
<td>1 178 945,0</td>
<td>631 817,8</td>
<td>10,23 %</td>
<td>5,48 %</td>
</tr>
<tr>
<td>Strategic Outcome 2: Gender equality promoted through information &amp; education</td>
<td>33 388 471,0 R million</td>
<td>3 414 996,0</td>
<td>1 830 157,7</td>
<td>10,23 %</td>
<td>5,48 %</td>
</tr>
<tr>
<td>Strategic Outcome 3: Monitoring &amp; Research Investigations</td>
<td>7 674 624,0 R million</td>
<td>784 966,0</td>
<td>420 677,4</td>
<td>10,23 %</td>
<td>5,48 %</td>
</tr>
<tr>
<td>Strategic Outcome 4: Renewed &amp; effective organisation</td>
<td>38 786 341,0 R million</td>
<td>3 967 093,0</td>
<td>2 126 036,0</td>
<td>10,23 %</td>
<td>5,48 %</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>91 376 000,0 R million</strong></td>
<td><strong>9 346 000,0</strong></td>
<td><strong>5 008 689,0</strong></td>
<td><strong>10,2 %</strong></td>
<td><strong>5,48 %</strong></td>
</tr>
</tbody>
</table>

From the table it can be deduced that SO1 consumes 12.6% of the CGE’s overall budget, SO2 36.5%, SO3 8.3% and SO 4 47.4%. Hence SO3 receives the smallest allocation and SO4 receives the largest proportion of the budget.

With respect to the CGE’s Key Cost drivers for 2022/3 these were as follows:

- ICT (computer servicing, IT and website) – R 3 706 986
- Office cleaning & maintenance – R3 501 003
- Report writing, printing and publishing – R3 336 458
- External Auditing fees - R 2 895 496
- Conferences and seminars – R2 354 087

These 5 allocations listed above constitute 53% of the G&S budget.

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22 Ibid
23 Ibid
In terms of budgetary allocation per Strategic Outcome:

- **SO 1**: R12 705 509 has been allocated of which R4 748 695.15 is for Compensation of Employees, Direct expenses R2 609 001.40 and Office overheads R5 347 812.37
- **SO 2**: R36 803 467 has been allocated of which R29 629 484.25 is for Compensation of Employees, Direct expenses R2 352 314.51 and Office overheads R4 821 668.49
- **SO 3**: R8 459 590 has been allocated of which R6 974 474.77 is for Compensation of Employees, Direct expenses R486 962.10 and Office overheads R998 152.75
- **SO 4**: R42 753 434 has been allocated of which R28 613 620.34 is for Compensation of Employees, Direct expenses R4 636 377.76 and Office overheads R9 503 436.10.

### 5.3 CGE Programme analysis

The following section provides an overview of annual targets related to the 4 outcomes.

- The CGE has decreased its targets from the previous financial year 2022/22 of 38 to 26 in 2022/23. As noted in the table below, targets in the three service delivery programmes or outcomes have seen the greatest reduction year-on-year.

**Table 9: Reduction of CGE targets between 2021/22 and 2022/23**

<table>
<thead>
<tr>
<th>SO1 targets</th>
<th>SO2 targets</th>
<th>SO3 targets</th>
<th>SO4 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>6</td>
<td>11</td>
<td>5</td>
</tr>
</tbody>
</table>

In some instances, targets appear to have been removed/discarded or moved to other Strategic Objectives/outcomes. Notwithstanding that, the CGE noted the following 4 Strategic Outcomes which are outlined hereafter.

#### 5.3.1 Strategic Outcome 1 (SO1): An enabling legislative environment for gender equality

The purpose of this SO is to evaluate legislation policies, practices and mechanisms within public and private institutions and make recommendations to advance the gender transformation agenda. The 6 annual targets listed were as follows:

- 16 legislative submissions and a report thereof
- 2 systemic investigations conducted and a report thereof
• 40 courts monitored and a report thereof
• 144 SAPS & TCCs monitored
• 1 CGE Act amendment Bill submitted to relevant authority, Progress report on the situational analysis and consultation processes for reviewing the Act
• 1 CGE initiated Bill submitted to relevant authority, Progress report on research on consultation processes for initiating the Bill

5.3.2 Strategic Outcome 2 (SO2): Gender Equality Promoted and Protected through information, education, investigations and litigations

The purpose of this SO is to conduct advocacy initiatives and public education interventions in the promotion of public understanding of gender equality and access to gender justice. The 5 annual targets noted were as follows:

• 48 000 000 people reached through Information & Communication Initiatives and a report thereof
• 720 stakeholders reached through Gender and Development (GAD) Workshops and a report thereof.
• 18 Municipalities in which SDGs were localised through GM sessions and a report thereof.
• 540,000 people reached through community radio education outreach and a report thereof
• 4,320 people reached through public education Outreach and a report thereof

5.3.3 Strategic Outcome 3 (SO3): Monitoring and research investigations on issues that undermine the attainment of gender equality and women’s empowerment conducted

The purpose of this SO is identify and monitor key issues that impact on gender equality, evaluate contributions by role-players to gender equality and make recommendations to promote and attain gender equality. The 4 annual targets noted were as follows:

• 1 report on the country’s compliance or CGE’s influence on compliance with regional/international instruments
• 100% Annual Research Agenda initiatives implemented
• 100% research recommendations from previous financial years followed up and a report thereof
• 2 Policy dialogues

5.3.4 Strategic Outcome 4 (SO4): An efficient, effective & sustainable organisation that promotes good corporate governance

The purpose of this SO is to build and sustain efficient and effective organisational systems, operations and governance processes, for the optimal performance of the institution in executing its mandate. The 11 annual targets noted were as follows:

• 75% Implementation of defined organisational effectiveness systems
• 100% Audit action plan of the previous financial year implemented
• 1 costed business plan submitted to Treasury for funding
• 100% risk mitigation plan implemented
• 75% Implementation of the business model as per defined criteria
• 4 update reports on the implementation of the Tracking Tool 10 Strategic partners engaged and a report thereof
• 100% expenditure on planned improvement initiatives
• 5% Vacancy rate
• 4 training and development initiatives conducted
• 100 compliance with legislative requirements in the compliance universe

6 Observations

Having met with the Department of Women, Youth and Persons with Disabilities, the NYDA and the CGE to scrutinise the respective amended Strategic Plans and Annual Performance Plan including the budget for 2022/23, the Committee made the following observations:

6.1 Department of Women, Youth and Persons with Disabilities
In terms of the Department of Women, Youth and Persons with Disabilities

General matters
6.1.1 Mandate – Role of Regulator
The Committee was not convinced that all of the proposed targets related to the Department’s mandate as a regulator. These sentiments were concurred by the Auditor General of South Africa on its assessment of the Department’s APP for 2022/23.

The Committee noted that AGSA indicated that the targets of the Department are not well structured, not well verified, not well defined and do not reflect the mandate of the Department and questioned how then the Committee will hold the Department to account on targets planned. The Committee also requested clarity on the matter.

The Committee asked how has the regulatory mandate been translated into the current APP and what regulations has the Department prioritised.

The Committee questioned how the Department holds other government departments to account for slow or non-delivery in the absence of finalised frameworks and an updated policy.

The Committee queried what directives and regulations have been prioritised for 2022/23 in relation to women, youth and persons with disabilities.

The Committee questioned what the Department’s main monitoring and evaluation mechanisms were that it would be implementing in 2022/23 and how this would be conducted as this was not made explicit in the APP.

The Committee questioned whether the Department has the requisite capacity to undertake monitoring and evaluation and if not, what are the contingency measures.

The Committee was concerned that targets planned by the Department are not SMART and therefore oversight is impaired.

6.1.2 Organisational redesign, Structural changes & merger implications

The Committee noted with concern the merger of the programmes focusing on the rights of persons with disabilities and youth development with no justification provided. Furthermore, the Committed was concerned that the merger was undertaken without the consent from National Treasury and the Department of Public Services and Administration. This as the Department continues to undertake organisational reform in a bid to request for more resources.

The Committee was concerned about the changes in the organisational structure without approval from the National Treasury and enquired whether the Department received approval from the National Treasury to merge Programme 4 and Programme 5. Hence the Committee also enquired when the Department received the approval from National Treasury and what informed the Department’s decision to bring about the changes to certain Programmes and why it was important to merge the Programmes.
The Committee was unclear about the staff component of the merged Programmes and how this impacted operations, if at all. To this end, the Committee requested clarity on how the support staff in the Programme 4 will operate independently within the newly merged programme as this was not clearly articulated in the current APP.

The Committee questioned whether the decision to merge Programme 4 & 5 was not done prematurely since the DPSA has not agreed to the new structure.

The Committee questioned why National Treasury has not allowed the Department to have 4 Programmes while they have more than 4 Programmes.

**Name changes:** The Committee requested clarity on the sub-programme names that have been changed in the current APP but still refers to old sub-programme for example, on page 61 reference is still made to the STEE Programme (Social Transformation and Economic Empowerment), while the revised programmes were introduced on page 25 of the Annual Performance Plan. The Committee requested clarity on the matter.

**Redesign of organisational structure:** The Committee noted that the Department has been redesigning the organisational structure since 2019. As such, the Committee questioned what the impact of the delays of redesigning of the organisational structure was vis-a-vis the implementation of the mandate of the Department. To this end, the Committee questioned whether the Department is able to implement its mandate given the delays.

The Committee also questioned the transfer of Programme 4 from the Department of Social Development when it was completed and how the programme operated.

The Committee also questioned what were the strengths and weaknesses of the persons with disability programme in terms of its functionality when it was moved from Department of Social Development.

**6.1.3 Poor visibility**

The Committee was concerned that understanding of the Department’s mandate was poor within government and society at large.

**Programme 1: Administration**

**6.1.4 Human Resources**

The Committee requested more clarity on the unfunded posts of the Deputy Director for Gender and for the Rights of Persons with Disabilities Programme.

The Committee also questioned why DDG: Reddy is still Acting DDG and asked by when the post would be filled.
• The Committee also wanted to know when the post of the Labour Relations Officer would be filled.

• The Committee noted with concern that the majority of staff were employed within the Administration programme as opposed to the core programmes and despite this there were still key critical vacancies in Programme 1.

6.1.5 Use of consultants

• The Committee was also concerned about the use of consultants to do work on behalf of the Department.

• The Committee was concerned about the appointment of consultants for the National Council on Gender Based Violence when there is a Secretariat employed to perform duties for the establishment of the Council. The Committee also queried why the GBVF Secretariat was categorised as consultants when they are employed by the Department.

• The Committee questioned why there is no skills transfer between the consultants and the support staff of the Department to avoid future use of consultants. The Committee questioned whether there were any skills transferred by consultants to the staff since 2018.

• The Committee was concerned that R2,3 million is budgeted for use of consultants to do work of the Department i.e. report writing, collecting data etc. and questioned what the current staff was doing at the Department.

• The Committee noted that the Department continued budgeting for consultants and raised this as concern given that it has been a matter that the Committee did not support. The Committee had on numerous occasions outlined to the Department why it should desist from using consultants given its limited budget and provided recommendations on how to address the matter. To this end, the Committee also enquired as to when the Department would stop procuring the use of consultants given the fiscal constraints.

• Moreover, the Committee noted that the Department has 19 staff who are paid more than R1,2 million per annum (salary level 13-16) and thus questioned why the budget was still allocated for consultants to implement programmes of the Department.

6.1.6 Policy and Law Reform

• The Committee notes that under programme 1, the Department states that it has developed three pieces of legislation, namely the National Council on Gender Based Violence and Femicide Bill, National Youth Development Agency Amendment Bill and the Promotion of Women’s Rights, Empowerment and Gender Equality Bill that will be
introduced in Parliament, however there are no targets related to the above in the current APP.

Programme 2: Mainstreaming Women’s Rights and Advocacy

6.1.7 Sanitary Dignity

- The Committee noted that the mere submission of quarterly reports and 1 progress report on the implementation of Sanitary Dignity Implementation Framework by provinces means nothing when the monitoring and evaluation is brought into question having received reports from just 2 provinces during the Committee’s most recent oversight visit to North West and Gauteng Provinces. Based on the information received from these provinces it would appear that the sanitary dignity programme is not rolled out as per the envisaged framework developed by the Department. The Committee notes that like the presentation received almost two years ago, it can be deduced that the status quo remained and that there is no uniformity in the rollout of the SDP.

6.1.8 Gender-Based Violence and Femicide (GBVF)

- **National Council on GBVF**: The Committee asked what the status of National Council on Gender Based Violence is, what the allocation of R5 million includes and how much was budgeted to establish the NCGBVF.

- **National Strategic Plan on GBVF**: The Committee notes that in terms of the target on monitoring the implementation of the NSP GBVF at national, provincial and municipal level, the Department indicates that it will be done through the analysis of strategic plans. The Strategic Plan (pg42.), states that in monitoring priorities related to WYPD, a choice was made to focus on national departments as provincial departments are primarily coordinated by Offices of the Premier. The Committee questions whether the Department has the capacity to do this, especially given the fact that thus far it has managed to review 22 departments, and that it is halfway through its 2020-2025 strategic plan.

- **Rapid Response Teams**: The Committee was concerned that there was no link between the APP with regards to Rapid Response Team and what the Department is actually doing and thus requested more information on the issue.

- The Committee was concerned that the Department was not doing enough in terms of the prevention aspect of gender-based violence.

6.1.9 Economic Empowerment
Interventions to support economic empowerment: The Committee noted that the Department listed 4 interventions to support economic empowerment and participation for women, youth and persons with disabilities which related to agriculture, the sanitary dignity programme economic value chain, the green economy and women in trade. Whilst this is commendable, the focus for each area varies from expanding access and ownership to job creation and accessing funds to government spend. All of these variables measure completely different outcomes which is oversimplified in a composite indicator listed by the Department. This brings into question what exactly the Department will be doing given its capacity and resource constraints but more importantly how this relates to its role as a regulator. Given that the Department defines forms of interventions as hosting a symposium, conferences, radio campaign shows, workshops and consultations with stakeholders for the economic empowerment and participation of women, youth and persons with disabilities in the various economic value chains. What is more apparent is the lack of collaboration with the NYDA, a key stakeholder within the Department as this does not find expression in the current APP.

Programme 3: Monitoring, Evaluation, Research and Coordination

6.1.10 Monitoring and Evaluation
- The Committee queried what the Department was doing on monitoring & evaluation, research and coordination.

6.1.11 Stakeholder Coordination and Outreach
- The Committee noted with concern that nearly three years since the Department was established, the Department lacked a stakeholder database hence this affected the performance of the stakeholder coordination and outreach programme. Whilst the development of a stakeholder directory (database) is warranted, it is concerning that the Department since its inception does not have one in place which is being updated on an ongoing basis. This brings into question how stakeholder coordination is being managed by the Department.

Programme 4: Mainstreaming Youth and Persons with Disabilities Rights and Advocacy

6.1.12 Sub-programme: Advocacy and Mainstreaming Rights of Persons with Disabilities
- Absent Role of Regulator: The Committee was concerned that the regulatory role of the Department does not emerge clearly in the sub-programme focussed on disability.
• **Outcomes of reports:** The Committee noted the Department’s intent to analyse APPs of government departments and develop a status report on national and international obligations. However, the outcomes of these reports, the findings and recommendations and what is done about it is more important. This is particularly important for government departments and entities that are non-compliant.

• **Disability Rights Bill:** The Committee noted that there was no mention of the Disability Rights Bill in the APP 2022/23 as a separate target and questioned how the Department would then ensure the development of the bill. More importantly, the Committee was concerned that in the absence of a target it impedes the Committee’s ability to conduct oversight of the Department in this regard.

### 6.1.13 Sub-programme: Advocacy and Mainstreaming the Rights of Youth

- The Committee was concerned that the Department will only produce 4 youth reports for the financial year 2022/23 and requested the Department to provide targets that are workable with regards to youth.

- The Committee was not convinced that the targets focussed on youth in Programme 4 addressed youth development in the country. The Committee was unclear how the Department would be driving youth development in the country when its targets were focussed on what it termed ‘oversight’ and production of reports in the main.

- The Committee was also unclear about the Chief Director positions for the disability and youth component and how these positions would function practically.

- The Committee was concerned that Programme 1 received more budget with less staff whilst Programme 4 received a smaller operational budget and fewer staff members.

- The Committee was concerned that the Department was going to conduct oversight over the National Youth Development Agency and questioned how this does not usurp the powers of the Portfolio Committee.

- The Committee was also concerned about how the Department assists the NYDA to achieve its objectives.

- The Committee was also concerned about how the Department would ensure that other government departments mainstreams issues related to youth and issues related to persons with disabilities.

- The Committee noted that the Department has stopped the role of policy making and research & development from the NYDA and requested clarity on the matter.
• **National Youth Policy (NYP):** The Committee also enquired as to whether the National Youth Policy Implementation Monitoring reports were any different to that of the NYDA’s quarterly reports submitted to the Committee.

• **NYDA Amendment Bill:** The Committee noted that the Bill appeared in a recent ATC and welcomed the initiative by the Department.

• **South African Youth Development Bill:** The Committee was initially concerned that the proposed Bill would be a duplication of the NYDA Act. Having received further clarity from the Department’s Youth Branch the Committee was able to gain more insight. Notwithstanding that, a full briefing on the purpose of the Bill and its contents will be prioritised in the Committee’s programme for the current FY.

• **Relationship with NYDA:** The Committee was concerned about the lack of a working relationship between the National Youth Development Agency and the Department especially Programme 4.

### 6.2 National Youth Development Agency

In terms of the National Youth Development Agency, the Committee made the following observations:

#### 6.2.1 General matters

• **Standardised reporting:** The NYDA was commended for improving its reporting and aligning of programmes and budgetary allocations.

• **Inclusion of Youth with Disabilities:** The Committee welcomed the inclusion of a target for youth with disabilities in the APP of the NYDA.

• The Committee commended the NYDA for the improvement of its APP for the current financial year, 2022/23.

• The Committee commended the NYDA for reflecting the Committee Budgetary Review Recommendation’s Report into the APP for 2022/23 and thanked them for submitting their report on time.

• The Committee sought more clarity on how the NYDA ensured that its target on Performance Information and financial reporting was integrated into the APP for 2022/23.

• **AGSA:** The Committee reiterated the importance of the AGSA findings and recommendations based on the last annual report and as such asked how that was taken into consideration in the development of the APP for 2022/23.
• **NYDA Board**: The Committee noted that matters pertaining to the NYDA Board’s performance and management was not apparent and therefore the Committee asked if it did find expression in the revised Strategic Plan and APP for 2022/23. To this end, the Committee noted the importance of tracking the performance in the NYDA Board in an open and transparent manner.

• The Committee was concerned that Government support provided to young people was not enough given the high rate of youth unemployment in the country.

• **MOUs, M&E**: Given the recent challenges that emerged with the Sedibeng Municipality, the Committee reiterated the importance of establishing MOUs with strategic partners and in addition to conduct regular monitoring and evaluate whether what was agreed to has been given effect to. This was important to verify whether services have been rendered, beneficiaries have been reached and that money is not misappropriated but accounted for. The issue of monitoring was also extended to the support provided to grant beneficiaries to ensure that mentors rendering the necessary support and to identify additional needs or assistance that beneficiaries require.

### 6.2.3 Collaboration with Department of Women, Youth and Persons with Disabilities

• The Committee reiterated the importance of collaboration between the NYDA and the Department of Women, Youth and Persons with Disabilities and therefore asked what programmes will be worked on together as this was not made evident in the APP.

• The Committee noted with concern that the targets which appeared in the Department of Women, Youth and Person with Disabilities’ APP for 2022/23 appeared to encroach on the mandate of the NYDA and the roles and responsibilities of its CEO. To this end, the Committee sought more clarity from the NYDA in this regard.

• The Committee queried whether the NYDA had a working relationship with the Department of Women, Youth and Persons with Disabilities in particular the Programme dealing with Disability in the Department.

• The Committee questioned how the NYDA deals with policy formulation and research & development function given its mandate and if it collaborated with the Department of Women, Youth and Persons with Disabilities in this regard.

### 6.2.4 Law Reform

• **NYDA Amendment Bill**: The Committee noted that the NYDA stated that it provided input to the amendment Bill to the Department and was satisfied in that regard.

• **SA Youth Development Bill**: The Committee was concerned with the potential overlap and duplication insofar as the NYDA Act was concerned but having received a brief
explanation from the head of the Youth Branch of the Department, the Committee was able to obtain more insight into the proposed Bill.

6.2.5 Vacancies

- The Committee noted with concern the number of vacancies and queried which of these were considered to be critical.
- The Committee sought more information about the 15 specialists that were required as it was unclear what these positions entailed.
- The Committee noted with concern the vacancies for regional manager positions for the Western Cape, Eastern Cape and Northern Cape Provinces and queried by when these will be filled.
- The Committee requested an update on the 2 Executive Management positions that could not be filled due to the absence of the NYDA Board in 2021.
- The Committee questioned whether the NYDA had revised the organisational structure and if yes, what informed the revised structure.

Programme 1

6.2.6 Programme specific matters

- **Value of funds**: The Committee noted that the NYDA intends doubling the value of funds sourced from the public and private sector to support youth development programmes in Programme 1.
- **Missing targets**: The Committee noted that the targets which previously appeared in the APP 2021/22 on customer survey and the annual report on government wide priorities, were not reflected in the APP for 2022/23 and questioned whether these have been subsumed in other targets.
- **DPO partnerships**: The Committee commended the NYDA for including targets for people with disabilities and for identifying a disability champion to be trained to deal with issues of persons with disabilities. Furthermore, whilst the Committee welcomed the partnerships to be established with disability organisations, the Committee was unclear what the intended purpose was and whether the NYDA would be linking with the National Disability Machinery.

Programme 2: Operations

6.2.7 Sub-programme 1: Economic Development through Youth Entrepreneurship
• **Seta Partnerships**: The Committee noted that the number of SETA partnerships remained the same as indicated in the APP for 2021/22 and questioned why that is given the increase in funding receiving and the intended number of beneficiaries to be targeted.

• **Tech companies**: The Committee enquired as to which tech companies the NYDA intends targeting and what would the NYDA hope to gain out of these partnerships as this was not made clear in the APP.

• **Business development**: The Committee noted that beneficiaries supported in terms of business development support services had decreased from 2 500 in the previous FY 2021/22 to 1 000 in 2022/23 as reflected in the current APP. As such the Committee queried, why the target had decreased when the NYDA received more funds and intended to reach more youth.

6.2.8 Sub-programme 2: Decent and Sustainable Employment through Jobs Programme

• **Jobs placement**: The Committee noted that the target on 10 000 youth to be placed within the jobs programme lacked detail and therefore the Committee requested more information in that regard. Without the requisite details, oversight is impeded.

• **Paid services opportunities**: The Committee noted that the process for identifying the 35 000 young people for securing paid services opportunities was not apparent in the APP nor was there any indication of how the NYDA will ensure equal distribution between Provinces.

• **Planned service activities**: The Committee queried what determines a service activity in terms of young people who have ‘completed planned service activity’ as this was not clear from the APP. The Committee questioned whether these service activities are linked to SETA accreditation. The Committee asked what are the targets for each service areas and what are the provincial allocation for each service. The Committee also questioned how these targets will be monitored.

• **Pathway management**: The Committee, whilst acknowledging the pathway management target, was unclear how the NYDA defined its key markers for success in this regard. This in turn will enable the Committee to hold the NYDA to account in that regard by measuring and evaluating progress.

6.2.9 National Youth Service (NYS)

• **NYS**: The Committee noted that the National Youth Services (NYS) branding strategy and what it entailed was not outlined in the APP and therefore more information was sought in the regard. The Committee noted that the revised Strategic Plan referred to 20 national youth service projects that would be registered but it was unclear if this had already been
achieved or how many were outstanding and by when will these be registered. The Committee also requested the list of all the youth service projects.

Programme 3: Integrated Youth Development

6.2.10 Youth Status Outlook Reports

- The Committee noted that the purpose of the 3 Youth Status Outlook reports was unclear and asked how that differed from the Status of Youth report. The concern was whether there was duplication.
- The Committee also enquired whether NYDA has considered conducting research on young people who are in prison and those dealing with substance abuse and how can the NYDA assist these young people.

6.3 Commission for Gender Equality

In terms of the Commission for Gender Equality, the Committee’s observations were as follows:

6.3.1 General

- The Committee noted the importance of implementing the Committee’s Budgetary Review Recommendations Report 2021 and issues raised by AGSA in relation the Annual Report of 2020/21 and enquired whether these have been addressed within the 2022/23 APP. As such, the Committee questioned how the CGE ensured that the recommendations of the BRRR have been taken up and addressed in the APP for 2022/23 when the example cited regarding SMART targets was not implemented.
- The Committee questioned how the CGE translated the promotion and protection of gender equality within the revised Strategic Plan and the current APP as this was not clear.
- The Committee questioned how the CGE has ensured synergy between the amended Strategic Plan and the current APP when aspects such as litigation and complaints handling were not expressly stated as annual quarterly targets for the current financial year. The Committee was not convinced that synergy was ensured.
- The Committee questioned how Plenary approved the APP for 2022/23 when many targets were not SMART and there was no continuity between the APP 2021/22 and the current APP for 2022/23. This also brought into question what then informed the budget.
- The Committee was concerned that targets planned by the CGE lacked the requisite details and were not SMART impeding oversight. As such the Committee, requested an addendum to the APP for more details. Having received a second briefing by the CGE on its APP the Committee was provided with more clarity. Notwithstanding that, the
Committee noted certain targets still lacked specificity and therefore required more details for e.g. list of courts, police stations and Thuthuzela Care Centres to be monitored.

- The Committee also was concerned that the technical indicators descriptions lack detailed information and will not assist the Committee in conducting astute oversight. The Committee was not satisfied with the explanation that the operational plans would still be discussed in order to determine the activity based costing. To this end, the Committee questioned what informed the budgeting of the APP if the activities were not detailed and costed accordingly. This brought into question how the CGE then conducted its strategic planning session.

- The Committee noted with concern that that the target on complaints handling that appeared in the previous APP 2021/22 no longer appeared in the current APP and therefore questioned what would happen to targets like that which have been omitted. Despite the explanation provided by the CGE for the omission of certain targets from the APP, the Committee was concerned that the activities listed in the APP formed part of the operational activities of the CGE but if they did not appear in the APP, the Committee could not track progress. The Committee noted the additions in the CGE’s second briefing on its APP.

- The Committee noted that the litigation aspect of the CGE’s work has been omitted in the Revised Strategic Plan and current APP with no explanation provided in this regard. The Committee was alarmed to hear that the CGE had still not resolved the issue of its legal standing with the Legal Practice Council and as such it was not allowed to offer legal advice to clients - in so doing no legal clinics and no litigation could be undertaken. This matter had been unresolved since 2020 despite the Committee being informed in December 2020 that processes were underway with the Minister of Justice to resolve the matter.

- The Committee welcomed the CGE’s addendum to the APP for 2022/23 and noted that this would enable the Committee to hold the CGE to account for their performance.

- The Committee noted that the CGE made reference to targets either being changed or omitted due to the limitations imposed by the CGE Act insofar as the enforcement of their recommendations are concerned and sought clarity in that regard.

- The Committee noted with concern teachers having relationships with learners which at times resulted in learner pregnancy as such the Committee enquired what the CGE was doing in this regard.

- The Committee also enquired whether the CGE had programmes to deal with learners and substance abuse as well as drug peddling.
6.3.2 Finance

- The Committee was unclear what informed the budgetary allocation per Strategic Outcome as the CGE noted that it intended to still undertake activity costing for its operational plan. The concern noted by the Committee was that the costing should have been done from the onset and that in the event that activities are planned retrospectively the potential for not having adequate funds to fulfil a target remained high.

- The Committee noted that the CGE returned R19 million to National Treasury in the financial year 2021/22 but indicated that it required additional funding in order to implement its mandate for the 2022/23. The Committee requested clarity on the matter and the CGE provided an explanation in this regard by the CFO. However, the Committee was not satisfied with the explanation and indicated that there was still a level of poor planning that resulted in the situation at hand.

6.3.3 Strategic Outcome 1

- **Legislative submissions, Systemic Investigations**: The Committee noted the lack of specificity for targets related to legislative submissions and systemic investigations the details of which were only presented with the addendum to the APP.

- **Court, SAPS, TCC monitoring**: The lack of details was also noted by the Committee regarding which 40 courts will be monitored in addition to police stations and Thuthuzela Care Centres. The Committee was concerned about police stations that do not have Thuthuzela Care Centre’s especially those in remote rural areas.

- **Boy-child programme**: The Committee asked whether the CGE will continue the roll out of the boy child programme in the financial year 2022/23.

- **CGE Initiated Bill**: The Committee noted the CGE’s intention of introducing a bill to address gender mainstreaming but it was unclear how this would differ from the Department’s WEGE Bill.

6.3.4 Strategic Outcome 2

- **Complaints handling & Legal Clinics**: The Committee noted with concern that these targets did not appear in the current APP. The Committee was alarmed that the CGE was not registered as a Legal Counsel Practice and therefore was not allowed to provide legal advice to any clients. This was disconcerting as the issue was raised in December 2020 with the Committee at a quarterly report briefing where the CGE informed the
Committee the matter would be resolved. However, the Committee noted with concern that the CGE had subsequently not addressed the matter.

- **Stakeholder engagements:** The Committee noted with concern the lack of detail regarding the 720 stakeholders referred to with regards to GAD workshops. The CGE did not indicate which 720 stakeholders have been identified for the gender and development workshops and how many stakeholders will be targeted per province. Without the detail, the Committee’s oversight is impeded.

- The Committee queried whether the community practitioners would be paid by the CGE and if yes, what was the role of the CGE in that regard as this was not stipulated in the APP for 2022/23.

6.3.4 Strategic Outcome 3

- **NSP on GBVF and NCGBVF:** The Committee noted the lack specific targets as follow-on from work undertaken in the previous FY.

- **Monitoring:** The Committee enquired which research reports will be monitored, when, where and how will these be monitored. The Committee noted that the target lacked the specific details thus impeding oversight.

- **Treaty compliance & Policy briefs:** The Committee noted that the CGE did not specify which international/regional instruments and policy briefs will be focussed on in the 2022/23 FY.

6.3.5 Strategic Outcome 4:

- **ICT:** The Committee wanted to know what is the status of the ICT and Knowledge Management. The Committee also wanted to know what are the submissions on legislation before Parliament.

- **M&E Framework:** The Committee requested an update on the monitoring and evaluating frameworks.

- **Code of Conduct:** The Committee questioned how the CGE’s Code of Conduct could be reinforced given what had transpired in the last financial year. To this end, the Committee queried what the status of the Commissioner’s handbook and the policy between Commissioners and staff was as these were important policies that governed relations within the CGE. The Committed noted that these have been longstanding matters within the CGE.

6.3.6 Human Resource
• **Vacancies:** The Committee noted with concern the longstanding critical vacancies to be filled.

- The Committee requested an update on the revision of salary scales it had to sought from National Treasury and the Department of Public Service and Administration given that the CGE cannot retain staff and attract people with the requisite skills to join the institution due to lower salary scales.

- The Committee noted the number of critical vacancies and questioned why these were not filled and by when these would be filled.

- The Committee noted with concern the longstanding unresolved matters that hindered the recruitment of senior managers in the CGE and that despite having discussed the issues at length the stale-mate remained despite reassurances from the CGE that issues would be addressed. To this end, the Committee noted that in the Budget Vote report of 2021, the Committee stated, “The Committee also questioned whether the Chief Executive Officer violated the policy of the Commission on establishing an interview panel with external stakeholders for interviews and if so, what has the Commissioners done in that regard.” And that in terms of **Internal Operational Concerns**, “The Committee was concerned about reports that the Chief Executive Officer violated the policy of the Commission on establishing an interview panel with external stakeholders for interviews and if so, what has the Commission done in that regard.”

- The Committee questioned who was to be held to account for ensuring that the key management posts were filled. To this end, the Committee enquired whether consequence management was effected against officials who were not performing their duties.

- The Committee noted that the draft Handbook for Commissioners and the draft policy that was meant to govern relations between Commissioners and the secretariat was key to ensuring that internal challenges could be addressed and managed accordingly. The Committee noted with concern that both the Handbook and policy was long overdue and as such the Committee asked for a progress update in that regard.

- The Committee noted their dissatisfaction with the Commissioners for failing in their duties by not ensuring that critical positions were filled timeously; for not giving effect to recommendations proposed by the Committee and for poor internal monitoring and evaluation. To this end, the Committee questioned how the Commissioners monitored whether the CGE’s mandate was given effect to via the administration.

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6.3.7 Legal Practice
• The Committee also requested a progress update on the matter raised in 2020 with regards to legal powers that have been revoked by the Legal Practice Council and the Department of Justice & Constitutional Development which prevented the CGE from rendering a legal service.

• The Committee noted with concern that the CGE was not allowed to provide legal support a matter that has been left unattended to and unresolved for nearly two years without having informed the Committee. To this end, the Committee indicated it was disconcerting that legal clinics, complaints handling and litigation did not find expression in the APP because the CGE is not allowed to offer any legal advice to clients because it is not registered as per the Legal Practice Act. The Committee was especially concerned about the impact of this on communities who cannot afford legal assistance and approach the CGE in this regard.

• The Committee questioned why the HOD Legal position was not filled.

• The Committee questioned the role of the Legal Unit within the institution given that legal powers have been removed from the CGE. The Committee queried whether the Legal Unit does not contribute to fruitless and wasteful expenditure given the CGE’s non-legal stature.

6.3.8 Role of Commissioners

• The Committee questioned the role of the Commissioners in giving effect to the APP and how they are held accountable in this regard as the only reference made to Commissioners was in the Technical Indicator Descriptor on monitoring police stations.

• The Committee was concerned that the role of the Commissioners was not clear in the Strategic Plan of the Commission.

• The Committee was concerned that the APP and the Strategic Plan was not aligned and questioned how Commissioners adopted these documents that are misaligned.

7. Recommendations

Having considered the Annual Performance Plan and budget for the Department, the Committee recommends to the Department of Women, Youth and Persons with Disabilities as follows:

7.1 The Department of Women, Youth and Persons with Disabilities should:

a) The CFO should submit the documents received from National Treasury regarding the approval of the organisational structure.
b) The Department should ensure that its key performance indicators and targets are SMART.

c) The Department must ensure that the Annual Performance Plan and the Strategic Plan are aligned and that the regulatory part of the mandate should be incorporated in Programmes of the Department. A detailed report should be submitted to the Committee in this regard within 2 weeks after the adoption of this report. This report should clearly articulate what monitoring and evaluation activities will be undertaken by the Department in the current FY using existing frameworks.

d) The Department should rework the targets related to youth in the APP and allow the CEO and the NYDA to perform their duties. The Department should also look at how it will support the NYDA to implement its mandate. The Department should clearly state how they intend advancing youth development in the country in the current FY.

e) The Department should ensure that consultants transfer skills to support staff of the Department to avoid use of consultants all the time and the Department should have its own team of researchers to conduct research on behalf of the Department.

f) The Department should inform the Committee on which reports are written by the officials of the Department.

g) The Committee should engage with National Treasury on the merger of former rights of persons with disabilities (Programme 4) and youth development (Programme 5) of the Department and establish on why the Department was allowed to have only 4 Programmes. The Committee maintains that each of these programmes should operate independently hence these two core functions must be separated.

h) The Department should include a specific target related to the development of the NCGBVF Bill, WEGE Bill and the Disability Rights Bill for the 2022/23 APP. The target on the NCGBVF Bill must be prioritised as a matter of urgency. The Committee requests specific timelines for the development of each of these proposed Bills.

Having considered the Annual Performance Plan and budget for the NYDA, the Committee recommends as follows:

7.2 The National Youth Development Agency should:

a) Expedite the filling of critical vacant posts.

b) Ensure improved coordination between the Department and itself with regards to consultations on the NYDA Amendment Bill.

c) The NYDA should develop a monitoring tool to assess its partnership with municipalities and ensure the proper implementation of Memorandum of Understanding signed with
the municipalities. This monitoring mechanism should extend to include all other partners.

d) The NYDA should ensure that young people are supported by NYDA through grants and other forms of support. The NYDA should develop a WhatsApp form of communication that will reach young people, including young people in rural areas regarding the services and products offered by the NYDA. The NYDA should also consider issue of language per Province when communicating with young people - this includes braille for persons with disabilities and sign language for deaf persons.

e) The NYDA should monitor the projects/programmes funded by them in terms of checking progress made and challenges faced by the projects. The NYDA to follow-up on the two projects that were visited by the Committee during its oversight visit to North West and Gauteng Province from 18 -23 April 2022 which were found to be struggling and report back to the Committee on progress made in this regard based on the challenges and needs identified. Furthermore, the Committee requests that the NYDA extend its monitoring and evaluation to all projects funded across the 9 provinces and report to the Committee accordingly.

f) The NYDA should reassess the mentorship offered to beneficiaries to determine whether the mentor is doing what is expected.

g) The NYDA to forward the relevant information to the Committee regarding SAyouth mobi app via WhatsApp and any other NYDA related services and products.

Having considered the Annual Performance Plan and budget of the Commission for Gender Equality, the Committee recommends as follows:

7.3 The Commission for Gender Equality should:

a) Submit a report to the Committee on the role of Commissioners in Provinces insofar as giving effect to the APP and amended Strategic Plan is concerned, within two weeks after the adoption of this report.

b) Give effect to the recommendations made by the AGSA as per the past Annual Report as well as improve on its internal finance management.

c) Ensure that the role of Commissioners be outlined clearly in a plan vis-à-vis the Annual Performance Plan for 2022/23 to the Committee and submitted to the Committee within two weeks of the adoption of this report.

d) Attend to the revoking of its legal powers with the Legal Practice Council and the Department of Justice & Constitutional Development within 6 months from meeting of 11 May 2022 and report back to the Committee on how they have dealt with the matter.
e) The CGE should finalise the filling of critical vacancies in the CGE within 3 months after the meeting of 11 May 2022 and to report back to the Committee.

f) The CGE should have a reflective meeting after the meeting with the Committee and develop a tracking tool to track resolutions emanating from meetings.

g) The CGE should provide the list of courts, police stations and Thuthuzela Care Centres that will be monitored to the Committee.

h) The CGE should also encourage police stations that are in remote areas to establish the Thuthuzela Care Centres to assist victims of gender-based violence.

i) Present their reports in a timeous manner to the Committee to allow it to effectively engage with its contents.

j) As needed, request to present relevant and pertinent reports to the Committee to ensure that recommendations and concerns are addressed.

7.4 National Treasury

a) Should furnish the Committee with a report on the merger of programmes within the Department of Women, Youth and Persons with Disabilities.

8. Conclusion

The Committee welcomes all the annual performance plans that have been submitted to it for consideration and report and will continue to ensure that astute oversight is conducted over the Department, the Commission for Gender Equality and the National Youth Development Agency.

Report to be considered.
National Council of Provinces

1. REPORT OF THE SELECT COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, WATER, SANITATION AND HUMAN SETTLEMENTS ON CONSIDERATION OF THE 2022/23 ANNUAL PERFORMANCE PLAN AND BUDGET ALLOCATION OF THE DEPARTMENT OF HUMAN SETTLEMENTS – BUDGET VOTE 33, DATED 17 MAY 2022

Having interacted through the virtual platform with the Department of Human Settlements to consider the 2022/23 Annual Performance Plan (APP) and Budget Allocation, the Select Committee on Cooperative Governance and Traditional Affairs, Water, Sanitation and Human Settlements, reports to the National Council of Provinces (NCOP) as follows:

1. Introduction and Background

1.1 The Treasury Regulations provide the basis for the development and submission of Strategic Plans (SPs) and related quarterly performance reporting. The revised framework on SPs and APPs requires departments to: institutionalise planning, budgeting, reporting, monitoring and evaluation and align the planning process and all the planning documents, i.e. SPs, APPs and Annual Operational Plans (AOPs) with the MTSF, and to describe outputs that are their direct responsibility in the list of programmes/sub-programmes. Any outputs from implementing agencies should be reflected in an annexure to the APP.

1.2 The Money Bills Amendment Procedure and Related Matters Act (Act No.9 of 2009) empowers Parliament to recommend, reject or amend budgets of National Departments and Organs of State. The Act also enjoins Committees of Parliament to compile and adopt Budget Vote Reports, based on interactions with the relevant Departments and entities on their respective Strategic, APPs and Budgets.

1.3 As part of ensuring executive accountability and strengthening parliamentary oversight, the Select Committee had a virtual meeting on 3rd May 2022 with the Department of Human Settlements, to consider the departmental 2022/23 APP and Budget Allocation.
1.4 The main objective of the virtual meeting was to consider the performance and financial information of the Department on outputs, indicators and targets related to programmes and sub-programmes during the current financial year, in preparation of the scheduled Policy Debate in the NCOP.

2. **Ministerial Political Overview of 2022/23 Departmental APP**

2.1 The Minister for Human Settlements indicated that during the past year, the Department has met with Provincial Members of the Executive (MECs) and Metropolitan Municipal Executive Mayors around challenges in the sector. As a result, the Minister and Members of the Executive Council (MINMEC) agreed to the following priorities for the 2022/23 financial year:

2.1.1 Increasing the pace of provision of title deeds to rightful property owners by prioritising the pre-1994 stock.

2.1.2 Unblocking of blocked projects: by developing the National Unblocking Programme Plan and producing quarterly reports on blocked projects.

2.1.3 Eliminating asbestos roofs across provinces, through the monitoring and reporting by public entities.

2.1.4 Eliminating the dilapidated mud houses, especially in the rural areas by prioritising the elderly and child-headed households.

2.1.5 Digitizing the beneficiary list to make it more reliable, transparent, easily accessible and avoid fraud and corruption.

3. **Presentation on 2022/23 APP and Budget Allocation of the Department of Human Settlements**

3.1 The Department the Select Committee on 2022/23 APP and Budget Allocation, as aligned with the five-year Strategic Plan and Medium-Term Strategic Framework (MTSF) and 2022 State of the Nation Address (SoNA).
3.2 The presentation focused on departmental Programmes such as Administration; Integrated Human Settlements Planning and Development; Informal Settlements and Emergency Housing; Rental and Social Housing. Each of these Programmes are discussed in terms outputs; outcome indicators and budget allocation for the financial period 2022/23.

4. **Programme on Administration**

4.1 The purpose of the Administration Programme is to provide strategic leadership, management and support services to the Department. It consists of five sub-programmes: Ministry, Departmental Management, Corporate Services, Property Management and Financial Management.

4.2 The Corporate Services sub-programme received the largest allocation, to the value of R227.8 million, compared to R228.7 million in the previous year. This represents a real decrease of 4.68%. It is also the sub-programme which experienced the largest real decrease. The Departmental Management sub-programme is the only programme experiencing a real percentage increase (of 6.7%), from an allocation of R86.1 million in 2021/22 to R96 million in 2022/23.

5. **Integrated Human Settlements Planning and Development Programme**

5.1 The purpose of Programme on Integrated Human Settlements Planning and Development, is to manage the development of policy, planning and research in the creation of sustainable and integrated human settlements, to oversee the delivery of the integrated residential development programme and coordinate intergovernmental partnerships with stakeholders.

5.2 The Grant Management sub-programme received the bulk of the allocation, i.e. R21.6 billion. In real terms it declines with 0.63% when compared to the allocation of R20.8 billion the previous year it receives. All sub-programmes experience a real decrease, except for the Monitoring and Evaluation sub-programme, which increased by 0.25% in real terms.

5.3 The largest real decrease is experienced in the Management for Integrated Human Settlements Planning and Development sub-programme (4.31%). It received an allocation of R3.7 million both in 2021/22 and 2022/23, which means the value of its allocation is eroded by inflation.
6. **Informal Settlements and Emergency Housing Programme**

6.1 The purpose of Programme 3 is to provide for policy, planning and capacity support for the upgrading of informal settlements, and to oversee the implementation of the informal settlements upgrading programme.

6.2 The Grant Management sub-programme received the largest allocation out of the three sub-programmes, with a total of R8.83 billion. The previous year, its allocation was R8.34 billion. This represents a real percent increase of 1.31%. The largest real decrease was experienced in the Capacity Building and Sector Support sub-programme of 3.65%, from an allocation of R72.6 million previously, to R73.1 million in 2022/23.

6.3 The National Upgrading Support Programme (NUSP) aids provinces and municipalities with comprehensive planning for the upgrading of informal settlements. This includes the systemic improvement to living conditions through secure tenure, safe and reliable water and sanitation and adequate access to social services. An integral part of this Programme involves community participation to enable meaningful engagement.

6.4 Through the Programme, it is planned that assistance will be provided to around 900 informal settlements over the medium-term period, with 180 000 stands that will be upgraded to have access to municipal services. The upgraded stands will be funded from the Informal Settlements Upgrading Partnership grant (ISUP), which receives an allocation of R26 billion over the MTEF period.

7. **Rental and Social Housing Programme**

7.1 The purpose of the Rental and Social Housing Programme is to promote the provision of affordable rental housing, monitor the performance of the Social Housing Regulatory Authority, and develop capabilities in the rental housing sector through intergovernmental collaboration and evidence-based research.
7.2 As part of efforts to improve the functioning of the rental housing market, the Department expects to provide 18 000 affordable rental units and 7 200 community residential units, at a projected cost of R2.9 billion over the medium-term period. Spending in this Programme is expected to decrease at an average annual rate of 5.6%, from R1.162 billion in 2020/21 to R997.2 million by 2023/24.

7.3 Despite these reductions, the Social Housing Regulatory Authority (SHRA) will continue to invest in the affordable rental housing market. These investments include the provision of R2.4 billion in capital subsidies over the medium-term, through the Consolidated Capital Grant, and operational support grants worth R69.9 million, through the Institutional Investment Grant.

7.4 The Public Entity Oversight sub-programme received the bulk of the allocation under Programme 4. The allocation increases from R857.6 million in 2021/22 to R887.4 million in 2022/23, representing a real percent decrease of 0.98%. All three sub-programmes experiences real percentage decreases.

7.5 The largest real decrease is observed in the Capacity Building and Sector Support sub-programme, which received an allocation of R70.3 million in 2022/23, compared to an allocation of R74.4 million previously, representing a real decrease of 9.58%.

8. **Affordable Housing Programme**

8.1 The purpose of the Programme on Affordable Housing, is to facilitate the provision of affordable housing finance, monitor market trends, and to develop research and policy that respond to demand and to oversee housing finance entities that report to the Minister.

8.2 This Programme provides housing finance for the Gap-market, or households that earn too much to qualify for a full housing subsidy, but too little to qualify for a mortgage loan. Through FLISP, the Department will provide a targeted of 12 000 finance-linked individual subsidies that serve as lump-sum deposits to lower monthly mortgage repayments for qualifying beneficiaries.
8.3 Spending under this Programme is expected to decrease at an average annual rate of 6.7%, from R734.6 million in 2020/21 to R595.7 million by 2023/24. This is mainly due to the one-off debt relief allocation in 2020/21. FLISP accounts for R1.4 billion of the Programme’s budget over the medium-term period.

8.4 The Public Entity Oversight sub-programme received the largest proportion of the allocation under this Programme. Its allocation grows from R492.2 million in 2021/22 to R509.5 million currently, representing a real percent decrease of 0.94%. The largest decrease can be observed in the Capacity Building and Sector Support sub-programme, with a real percent decrease of 20.22%. The allocation to the sub-programme decreases from R92.6 million in 2021/22, to R77.2 million in 2022/23.

8.5 Affordable housing is provided through rental and social housing programmes and affordable housing finance instruments. The Department plans to review and update the social housing policy over the medium-term, and aims to increase the supply of rental and social housing stock. The Department aims to deliver 25 000 affordable rental units in strategically located areas, and 3000 community residential units over the medium term. In order to fund these initiatives, spending in Programme 4 is expected to increase by an average annual rate of 3.6% (from R936.8 million in 2021/22 to R1 billion by 2024/25).

9. Observations of the Select Committee

9.1 The Select Committee observed that the 2022/23 APP of the Department has been aligned with the 2019/2024 MTSF, 2022 SoNA and priorities identified through the consultation processes with the Provincial Members of the Executive (MECs) and Metropolitan Municipal Executive Mayors.

9.2 The Select Committee has noted that the Department has for the period 2022/23 financial year, prioritized increasing the pace of provision of title deeds to rightful property owners, unblocking of blocked projects, elimination of asbestos roofs across the provinces, elimination of dilapidated mud houses in the rural areas and digitization of the beneficiary list in order to avoid fraught and corruption.
9.3 The Select Committee has further noted that the Department is focused on processing the Housing Consumers Protection Measures Bill and the Human Settlements Development Bank Bill in 2022/23. The Housing Consumers Protection Measures Bill will support the ability of citizens to take individual household initiative to construct homes. While the promulgation of the Bank Bill is in process, a simultaneous application has been submitted to the Minister of Finance on the exemption of the Human Settlements Development Bank from the Banks’ Act (No. 94 of 1990), as a parallel process.

9.4 While welcoming the 2022/23 APP and Budget Allocations to departmental Programmes and sub-programmes, the Select Committee raised general concerns about the use of consultants; illegal occupation of land; tittle deeds backlogs; unblocking of blocked projects; pit toilets in rural areas; mud houses; lack of progress reports on concerns raised by the Select Committee during 2021/22 financial year on internal audit, risk management, anti-corruption and infrastructure development plans, instability and functionality of the boards.

10. Recommendations of the Select Committee

10.1 Having considered and deliberated on the 2022/23 APP and Budget Allocation of the Department of Human Settlements, the Select Committee recommends to the NCOP as follows:

10.1.1 The Department of Human Settlements should provide quarterly reports on the implementation of the 2022/2023 priorities and expenditure.

10.1.2 The Department of Human Settlements should provide supplementary report on the support provided to communities affected by recent floods in KwaZulu-Natal, Eastern Cape and the North West Province including monitoring mechanisms to prevent fraud, misappropriation of funds, wasteful and irregular expenditure.

10.1.3 The Department of Human Settlements should provide a provincial breakdown list of blocked projects and asbestos assessment plans and reports, including timeframes.

10.1.4 The Department of Human Settlements should provide detail information on the implementation of the intergovernmental relations and operational capital programmes.
10.1.5 The Department of Human Settlements should fast track the process of tabling the Housing Consumers Protection Measures and Human Settlements Development Bank Bills to Parliament, as committed in the 2022/2023 APP.

10.1.6 The Department of Human Settlements should fast track the process of the appointment of members of the boards in order to ensure stability, functionality and corporate good governance and accountability.

10.1.7 The Select Committee should align its 2022/23 programme with the APP of the Department of Human Settlements, in order to monitor through proactive oversight visits, the implantation of the human settlements priorities and targets across the provinces.

Report to be considered.

Having interacted through virtual platform with the Department of Water and Sanitation to consider the 2022/23 Annual Performance Plan (APP) and budget allocation, the Select Committee on Cooperative Governance and Traditional Affairs, Water, Sanitation and Human Settlements, reports to the National Council of Provinces (NCOP) as follows:

1. Introduction and Background

1.1 The Money Bills Amendment Procedure and Related Matters Act (Act No.9 of 2009) empowers Parliament to recommend, reject or amend budgets of National Departments and Organs of State. The Act also enjoins Committees of Parliament to compile and adopt Budget Vote Reports, based on interactions with the relevant Departments and entities on their respective strategic, annual performance plans and budgets.

1.2 On 6th May 2022, Select Committee had a virtual meeting with the Department of Water and Sanitation, to consider the Departmental 2022/2023 APP and Budget Allocation.

1.3 In terms of current legislation, the main purpose or mandate of the Department of Water and Sanitation, is to ensure the availability of water resources, facilitate equitable and sustainable socio-economic development, and ensure universal access to water and sanitation services.

1.4 The main objective of the virtual meeting was to enable executive accountability and parliamentary oversight on performance and financial information related to water and sanitation services, as planned for the 2022/2023 financial period by the Department of Water and Sanitation.

2. Presentation on 2022/2023 APP and Budget Allocation of the Department of Water and Sanitation

2.1 The Director-General presented the 2022/2023 APP and Budget Allocation of the Department of Water and Sanitation. The presentation focused on outputs, indicators and annual targets and
budget allocation related to programmes such as Administration, Water Resource Management and Water Service Management Programmes.

2.2 The Director-General also presented performance information on grant funded projects for medium-term expenditure estimates per province and benefitting municipalities. The performance information provided included regional bulk infrastructure and water services infrastructure grants.

3. Programme 1: Administration

3.1 The purpose of this Programme is to provide strategic leadership, management and support services to the Department. The Programme also develops and promotes international relations on water resources management with neighbouring countries.

3.2 This Programme, which consumes 11% of the overall departmental budget, is allocated R2 billion in the 2022/23 financial year, up from R1.96 billion in 2021/22. This reflects a nominal rand increase of R52.5 million, which is a R34.2 million decrease in real terms between 2021/22 and 2022/23.

3.3 This Programme has six sub-programmes (SPs). SP 3: Corporate Services, dominates allocations under this Programme, consuming R839.5 million, followed by Office Accommodation and Financial Management, with allocations of R561.1 and R279.3 million, respectively. These allocations are in line with the planned targets for the year under review. Through this SP, the Department aims to implement 98% of the annual communication and public participation programme during the year under review. The Department will also aim to keep the vacancy rate for engineers and scientists at less than 1%.


4.1 The purpose of this Programme is to ensure that the country’s water resources are protected, used, developed, conserved, managed and controlled in a sustainable manner for the benefit of all people and the environment. This is done by developing a knowledge base and implementing effective policies, procedures and integrated planning strategies for water resources.
4.2  This Programme, which constitutes 20% of the overall departmental budget, is allocated R3.7 billion in the 2022/23 financial year, up from R3.5 billion in 2021/22. This reflects a nominal rand increase of R166 million, which translates into a real rand increase of R3.4 million between 2021/22 and 2022/23.

4.3  Expenditure under this Programme is dominated by SP 5: Water Resource Infrastructure Management, consuming 75.5% of the total budget allocated to this Programme. This is in line with the Department’s APP which, among others, aims to prepare four bulk raw water projects for implementation; construct four bulk raw water projects (Foxwood, Coerney, Nwamitwa and Zalu dams); complete 25 dam safety evaluations; and create 50 job opportunities from augmentation projects during the year under review.

4.4  Sub-programme 4: Water Resources Information and Management receives the second largest allocation in this Programme. The Department, through this SP, seeks to review and maintain four water resources monitoring programmes on Ground Water, Surface Water, National Chemical Monitoring Programme (NCMP) and National Eutrophication Monitoring Programme (NEMP), and implement River Eco-status Monitoring Programmes at 70 rivers during the year under review. It also plans to maintain six water and sanitation information systems, (namely NIWIS, HYDSTRA, NGIS, WMS, GIS, and FMFS) and construct Bavaria gauging station in the current financial year. All these activities entail or hinge on water information management.

4.5  In as far as SP 6: Water Resources Policy and Strategy is concerned, the Department intends to submit a draft National Water Act Amendment Bill for Cabinet approval of public consultation in the 4th quarter. It also intends to develop the National Water Resources Strategy 3 for Cabinet approval during the year under review. All these targets are in line with the Framework for Managing Programme Performance Information.

5.  Programme 3: Water Services Management

5.1  The purpose of this Programme is to develop, rehabilitate and refurbish the raw water resources and water services infrastructure to meet the socio-economic and environmental needs of South Africa.
5.2 This Programme received R12.7 billion in the 2022/23 financial year, which constitutes 69% of the overall departmental budget. This Programme reflects a nominal rand increase of R586 million compared to the 2021/22 financial year, which translates into a real rand increase of R37.2 million between 2021/22 and 2022/23.

5.3 The Regional Bulk Water Grant (RBIG) and Water Services Infrastructure Grant (WSIG), dominates the budget allocations under the Programme, consuming 58.9% and 36.5% of the overall share, respectively. The majority of these funds will be transferred to municipalities for various bulk water infrastructure projects that will be carried out by district municipalities.

5.4 In this regard, 68 large regional bulk infrastructure projects will be under construction at various phases during the year under review, while 450 job opportunities will be created through the implementation regional bulk infrastructure projects. These targets are also in line with the SONA 2022, with respect to the utilisation of the District Development Model (DDM) to fast track service delivery. The development of a 5-year Water and Sanitation Reliability Plans at district municipalities is one of the examples of the DDM initiatives aimed at accelerating service delivery.

5.5 The Department intends to eradicate 10 798 existing bucket sanitation systems in formal settlements during the current financial year. It also plans to continue with the implementation of the Vaal and Giyani BWS interventions, through the WSIG during this financial year.

6. Overview of the 2022/2023 to 2023/2024 Medium-Term Financial Estimate

6.1 The Department has been allocated an amount of R59.6 billion over the MTEF, that is R18.5 billion, R20.1 billion and R20.9 billion in 2022/23, 2023/24/25, respectively.

6.2 The Compensation of Employees is allocated an amount of R5.4 billion over the MTEF, that is R1.836 billion, R1.741 billion and R1.819 billion in 2022/23, 2023/24 and 2024/25, respectively.

6.3 The Goods and Services is allocated R5.5 billion over MTEF, that is R1.770 billion, R1.819 billion and R1.908 billion in 2022/23, 2023/24 and 2024/25, respectively.
6.4 The Transfer and Subsidies is allocated an amount of R34.9 billion over the METF, that is R10.528 billion, R12.002 billion and R12.393 billion in 2022/23, 2023/24 and 2024/25, respectively.

6.5 The Payments for Capital Asset is allocated an amount of R13.788 billion, that is R4.404 billion, R4.593 billion and R4.792 billion in 2022/23, 2023/24 and 2024/25, respectively.

6.6 The net changes to the Vote baseline amount are R1.1 billion increase in 2022/23, R2.1 billion increase in 2023/24 and R2.1 billion increase in 2024/25.

6.7 This was mainly as a result of additional allocation through the budget facility for infrastructure. An amount of R240.6 million in 2022/23, R510.8 million in 2023/24 and R274.6 million in 2024/25 in the direct component of the Regional Bulk Infrastructure Grant for the George Local Municipality to implement the potable water security and remedial works project.


6.9 A R193 million is allocated in 2022/23, R269 million in 2023/24 and R351 million in 2024/25 to Umgeni Water Board to implement the Umkomazi bulk water supply scheme.

7. Observations of the Select Committee

7.1 The Select Committee has welcomed the 2022/23 APP and budget allocation of the Department of Water and Sanitation. The Select Committee has noted that the APP has been aligned and integrated with the medium-term strategic framework and the 2022 State of the Nation Address (SONA).

7.2 The Select Committee has further noted the main priorities of the Department for 2022/2023 financial year, includes the implementation of projects to augment bulk water resource infrastructure, lead the development of water resource, support the municipalities on water and sanitation services, table the NWRIA Bill and business plan, strengthen regulatory intervention to address pollution of environment and water, improve revenue collection across the water
value chain and reduce irregular, unauthorized and wasteful expenditure and ensure consequence management for financial misconduct.

7.3 While welcoming the commitment and priorities of the Department, the Select Committee raised concerns regarding the absence of the Minister to lead from the front the presentation of the 2022/2023 APP and Budget Allocation.

7.4 The Select Committee further raised general concerns about the non-implementation of war on leaks, school sanitation, bucket eradication, water pollution, functionality and stability of Water Boards, fight against corruption, implementation of forensic investigations, lack of progress report on concerns raised by the Select Committee during the 2021/2022 financial year, filling of vacant positions, court expenses, roll overs, financial misconduct and spending on water and sanitation infrastructure, lack of time frames on the eradication of bucket system, fruitless, wasteful expenditure and lack of consequence management around the corruption in Giyani Water Project.

7.5 Despite the concerns raised, the Select Committee has noted and generally welcomed the progress made by the Department in stabilizing the Water Boards and ensuring transparency in the appointment of competent, skilled and qualified Board Members.

8. **Recommendations of the Select Committee**

8.1 Having considered and deliberated on the 2022/2023 APP and Budget Allocation of the Department of Water and Sanitation, the Select Committee recommends to the NCOP as follows:

8.1.1 The Department of Water and Sanitation should fast-track the process of submitting the National Water Amendment Bill to Cabinet for approval, so as to timeously table it to Parliament during the 2023/24 financial year.

8.1.2 The Department of Water and Sanitation should provide a provincial update report on the status of water and sanitation projects, including the support provided to the municipalities in the entire country.
8.1.3 The Department of Water and Sanitation should provide progress report on war on leaks programmes, including the findings of and recommendations of forensic investigations conducted.

8.1.4 The Department of Water and Sanitation should provide supplementary progress report on support provided to communities affected by floods in areas of KwaZulu-Natal, Eastern Cape and North West, including mechanisms to mitigate corruption and misappropriation of resources allocated.

8.1.5 The Department of Water and Sanitation should provide quarterly progress reports on the achievements of outcome indicators, as contained in the 2022/23 APP and Budget Allocation.

8.1.6 As part of ensuring executive accountability and parliamentary oversight, the Select Committee should align its quarterly programme in line with the 2022/23 APP and Budget Allocation of the Department of Water and Sanitation, in order to monitor the implementation of the priorities developed by the Department during the current financial year.

8.1.7 The Select Committee should prioritise proactive oversight visits, in collaboration with the Portfolio Committees in the Provincial Legislatures, to monitor and assess the status of bulk water and sanitation projects in the provinces.

Report to be considered.