PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

MONDAY, 7 MAY 2018

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National Assembly

ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Draft Bills submitted in terms of Joint Rule 159

(1) **iKamva National e-Skills Institute Bill**, 2018, submitted by the Minister of Telecommunications and Postal Services.

Referred to the **Portfolio Committee on Telecommunications and Postal Services** and the **Select Committee on Communications and Public Enterprises.**

National Assembly

The Speaker

1. Introduction of Bills

(1) **The Minister of Telecommunications and Postal Services**

(a) **iKamva National e-Skills Institute Bill** [B 10 - 2018] (National Assembly – proposed sec 75) [Explanatory summary of Bill and prior notice of its introduction published in ***Government Gazette*** No 41581 of 20 April 2018.]

Introduction and referral to the **Portfolio Committee on Telecommunications and Postal Services** 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.

2. Referral to Committees of papers tabled

(1) The following paper is referred to the **Portfolio Committee on Arts and Culture** for consideration and report:

(a) Updated Annual Performance Plan of the Performing Arts Centre of the Free State (PACOFS) for 2018-19.

(2) The following paper is referred to the **Portfolio Committee on Science and Technology** for consideration and report:

(a) Revised Annual Performance Plan of the South African National Space Agency for 2018-19.

(3) The following paper is referred to the **Portfolio Committee on Women in The Presidency** for consideration and report:

(a) Annual Performance Plan of the Department of Women in The Presidency for 2018-19.

(4) The following papers are referred to the **Portfolio Committee on Justice and Correctional Services**:

(a) Proclamation No 12, published in Government Gazette No 41581, dated 20 April 2018: Referral of matters to existing Special Investigating Unit and Special Tribunal: Roads Agency Limpopo (SOC) Limited, in terms of the Special Investigating Units and Special Tribunals Act, 1996 (Act No 74 of 1996).

(b) Government Notice No 435, published in the Government Gazette No 41581, dated 20 April 2018: Prescribed rate of interest, in terms of the Prescribed Rate of Interest Act, 1975 (Act No 55 of 1975).

(5) The following papers are referred to the **Standing Committee on Finance** for consideration and report. The Report of the Auditor-General on the Financial Statements and Performance Information is referred to the **Standing Committee on Public Accounts** for consideration.

(a) Integrated Report and Financial Statements of the South African Airways SOC Limited (SAA) and its subsidiaries for 2016-17, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2016-17.

(b) The Corporate Plan of the Land Bank for 2018-19 – 2020-21, tabled in terms of section 10(1)(c) of the Money Bills Amendment Procedure and Related Matters Act 2009 (Act No 9 of 2009).

(c) The Corporate Plan of the Development Bank of Southern Africa for 2018-19, tabled in terms of section 10(1)(c) of the Money Bills Amendment Procedure and Related Matters Act 2009 (Act No 9 of 2009).

(6) The following papers are referred to the **Standing Committee on Finance:**

(a) Draft Regulations, submitted to Parliament on 30 April 2018, in terms of section 70(4)(b) of the Insurance Act, 2017 (Act No 18 of 2017), made in terms of section 63 of the Insurance Act, 2017.

(b) Draft Regulations, submitted to Parliament on 30 April 2018, in terms of section 103 of the Financial Sector Regulation Act, 2017 (Act No 9 of 2017), made in terms of sections 6(8)(a), 6(8)(b), 57(3) and 58 of the Financial Markets Act, 2012 (Act No 19 of 2012).

(c) List of Shareholders Index Report of the South African Reserve Bank for 2018, in terms of section 32(3) of the South African Reserve Bank Act, 1989 (Act No 90 of 1989).

(7) The following papers are referred to the **Portfolio Committee on Trade and Industry:**

(a) Government Notice No 232, published in Government Gazette No 41503, dated 16 March 2018: Financial Reporting Pronouncement 1: Substantively Enacted Tax Rates and Tax Laws under International Financial Reporting Standards and International Financial Reporting Standards for Small and Medium Enterprises, in terms of the Companies Act, 2008 (Act No 71 of 2008).

(b) Government Notice No 233, published in Government Gazette No 41503, dated 16 March 2018: Financial Reporting Pronouncement 2: Accounting for Black Economic Empowerment (BEE) transactions under International Financial Reporting Standards (IFRS), in terms of the Companies Act, 2008 (Act No 71 of 2008).

(c) Government Notice No 234, published in Government Gazette No 41503, dated 16 March 2018: Financial Reporting Pronouncement 3: Accounting for Black Economic Empowerment (BEE) transactions under International Financial Reporting Standards (IFRS) for Small and Medium Enterprises, in terms of the Companies Act, 2008 (Act No 71 of 2008).

(d) Government Notice No 235, published in Government Gazette No 41503, dated 16 March 2018: Financial Reporting Pronouncement 5: Summary Financial Statements, in terms of the Companies Act, 2008 (Act No 71 of 2008).

(e) Government Notice No 236, published in Government Gazette No 41503, dated 16 March 2018: Financial Reporting Pronouncement 4: The limit on a defined benefit asset, minimum funding requirements and their interaction under International Financial Reporting Standards (IFRS) in the South African Pension Fund Environment, in terms of the Companies Act, 2008 (Act No 71 of 2008).

(f) Government Notice No 389, published in Government Gazette No 41534, dated 29 March 2018: Invitation for the public to comment on the Draft Guidelines on the Processes and Procedures for the Planning and Establishment of the Special Economic Zones Programme, in terms of the Special Economic Zones Act, 2014 (Act No 16 of 2014).

(g) Government Notice No 390, published in Government Gazette No 41534, dated 29 March 2018: Notice in terms of section 25(7) of the Special Economic Zones Act, 2014 (Act No 16 of 2014).

(h) Government Notice No 402, published in Government Gazette No 41546, dated 29 March 2018: Codes of Good Practice on Broad Based Black Economic Empowerment: Draft Statement 000, Codes Series 000 of 2018 for 60-day public commentary, in terms of the Broad-Based Black Economic Empowerment Amendment Act, 2003 (Act No 53 of 2003).

(i) Government Notice No 403, published in Government Gazette No 41546, dated 29 March 2018: Codes of Good Practice on Broad Based Black Economic Empowerment: Draft Statement 300, Codes Series 300 of 2018 for 60-day public commentary, in terms of the Broad-Based Black Economic Empowerment Amendment Act, 2003 (Act No 53 of 2003).

TABLINGS

National Assembly and National Council of Provinces

1. The Minister of Energy

(a) Annual Report of the National Conventional Arms Control Committee (NCACC) for the year ended December 2017, tabled in terms of section 23(1)(c) of the National Conventional Arms Control Act, 2002 (Act No 41 of 2002).

2. The Minister of Justice and Correctional Services

(a) Proclamation No R. 9, published in Government Gazette No 41561, dated 06 April 2018: Referral of matters to existing Special Investigating Unit and Special Tribunal: Mbhashe Local Municipality, in terms of the Special Investigating Units and Special Tribunals Act, 1996 (Act No 74 of 1996).

(b) Proclamation No R. 10, published in Government Gazette No 41561, dated 06 April 2018: Referral of matters to existing Special Investigating Unit and Special Tribunal: Department of Correctional Services, in terms of the Special Investigating Units and Special Tribunals Act, 1996 (Act No 74 of 1996).

(c) Proclamation No R. 11, published in Government Gazette No 41561, dated 06 April 2018: Referral of matters to existing Special Investigating Unit and Special Tribunal: Eskom Holdings SOC Limited and Transnet SOC Limited, in terms of the Special Investigating Units and Special Tribunals Act, 1996 (Act No 74 of 1996).

3. The Minister of Telecommunications and Postal Services

(a) Report and Financial Statements of .ZA Domain Name Authority (ZADNA) for 2016-17, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2016-17.

National Assembly

1. The Speaker

(a) Reply from the Minister of Health to recommendations in the *Report of the Portfolio Committee on Health on the South African Human Rights Commission's Report on Investigation into Oncology Services in Kwazulu-Natal Province*, as adopted by the House on 28 February 2018.

Referred to the **Portfolio Committee on Health.**

(b) Reply from the Minister of Health to recommendations in the *Budgetary Review and Recommendations Report of the Portfolio Committee on Health on the Performance of the Department of Health and its entities*, as adopted by the House on 9 November 2017.

Referred to the **Portfolio Committee on Health.**

(c) Reply from the Minister of Health to motion on *UNAIDS Zero Discrimination Day*, as adopted by the House on 1 March 2018.

Referred to the **Portfolio Committee on Health.**

2. The Minister of Police

(a) Report and Financial Statements of the National Forensic Oversight and Ethics Board for 2016-17 (including a Progress Report for the period 01 April 2017 to 30 September 2017), tabled in terms of section 15AC (5) of the Criminal Law (Forensic Procedures) Amendment Act, 2013 (Act No 37 of 2013).

COMMITTEE REPORTS

National Assembly

1. REPORT OF THE PORTFOLIO COMMITTEE ON SOCIAL DEVELOPMENT ON THE BUDGET VOTE 17, THE ANNUAL PERFORMANCE PLANS OF THE DEPARTMENT OF SOCIAL DEVELOPMENT AND ITS ENTITIES FOR 2018/19 DATED 04 MAY 2018

The Portfolio Committee on Social Development having considered and deliberated on the Budget Vote, the Annual Performance Plans of the Department of Social Development (DSD), the South African Social Security Agency (SASSA)and the National Development Agency (NDA) on 02 May 2018, wishes to report as follows:

1. Introduction

The Committee's mandate as prescribed by the Constitution of South Africa and the Rules of Parliament is to build an oversight process that ensures a quality process of scrutinising and overseeing government's action that is driven by the ideal of realising a better quality of life for all people of South Africa.

The following institutions briefed the Committee: the Department of Social Development (DSD), the South African Social Security Agency (SASSA) and the National Development Agency (NDA).

2. The Department of Social Development the Annual Performance Plan (APP)[1]

The Committee was briefed on the Annual Performance Plan (APP) of the department and the following was presented:

The APP 2018/19 was a product of the department's strategic plan 2015 - 2019 and was aligned with the government programme of action and the Medium Term Strategic Framework (MTSF) towards the achievement of the National Development Plan (NDP).

2.1 The mandate, vision and the mission of the department

The constitutional mandate of the department is to provide sector-wide national leadership in social development by developing and implementing programmes for the eradication of poverty and social protection and the development amongst the poorest of the poor and most vulnerable and marginalized.

The department therefore derives its mandate from several pieces of legislation and policies that are aligned to the Constitution. These include the White Paper for Social Welfare (1997) and the Population Policy (1998), which set out the principles, guidelines, policies and programmes for developmental social welfare in South Africa. The White Paper for Social Welfare has provided the foundation for social welfare in the post-1994 era. The White Paper on Social Welfare is being reviewed to expand to make it more inclusive of a wide variety of social welfare services.

The vision of the department is to enable a caring and self-reliant society.

The department's mission is to "transform our society by building to ensure the provision of comprehensive, integrated, sustainable and quality social development services and create an enabling environment for sustainable development in partnership with all those committed to building a caring society".[2]

3. KEY STRATEGIC GOALS OF THE DEPARTMENT

<u>Policy Priorities for 2018- 2022</u>

The department will focus on the following sector priorities over the 2018-2022 Medium Term Expenditure Framework (MTEF):

- Reforming the social welfare sector and services to deliver better results;
- Improve the provision of Early Childhood Development;
- Strengthening community development interventions;
- Deepening social assistance to expand access to social security;

[1] Department of Social Development (2018)
[2] Department of Social Development, (2018)

- Strengthening coordination, integration, planning, monitoring and evaluation of services.

These priorities are in line with the National Development Plan (Vision 2030) which inter alia promotes social protection, defined by: [3]

- Protective measures to save lives and reduce levels of deprivation;
- Preventative measures which help people avoid falling deeper into poverty and reduce their vulnerability;
- Promotive measures which enhance the capabilities of individuals communities and institutions;
- Transformative measures which tackle inequities through changes in policies, laws and budgets; and
- Developmental and generative measures, which increase the poor's consumption, promoting local economic development.

3.1 Reforming the social welfare and services to deliver better results and improving the provision of ECD

Programme 4: Welfare Services Policy Development and Implementation Support

Under this strategic priority, the department has set its strategic goal to achieve the following by 2019:

- strengthened social welfare service delivery through legislative and policy;
- strengthened child protection services and improved the quality of ECD services;
- reduced the incidences of social crime and substance abuse and facilitate the provision of support services;
- contribute to reduction in HIV risky behaviour and promote psychosocial wellbeing amongst targeted key populations;
- promote, protect and empower persons with disabilities through the development and implementation of legislation, policies and programmes.

3.2 Strengthening Community Development Interventions

Programme 5: Policy and integrated Social Service Delivery

Under this strategic priority, the department has set over the Medium Term Expenditure Framework a strategic objective to facilitate management and coordination of cross cutting functions for DSD and social cluster, promote and support the implementation of the Population Policy. By 2019, the department has set targets to create enabling environment for Non-Profit Organisations (NPOs) to deliver effective services, facilitate and coordinate community development efforts to build vibrant and sustainable communities and lastly, contribute to poverty eradication and eliminate hunger through support to community-driven programmes and the provision of food and nutrition security services.

[3] National Planning Commission (2011).

3.3 Deepening Social Assistance to expand access to social security

Programme 2: Social Assistance

The department has set a strategic goal to extend the provision of social assistance to eligible individuals by 2019.

Programme 3: Social Security and Policy Development

Under this strategic priority the department has set a strategic objective to have an effective and efficient social security system that protects poor and vulnerable people against income poverty.

3.4 Strengthening coordination, integration, planning, monitoring and evaluation of services

Programme 1: Administration

Under the above-mentioned strategic priority, the department has set a target to provide strategic support and corporate services, to have an integrated planning and performance management, and to have a good governance and effective financial management.

4. PROGRAMME PERFORMANCE (2018/19 ANNUAL PERFORMANCE PLAN)

4.1 Programme 1: Administration

The purpose of this Programme is to provide strategic leadership, management and support services to the department and the social sector.

The department intends to implement key elements of the Sector Human Resource Plan, evaluate Project Mikondzo, assess annual performance of compliance of entities to the Entity Governance and Oversight Framework as well as establishing National Integrated Social Protection Information System (NISPIS). It also plans to facilitate DSD participation in eight (8) international engagement over the next MTEF. In terms of ensuring the implementation of the strategic goal for a good governance and effective financial management, the department has set to have an unqualified Annual Financial Statement on this MTEF. The assessment of Project Mikondzo responds to a call by the committee for impact assessment as this project has over the past years accounted for the increased budget expenditure of the department. In 2017/2018 alone, the department spent R4 million on this project. The establishment of NISPIS contributes to the achievement of the National Development Plan (NDP) target of the department establishing a fully functional NISPIS by 2017.

Expenditure trends

The total allocation for this Programme for 2018/19 is **R383.2 million**, which increased from **R350.7** million in the previous year. This indicates a nominal increase of 9.25 per cent. The increase in the budget allocation for this Programme was due to the additional funding received for ICT infrastructure. Thisincrease reflects the department's efforts to achieve the NDP target mentioned above. The department signed a 5-year contract with SITA to provide the department with a fully managed IT Turnkey Solution. An amount of R9 million was reprioritised from Line Functions to fund this project.

Notwithstanding the above, the normal trend of the budget allocation under this Programme is that *Corporate Management* sub-programme has over the years received the bulk budget allocation as it provides administrative support to line functions within the department.

4.2 Programme 2: Social Assistance

The purpose of this programme is to provide social assistance to eligible beneficiaries in terms of the Social Assistance Act (no. 13 of 2004) and its regulations. The below table indicates the targeted number of beneficiaries per grant type:

Table 1: Targeted number of beneficiaries per grant type

Type of Grant	Medium-term targets		
	2018/19	**2019/20**	**2020/21**
Old age grant	3 513 372	3 627 192	3 741 013
Child support grant	12 402 241	12 630 923	12 814 676
War veterans grant	107	83	63
Disability grant	1 049 811	1 040 641	1 034 039
Care dependency grant	154 353	159 509	164 781
Foster care grant	397 888	394 347	390 837
Grant-in-aid	215 880	242 772	269 530
Social Relief of Distress	252 833	252 833	271 000

Targets set under this Programme are based on projections as reflected by population growth trends. The department increased its target to reach Older Persons Grant (OPG) beneficiaries from 3 400 343 in 2017/2018 to 3 513 372 in 2018/2019, Child Support Grant (CSG) beneficiaries from 12 245 784 to 12 402 241 and Grant-In-Aid beneficiaries from 188 923 to

215 880. The increase in targets set for OPG and CSG is in line with the NDP target shown in the table under department's progress in achieving NDP targets under Annexure A.

Despite this increase, it is interesting to note that targets for Foster Care Grant (FCG), from 406 503 in 2017/2018 to 397 888 in 2018/2019 and Social Relief of Distress (SRD) have decreased drastically, particularly SRD, from 500 000 to 252 833. These are the two programmes that had experienced implementation challenges over the past years resulting in a number of exclusions and delays. Furthermore, the department has submitted a Social Assistance Amendment Bill [B 8 – 2018] to Parliament on April 2018, which seeks to provide for SRD in the event of a disaster. Therefore, the decrease appears to contradict what the Bill seeks to achieve as well as addressing backlog in the Foster Care System.

Expenditure trends

As per the norm, this programme accounts for the largest departmental expenditure. For 2018/19 it was allocated a budget of R162.960 billion, constituting 94.3 percent of the overall departmental budget of R172.9 billion Compared to R160.3 billion previously. This represents a nominal increase of 1.92 per cent, but a decrease in real terms of -3.39 per cent. (Real increase takes into account the effects of inflation on the monetary value).

The DSD allocation is dominated by *Social Assistance* programme, which constitutes 94.3 per cent of the overall departmental vote. The strongest growth is recorded for the *Welfare Services Policy Development and Implementation Support* programme, i.e. 22.3 per cent nominal growth (15.92 per cent real). Over the medium term, the department's expenditure is set to increase R186.1 billion in 2019/20, and R200.8 billion in 2020/21.

Social Assistance increases from R151.2 billion previously, reaching R162.9 billion in 2018/19. The focus is on providing income support to socially vulnerable groups such as the elderly, persons with disabilities, and caregivers of children. The 2018/19 allocation to the programme stays above inflation, representing a real increase of 2.14 per cent.

Expenditure under this programme is dominated by the *Old Age* and *Child Support* sub-programmes, which are allocated R70.5 billion and R60.6 billion respectively. Both sub-programmes also record above-inflation increases, i.e. 3.72 per cent and 2.37 per cent real growth respectively. Most of the social grant sub-programmes experience above-inflation increases for 2018/19, with the exception of the following:

- *War Veterans* (-21.56 per cent);
- *Disability* (0 per cent); and
- *Foster Care* (-9.50 per cent).

The strongest growth in expenditure is recorded for the *Grant-in-Aid* sub-programme, i.e. 20.78 per cent real growth. Expenditure for this sub-programme reaches R1.0 million in 2018/19. *Grant-in-Aid* is an additional grant to recipients of the old age, disability or war veterans grants who require regular care from another person due to their physical or mental condition. However, expenditure under the *Social Relief of Distress* sub-programme decreases from R600.0 million to R410.0 million in 2018/19, constituting -35.23 per cent decline. This grant provides temporary income support, food parcels and other forms of relief to people experiencing undue hardship

The Minister of Finance announced in his 2018 Budget speech the increase in amounts of social grants to beneficiaries as follow[4]:

- Child Support Grants (CSG) for 12.8 million people will increase from the baseline of R380 to R400 on April 1 and to R410 on October 1. The CSG increase is below inflation and therefore declines at -0.22 per cent in real terms.
- Old Age, Disability and Care Dependency Grants for 3.7 million people will increase on 1 April 1 2018 from the existing R1 600 by R90 to R1690, and by a further R10 to R1 700 on 1 October 2018. This is an above-inflation increase of 0.71 per cent inreal terms.

4.3 Programme 3: Social Security and Administration

The purpose of this programme is to provide for social security policy development administrative justice and the administration of social grant and the reduction of incorrect benefits payments.

A total of 5 targets has been set for this programme for the 2018/19 financial year.

For the current year (2018/19), the department is planning to submit the draft Social Assistance Amendment Bill which will provide for the universalisation of the Older Persons Grant and Child Support Grant to Cabinet for approval. It also envisages submitting to Cabinet for approval the policy on mandatory cover for retirement, disability and survivor benefits and a policy on voluntary inclusion of informal sector workers in social security as well as drafting a policy on the universalisation of the Child Support Grant. These targets are in line with the achievement of the NDP targets as reflected under Annexure A.

Expenditure trends

For 2018/19, allocation for the *Social Security Policy and Administration* programme increases from R7.3 billion previously to R7.8 billion. The increase represents a 2.0 per cent increase in real terms.

The bulk of this programme is allocated to the Social Grants Administration sub-programme, i.e. R7.6 billion. Funding in this sub-programme is transferred to the South African Social Security Agency (SASSA) for its

[4] Minister of Finance, (2018)

own operational costs, as well as for administrating social grants. Expenditure under the *Social Grants Administration* sub-programme increases nominally with 7.71 per cent, and real increase of 2.1 per cent.

4.4 Programme 4: Welfare Services Policy Development and Implementation support

The purpose of this Programme is to create an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies, norms and standards, and best practices. It also provides support to the implementation agencies.

This programme set a total of 23 performance targets for the 2018/19 financial year. For the year under review, the department reported that it planned to submit to Cabinet for approval the White Paper on Social Welfare, National Drug Master Plan (NDMP), Integrated South African Programme of Action for Gender Base Violence and the draft Anti-Substance Abuse Policy. It also intends to conduct an Older Persons Parliament and Active Ageing Programme.

The DSD will also develop the demand and supply model for Social Service Professionals. The costing of this model will commence in the first quarter of 2018/19 financial year. The department will also monitor implementation of the Recruitment and Retention Strategy for Social Service Practitioners.

During the same year, the department will build capacity on Teenage Parenting Programme in nine (9) provinces and plans to approve the National Plan of Action for Children in South Africa 2018-2022. A submission to the Cabinet for approval of a policy on Child Care and Protection is the target set for this year. The department also intends to develop a draft integrated Action Plan to respond to the social and structural drivers of HIV, TB and STIs.

The State of the Nation Address (2018) highlighted that, in order to break the cycle of poverty, Government needs to educate children of the poor and insistedthat this should start in early childhood.[5] In line with this, the department will be finalising an Early Childhood Development (ECD) financing strategy with the aim of providing a long-term approach to funding quality improvements and increase coverage across age groups.

Expenditure trends

The budget for Programme 4 increases from R1 billion to R1.2 billion in 2018/19 – which denotes a nominal increase of 22.3 per cent, and a real increase of 15.93 per cent. A total of 7 out of the 11 sub-programmes show a decline in real terms. Only 4 sub-programmes receive increased allocations in real terms.

[5] SONA, (2018)

Programme 4 comprises of 11 sub-programmes, of which the biggest allocations are to:

- Children – R574.0 million (a real increase of 36.5 per cent);
- Social Worker Scholarships – R323.0 million (real increase of 0.28 per cent).
- HIV & AIDS – R121.6 million (13.2 per cent real increase).
- Substance Abuse – R90.7 million (14.6 per cent real increase).
- Social Crime Prevention & Victim Empowerment Programme (VEP) – R65.2 million (-0.96 real decline)

Expenditure in the following sub-programme decline in real terms from the previous financial year, i.e.:

- Older Persons (0.50 nominal and -4.74 real terms).
- People with disabilities (1.35 nominal and -3.94 real terms).

4.5 Programme 5: Social Policy and Integrated Service Delivery

This programme provides support to community development and promotes evidence-based policy-making in the department and the social development sector.

In order to achieve the strategic objectives to facilitate management and coordination of cross cutting function for DSD and Social Cluster, the department has set to develop the Expanded Public Works Programme Social Sector Phase 4 during the year under review. In order to promote and support the implementation of the Population Policy, the department is committed to produce (9) nine reports on the implementation of the White Paper on Population Policy and International Conference on Population and Development. The department, intends to also Draft the Policy Paper on Demographic Youth Dividend by the end of this financial year.
The department has set a target to facilitate the implementation of the DSD Sector Funding Policy and the DSD-NPO Partnership Model as well as submitting the NPO Bill to Cabinet. These are in line with the department's achievement of the NDP targets.

In terms of youth development, the department will ensure that 1 000 youth are attending the national camp in the year under review and will submit the Social Development Youth Strategy for approval.
The department will facilitate the implementation of the Integrated Food and Nutrition Security Plan and ensure than 415 000 vulnerable individuals are accessing food through the Community Nutrition and Development Centres (CNDCs)

Expenditure trends

Expenditure for Programme 5 increases from R384.7 million to R392.4, denoting a nominal increase of 2 per cent, but declines with -3.32 per cent in real terms.

The *National Development Agency* (NDA) is located within this programme and its budget increases from R200.9 million previously to R202.6 million in 2018/19. Its allocation therefore declines with -4.41 in real terms.

5. FINANCIAL IMPLICATIONS

Below is the table that illustrates the budget allocation for the Medium Term Expenditure Framework:

Table 2: Social Development Operational Programme Budget: 2018/2019

Programme	2018/19	2019/20		2020/21	
	R'000	R'000	% increase	R'000	% increase
P1: Administration	383 246	406 374	6.03%	431 987	6.30%
P2: Social Assistance	162 960 723	175 655 593	7.79%	189 773 511	8.04%
P3: Social Security Policy and Administration	7880 822	8 324 872	5.63%	8 784 980	5.53%
P4: Welfare Services Policy Development and implement Support	1 284 493	1 359 263	5.82%	1 444 521	6.27%
P5: Social Policy and Integrated Service Delivery	392 303	416 464	6.16%	440 234	5.71%
TOTAL	**172 901 587**	**186 162 566**	**7.59%**	**200 875 233**	**7.90%**

6. OTHER MATTERS THAT HAVE IMPLICATIONS ON THE APP

In October 2017, the committee considered the financial and non-financial performance of the department for the financial year 2016/2017 and thereafter compiled a Budget Review and Recommendation Report (BRRR). The following section provides progress the department made in addressing the recommendations of the committee contained in the BRRR, whch during this financial year the committee should ensure that they are implemented:

- **The department should on quarterly basis inform the committee on its intentions to shift funds between programmes. The report on virements should reflect reasons for virements, breakdown of their expenditure and impact on the programmes the funds had been shifted from.**

Progress:

The department has undertaken to include reports on virements in its regular presentations of Quarterly Reports to the Committee.

- **The Minister should make sure that the department improves on its oversight responsibility over its entities, particularly focusing on addressing audit findings.**

Progress:

The department developed an Entity Governance and Oversight Framework. The Framework was approved by the Executive Authority in November 2017. As part of operationalizing the Framework, the department is in the process of consulting the Entities, particularly SASSA in developing the Implementation Plan for the Framework. The department is also in a process of establishing Entity Management Forum, which will be playing an oversight role over Entities. The Entities will be assessed on compliance with the framework on regular basis.

- **The Minister should ensure that the department complies with Treasury Regulation 8.2.3 and make sure that all payments are paid to creditors within 30 days so as to avoid accruals.**

Progress

During 2018/19, the Department will be implementing the invoice tracking system to assist in fast-tracking payment of invoices.

7. COMMITTEE DELIBERATIONS AND OBSERVATIONS

- The committee cautioned the department of possible duplications between the community outreach programmes such as Project Mikondzo and ICROP. This has high cost implications in terms of payment of subsistence and travel and other travel costs but there is little evidence of their impact on the lives of the people.

- The committee strongly felt that Community Nutrition and Development Centres (CNDCs) are not efficiently operated as food distribution centres. Its oversight visits to these centres revealed that they are poorly managed, stocked and resourced. Also, the very concept (of providing cooked meals) of CNDCs goes against the intentions of Integrated Food Security, which promotes self-reliance and empowerment of communities. The implementation of the CNDCs does not seem demonstrate evidence of promoting community development.

- The committee supported the targets to monitor the implementation of the Children's Act and submitting the Child Care and Protection Policy. This was an important step because of the rise of incidences

of secondary victimization of children in children's facilities. There is also a need to ensure that the Act is properly interpreted and implemented.

- It notes the 17.48% budget increase in office accommodation in 2018/2019, 5.04% in 2019/2020 and 4.98% in 2020/2021 financial years. The committee had on numerous occasions raised its concern regarding the poor conditions of office buildings, the use of mobile offices which compromises client confidentiality and office sharing with SASSA.

- It notes with concern that the department functions on an interim organizational structure with no clear indication that it was approved by the Department of Public Service and Administration. Some of the branches and units within the department are not reflected in the structure. This has implications in the implementation of the APP and obtaining funds from National Treasury to implement it.

- It also notes with concern that the department has not made significant progress in addressing the Auditor-General's finding that it does not have proper consequence management to deal with cases of deviations and non-compliance.

- It welcomed the APP of SASSA and noted improvement in its target setting.

8. THE SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA) ANNUAL PERFORMANCE PLAN 2018/2019[6]

The mandate for South African Social Security Agency (SASSA) is to ensure the provision of comprehensive social security services against vulnerability and poverty within the constitutional and legislative framework.

SASSA sets its performance plans in line with Government Outcome 13 of the Medium Term Strategic Framework (MTSF). This outcome includes actions to strengthen social welfare service delivery through legislative reforms, expand and accelerate social welfare service delivery to poor, vulnerable and special focus groups, develop a comprehensive social protection infrastructure plan and deepen social assistance; and expand access to social security.[7]

SASSA is instrumental in government achieving its goal of providing comprehensive social security through the reforms in the Old Age Pension and Child Support Grant. This entails universalization of these grants to ensure that old people and children who are currently excluded in the system are included. This comes at a period when SASSA is preparing to

[6] SASSA (2018)
[7] National Planning Commission (2011)

implement its core mandate, that of insourcing the payment of social grants over the medium term, which had been outsourced to a private company. During the transition period the payment system will be implemented through a hybrid model which involves partnership with the South African Post Office, commercial banks (for electronic payments) and corporate financial institutions (CFIs). It is expected that the transition period will take five years and thereafter service providers will transfer resources or assets to SASSA. The 2018/2019 APP sets targets aimed at achieving deliverables of this process for over the medium term period.

Priority areas for 2014/15 - 2018/19

- Reduce income poverty by providing income support to eligible beneficiaries
- Improve service delivery
- Improve internal efficiency
- Institutionalise the social grants payment system within SASSA
- Other initiatives to be addressed by SASSA

For **2018/19** financial year, SASSA has prioritised to implement some deliverables of insourcing the new payment system as well as the transition process, namely:

- Implementing Regulation 26A deductions,
- Enrolling new beneficiaries and managing the cash payment service provider,
- Increasing human resource capacity, ICT infrastructure upgrades and increase finances, and
- Reviewing the grant payment value chain;
- Automating the social grant registries by scanning beneficiary files into an electronic system'
- Phase out Cash Paymaster Services (CPS) and phase in a new cash payment service provider.

9. PROGRAMME ANALYSIS

SASSA's budget structure is implemented through two programmes, namely:

Programme 1: Administration

Strategic Objective

- To uphold good governance.

Sub-programmes

9.1 Fraud, Risk and Internal Audit (formerly, Executive Management)

Under this sub-programme SASSA has set itself targets to maintain an updated strategic risk register, conduct 30 internal audit reviews on high risk areas and investigate 70% of reported fraud, theft and corruption cases. These targets are set for 2017/2018 to 2020/ 2021 financial years. It can be noted that in the 2016/2017 financial year, SASSA achieved the target of conducting internal reviews but under achieved the target of investigating 70% of reported fraud cases. It had an achievement of 65%.

9.2 Corporate Services

As indicated earlier, SASSA has prioritized to increase its human resources capacity in 2018/2019 financial year. Under this sub-programme SASSA set four (4) targets to achieve this priority. These include reviewing the interim organizational structure, reviewing the HR Plan, reviewing the capacity model and filling 95% of funded posts. Most importantly, SASSA has set a target to finalise the draft SASSA Ten-Year Infrastructure Plan. This is important because during its oversight visits the committee found that SASSA's local offices and service points needed serious upgrade. Also, SASSA had challenges resulting from leasing or sharing office space with the Department of Social Development.

9.3 Information and Communication Technology

Under this sub-programme, SASSA set to achieve eight (5) targets. Most importantly, it set itself targets to deploy a biometric solution for beneficiary (new beneficiaries) enrolment nationally, upgrade network connectivity infrastructure at 116 offices, implement the Enterprise Business Intelligence solution for grant payments and develop SASSA Data Governance Framework. It is important to note that the target to upgrade network connectivity infrastructure was not achieved in 2016/2017 financial year due to delays caused by a prolonged industrial action by Telkom employees.

9.4 Financial Management

SASSA has planned to recover and write off 5% of social assistance debts, receive an unqualified audit outcome, finalise 50% financial misconduct cases (current ones) within 90 days and 90% of the backlog cases.

9.5 Budget and expenditure trend

Programme 1 has a total of 21 targets. Its budget increased to R3.181 million in 2018/19 from R2.578 million in 2017/18. The bulk of the budget (R1 723. 202 million) is allocated to sub-programme *Corporate Services*, followed by *Information and Communication Technology* sub-programme, R632. 360 million. These are the two sub-programmes that have key annual priorities (cost drivers) as reported above.

Over and above the aforementioned budget allocation, the following budget has been allocated for the key priority areas[8] for the medium term:

- Number of personnel across provinces will increase from 9 565 in 2017 to 9 794 in 2020/21. Expenditure in compensation of employees will increase is anticipated to increase from R3.2 billion in 2017/18 to R3. 8 billion in 2020/21. For 2018/19 financial year this economic classification is allocated R3. 464 billion.
- Automation of social grants registries is projected to cost R30 million in the year under review.
- Biometric authentication is projected to cost 79 million in the same year.

In addition, SASSA has also set aside a total budget of R515. 504 million from its retained cash surplus for special projects (key priority areas). The highest budget has been allocated to the following projects:

- ICROP - R114 008 million
- Biometrics – R103 466 million
- Transition project – R100 000 million
- Scanning solution – R96 320 million

10. Programme 2: Benefits Administration and Support

Sub-programmes

10.1 Benefit Administration

This programme has a total number of 11 targets for 2018/19 financial year. Most importantly SASSA plans to enrol new beneficiaries biometrically, implement Integrated Communication and Marketing Strategy, process 560 000 applications for children aged 0-1 years and process 130 976 Foster Care Grant reviews. These targets contribute towards the achievement of the NDP targets as shown in Annexure B.

10.2 Payment Administration

This sub-programme is set to achieve eight (8) targets. All these targets relate to the transition processes for securing a service provider for cash payments. The Agency aims to implement Regulation 26A deductions, phase out the current payment service provider (CPS) and phase in the new service provider by 30 September 2018, manage service provider/s for the cash payment, reduce cash pay points by 8%, appoint 45 small locally owned merchants and CFIs as alternative pay points and reduce beneficiaries paid through cash payment by 8%.

10.3 Expenditure Trends and estimates

Programme 2 has a total of 19 targets. It has a total budget allocation of R5.094 million for 2018/19, as opposed to R4.884 million in the previous

[8] National Treasury (2018)

year. The bulk budget allocation R5 073 million goes to *goods and services* (R2. 631 million) within the current payments economic classification.

11. OTHER MATTERS THAT HAVE IMPLICATIONS ON THE APP

Annually the Committee considers the annual performance of SASSA based on the targets it set on its annual performance plan of that particular year. Thereafter, it prepares a report in which it makes recommendations in the **Budget Review and Recommendations Report (BRRR).** These recommendations have implications on the annual performance of SASSA, which the Committee has the responsible to ensure that they are implemented. The following section provides a summary of the recommendations and actions that will be taken by SASSA during the year under review[9]:

- **SASSA to obtain feedback on the condonation of irregular expenditure to the amount of R1. 2 billion from National Treasury and Standing Committee on Public Accounts (SCOPA) -** SASSA is still awaiting final decision from National Treasury after it submitted requested reports. SASSA and National Treasury are still waiting for the resolutions from SCOPA. Request letters were forwarded to SCOPA on March 2017 and 2018.

- **SASSA to strengthen its oversight responsibility over regional offices –** Executive management decided to include consequence management on financial misconduct in the APP for 2018/2019 – 2020/21 MTEF period. ***This is however not reflected in the 2018/2019 APP.***

- **SASSA to align achievement of targets with budget expenditure -** SASSA had not achieved targets related to the new payment system. SASSA has since entered (December 2017) into a protocol agreement with South Africa Post Office (SAPO) and targets to implement the new system have been included in the 2018/19 APP as indicated earlier in the report.

Other interventions include the following:

- SASSA has commenced with a review project of all existing valid contracts to ensure compliance with SCM prescripts, the project is to be concluded by mid May 2018;
- New tenders are pre-audited before they being awarded and orders issued to ensure any non-compliance elements are resolved beforehand;
- SASSA jointly with DTI and CIDB conducted training on local content and CIDB requirements to all SCM officials to ensure compliance to SCM prescripts;
- SASSA and National Treasury conducted training for procurement structures i.e. Bid Committees and SCM officials;

[9] SASSA responses to BRRR. 17 April 2018

- SASSA SCM policy is under review to ensure it is updated and aligned to SCM prescripts and instruction notes issued by National Treasury;
- SASSA has commenced with the development of an electronic financial misconduct register on Oracle- ERP, the implementation of this initiative should take place before the end of 2018/19 financial year.
- SASSA trained selected officials on investigation and they are currently utilized to investigate and finalise long outstanding financial misconduct cases. The finalization of financial misconduct cases was made a priority during the third quarter and fourth quarter of 2017/18.

During the financial year 2018/19, SASSA will finalise the implementation of Property Management Module on Oracle–ERP which will assist in the management of property leases.

12. COMMITTEE DELIBERATIONS AND OBSERVATIONS

- The committee notes the high vacancy rate in the office of the Chief Executive Officer. The office has eight (8) vacant posts out of nine (9) staff establishment.

- It also notes the changes SASSA is going through because of the transition processes in the social grant payment system. These have caused confusion among beneficiaries especially around the swapping from Grindrod/SASSA card to SAPO/SASSA card and the expiring of the later. It also, raised a serious concern that some SASSA officials at local level mislead beneficiaries by forcing them to migrate from cash payment to online payment through banks. Beneficiaries are told that cash pay points would be closed.

- It raised a concern over the continuing challenge of long queues at local offices and negative attitude of SASSA officials. Long queues are attributed to system being off-line.

13. NATIONAL DEVELOPMENT AGENCY (NDA) ANNUAL PERFORMANCE PLAN 2018/2019

The National Development Agency (NDA or Agency) is a Schedule 3 (A) Public Entity established in terms of *Section 2 of the National Development Agency Act (108 of 1998)* and reports to the Parliament of the Republic of South Africa through the Minister of Social Development.

The Act requires the NDA to have a board that operates on a 3 year term basis. In February 2016, the Minister of Social Development, as mandated by section 5 of the Act, appointed the new board members for the next 3 years.

13.1 Legislative mandate of the NDA

The NDA's two-fold legislative mandate, consisting of a primary and a secondary mandate, is in the main to contribute towards the eradication of

poverty and its causes. This is achieved through the granting of funds to civil society organisations (CSOs) to enable them to implement development projects in poor communities. The NDA is also charged with strengthening the institutional capacity of other civil society organisations which provide services to poor communities.

Primary mandate

The NDA's primary mandate is to contribute towards the eradication of poverty and its causes by granting funds to civil society organisations for the purpose of carrying out projects or programmes aimed at meeting development needs of poor communities and strengthening the institutional capacity of civil society organisation involved in direct service provision to poor communities.

Secondary mandate

The NDA secondary mandate of the NDA is to promote consultation, dialogue and sharing of development experience between civil society organisations and relevant organs of state; debate on development policy; and undertake research and publications aimed at providing the basis for development.

13.2 NDA 2018/2019 Annual Performance Plan

The Committee was briefed on the APP of the NDA as well as on its new Business Case Model and the following was presented.

13.4 Organisational environment

The social development cluster developed an Integrated Anti-Poverty Strategy that seeks to ensure coordination and integration of all poverty interventions by the cluster. At its centre, is people's empowerment for their own development, mobilisation and conscientisation, and strengthening of public-private partnerships. South Africa, is the case with other developing countries, faces the triple challenge of persistent poverty, unemployment and inequality.

13.5 PROGRAMME INFORMATION

Programmes as derived from the 2016-2021 Strategic Plan and the Annual Performance Plan for 2018/19 are the following three:

Programme 1: Governance and Administration

The programme focuses on promoting and maintaining organisational excellence and sustainability through effective and efficient administration that includes performance, employee well-being, cost containment and brand recognition.

Programme 1 has a total of 3 targets planned for the 2018/19 financial year. The NDA plans to approve the Human Resource Model Strategy by the end of this financial year (2018/19). Furthermore, the Civil Society Organisations database and information management system will be developed, so that by the end of 4th term (2018/19) it will be operational.

13.6 Programme 2: Civil Society Organization Development

This programme provides a comprehensive package that aims at developing CSO's to their full potential so as to ensure that they (especially those operating in poor communities) have capabilities to provide quality services to the communities they serving.

This programme has a total number of 9 targets for 2018/19. The following are some of the sub-programmes under Programme 2:

Civil Society Mobilisation and Formalisation

The main aim of this programme is on CSO engagements, assessments and needs analyses, prioritisations of interventions required by CSOs, facilitating registration of CSO's that needs support to register with appropriate registration authorities (NPO and Cooperatives).

- The NDA plans to increase the number of CSO's participating in CSO's mobilisation engagements and consultation process per year from 3 050 to 8 500.
- Furthermore, the NDA plans to increase the number of CSO's trained to comply with registration legislation per year from 3750 to 4000.
- A total of R50 million will be raised for grant funding and resources mobilisation in rand value of resources (financial and non-financial).
- NDA indicated that it would assist 940 CSOs to formalise their structures per year this current financial year.

13.7 Programme 3: Research

The focus of this programme is on action research and impact evaluative studies that will be used to inform programme planning, implementation and management of NDA CSO development Programmes.

- The Agency has planned to produce a total of 23 research and policy reports for the 2018/19 financial year.
- Additionally, the NDA will conduct 10 development policy dialogues and consultation sessions per year (2018/19 financial year) as oppose to conducting 7 previously.

14. OVERVIEW OF 2018/19 BUDGET

The NDA receives a transfer from the Department of Social Development, which increases from R200.9 million in 2017/18[10] to R202.5 million.[11] Despite the 0.8 per cent nominal increase, the NDA's allocation declines in real terms (taking into account the effects of inflation) with -4.43 per cent. The budget declined due to R150 million reduction as well as R30 million budget cut from DSD. The NDA allocation is set to reach R214.4 million in 2019/20 and R226.8 million in 2020/21.

Of the three main programmes, the ***Civil Society Organisations*** programme dominates the NDA expenditure, constituting 49.9 per cent (which is to be expected, given the NDA's mission statement). Civil Society Organisation's expenditure is, however, set to decline with -7.82 per cent in real terms from the previous year. Its 2018/19 allocation is R101.1 million.

The ***Research*** programme shows the most marked decline in both nominal and real terms, declining from R13.2 million to R10.4 million in 2018/19. In real terms the decline is -25.39 percent. Of the R10.4 million allocated to the Research main programme, R2.1 million is dedicated to the actual Research sub-programme, R7.6 million to programme implementation and support, and less than a million (R695 111) to Monitoring & Evaluation. Clarity is required from the NDA on whether allocated funding is adequate for monitoring and evaluation, as well as research purposes.

Administration is the only of the three programmes showing growth in real terms (i.e. 3.1 per cent). Its allocation for 2018/19 reaches R91.0 million. Of this amount, R51.1 million goes towards compensation of employees. This programme is set to reach R100.9 million by 2020/2021.

14.1 COMMITTEE DELIBERATIONS AND OBSERVATIONS

- The welcomed the APP of the Agency. It felt that the targets addressed the mandate of the NDA and it talked to focus of the new business model.

- It also supported the target to link CSOs to sustainable resource opportunities. It viewed this as a positive step towards ensuring sustainability and capacity building of CSOs as these have been challenges facing this sector.

- It expressed a concern over the reduction of the entity's budget by R150 million. This is over and above the R30 million budget reduction from the Department of Social Development over the medium term period.

[10] National Treasury (2017)
[11] National Treasury (2018)

15. RECOMMENDATIONS

15.1 Department of Social Development

The Committee recommends that:

- The Minister should ensure that the department develops a business plan for the outreach programmes to eliminate duplications between these programmes.
- The Minister should make sure that the department re-view or overhaul the concept and operations of Community Nutrition and Development Centres to make sure that they are aligned with the principles of Integrated Food Security, which promote community development. This will ultimately ensure that the objectives of a developmental state are achieved.
- The Minister should further ensure that the department rolls out the Isibindi Model as it has prove to be a best practice in delivering comprehensive services to children.
- The Minister should also make sure that the department expedite the finalization of the department's organizational structure. It should ensure that it is approved by the Department of Public Service and Administration.

15.2 South African Social Security Agency

- The Minister should ensure that SASSA continuously make beneficiaries aware of developments and changes during the grant payment transition period to avoid confusion due to misleading information.
- The Minister should ensure that SASSA implements the committee's recommendation it made in the 2017 Budget Review and Recommendation Report. It recommended that SASSA head office strengthens its oversight over regional offices to ensure that they comply with National Treasury Regulations as well as adhering to Ubuntu principles and customer care.

15.3 National Development Agency

- The Minister should ensure that the Agency expands its fund raising strategy by partnering with other countries, which can fund its programmes.

- The Minister should also ensure that the Agency strengthens its relations with government stakeholders by making use of Integrated Development Plans. This will help it to form partnerships with relevant stakeholders that will assist it carrying out its mandate. The stakeholder partnership should include traditional leaders.

Report to be considered.

Annexure A: DEPARTMENT'S PROGRESS IN ACHIEVING NATIONAL DEVELOPMENT PLAN (NDP) TARGETS

The department has a responsibility to implement or achieve targets set in the NDP. The programme performance section above gave an analysis on how the department's targets for 2018/2019 financial year are aligned to the NDP targets. The table below gives a detailed reflection on how the department has performed in terms of achieving the NDP targets within the stipulated timeframes. In overall the table reflects a relatively good performance of the department.

Sub-outcome 1: Strengthening social welfare delivery through legislative, policy reforms, capacity building

MTSF Deepening social assistance and expanding access to social security	**NDP Performance Indicator**	**NDP Target**	**DSD Achievement**	**DSD 2018/2019 APP**
Review social welfare policy and regulations; develop revised White Paper on Social Welfare regulations; develop revised White Paper on Social Welfare.	Approved White Paper on Social Welfare Services	A comprehensive review of social welfare service conducted across 9 provinces by March 2014/15 White Paper on Social Welfare Services approved by 2017/18	The White Paper was reviewed between 2014/2015 and 2015/2016. It was revised in 2016/2017 and consulted with stakeholders in 2017/2018.	**White Paper to be submitted to Cabinet for approval**
Strengthen state-civil society partnerships for delivering welfare services through inter alia developing appropriate accountability mechanisms and quality assurance systems into the partnership models	An effective service partnership model between state, private and community sector	State-civil society partnership model concluded by 2016/17	State Civil Society Partnership Model developed was in place in 2016/2017. Extended sector consultative sessions were conducted in 2016/2017	**Implementation of the DSD-NPO Partnership Model to be facilitated**

Develop demand model for social welfare services and practitioners this includes identifying social welfare services and finalising competences and conditions of service	Demand Model developed for social service professionals	Demand Model for social service professionals by developed by 2016/17	The Model was developed in 2016/2017	**Implementation plan to be developed**
Attract, train and retain youth into the social service profession	Scholarships offered for social services professionals increased annually Absorption rate of bursars in the social welfare sector	Scholarships increased, linked to the demand model by 2019 At least 10% additional bursars absorbed annually in to the sector after successfully completing their studies by 2019	The department has not been able to meet this target. There is a backlog of 3 736 unemployed social work graduates. Department aims to absorb 566 graduate over medium term period through the Social Worker Employment Grant of R204.5 million per year.	**No target**
Develop a regulatory framework for NPOs	A regulatory framework for NPOs	Regulatory framework for the NPOs produced by 2016/17	Draft NPO Amendment Bill was completed in 2015/2016. Target to table the Bill in Parliament was not met.	**Bill to be submitted to Cabinet**
Integrate and rationalize the various Home and Community-Based Care (HBC) and other community based workers, as a key group for improving services	Policy on use of HBC and other community based workers	Policy and guidelines for utilization of community-based workers produced by 2016/17	Guidelines were developed in 2016/2017	**Implementation of the guidelines to be facilitated** **Policy Framework on the management of community based workers to be submitted for approval.**

Improve Social Development Funding by developing a resourcing strategy that will include funding norms and standards	A resourcing strategy for social development services	A resourcing strategy for social development services developed and published by 2019	DSD Sector Funding was to be submitted for approval in 2017/2018.	**Implementation of the DSD Sector Funding Policy to be facilitated.**
Develop skills enhancement programmes	A skills enhancement programme A feasibility study on increasing the cadre of social welfare professionals. The TOR will include investigating the feasibility of setting up of a Welfare Service Academy	A skills enhancement programme developed by 2015/16 A feasibility study on increasing the cadre of social welfare professionals. The TOR will include investigating the feasibility of setting up of a Welfare Service Academy by 2016/17	No clear performance reported in line with this NDP target. However, the department organised leadership camps and youth clubs. Target to develop a Social Development Youth Strategy was not achieved from 2014/2015 – 2016/2017. It was planned to be submitted for approval in 2017/2018 No target and reporting on the feasibility study No target and reporting on the feasibility study	**Implementation of the Strategy to be facilitated.**

Sub outcome 2: Improved quality and access of ECD services for children aged 0-4

MTSF Deepening social assistance and expanding access to social security	**NDP Performance Indicator**	**NDP Target**	**DSD Achievement**	**DSD 2018/2019 APP**
Develop a comprehensive ECD policy which includes the period from conception which will include regulation standards for child care Develop an Integrated Strategy for ECD policy implementation Review regulatory framework (to ensure alignment to policy) and inform service providers and the public of the expected outcomes from facilities	Comprehensive ECD policy approved Integrated strategy developed for implementation of the ECD policy addressing elements in the National Action Plan for ECD Regulatory framework development and published	A comprehensive package of quality early childhood development programs and services (ECD)for, all young children from conception [1st 1000 days] until they enter formal schooling developed by November 2014 Plan for the progressive implementation of programmes developed by 2015/16 ECD Infrastructure Plan developed by 2017/18 Integrated Human Resource plan which includes Skills development and training programs for ECD personnel developed by 2015/16. This should include establishing core competencies of ECD workers and a training system which caters for the needs of ECD workers that have basic education to mid-level training Intersectoral strategy for addressing nutrition and other services for pregnant mothers and children under 3 developed by 2014	ECD Policy was approved in 2015/2016. ECD Programme of Action was aligned to ECD Policy in 2016/2017. An approval of the National Integrated Implementation Plan on ECD Policy was to be obtained in 2017/2018 ECD infrastructure plan was drafted in 2016/17 and was to be approved in 2017/2018.	**Implementation of the National Integrated Implementation Plan on ECD Policy to be monitored.**

		Components of the intersectoral incorporated into departmental APPs for 2016/17 FY Revised funding policy identifying different modalities for ECD programmes developed by 2017 A regulatory framework aligned with new policy developed and published by December 2017		
Provide ECD programmes in poorest areas including home-based care provision. (This might need defining and setting of minimum standards of home based ECD)	Percentage of poor children in accessing ECD services and programmes	25% of poor children have access to ECD programmes and services by March 2015 50% increase in number of children accessing quality ECD programmes and services by March 2019	In 205/16 it was reported that a total number of 1 487 639 children were accessing ECD services.	**No target**
Audit and register (for compliance to norms and standards) Early Childhood Development facilities	Audit reports for ECD facilities produced	ECD facility report published by August 2014	The national audit of ECD centres was concluded in 2014.	**No target**
	Percentage of ECD centres registered and complying to norms and standards	90% ECD facilities registered/complying with norms & standards by 2018	2018/2019 annual report should report on this	**No target**

Sub Outcome 3: Strengthen community development interventions

MTSF Deepening social assistance and expanding access to social security	**NDP Performance Indicator**	**NDP Target**	**DSD Achievement**	**DSD 2018/2019 APP**
Develop integrated framework and model for community development	A practical framework and model for community development developed	A framework and model developed by March 2017	In 2014/15 FY the department finalised the Community Development Policy Framework. In 2016/17 it obtained it's approval from the Community Development Forum	**Implementation of the Community Development Practice Policy to be facilitated**

Sub-outcome 4: Deepening social assistance and expanding access to social security

MTSF Deepening social assistance and expanding access to social security	**NDP Performance Indicator**	**NDP Target**	**DSD Achievement**	**DSD 2018/2019 APP**
Increase access; reducing vulnerability and addressing barriers to access to social assistance	Increase in Old Age grant coverage	At least 95% of all aged persons who qualify access Old Age grant by 2016/17	Total number of Old Age Grant was 3 302 202 in 2016/17	**Increase the grant payments to 3 513 372**
Developing a strategy to reach potential beneficiaries of the old age grant falling through the cracks	Discussion paper for increasing coverage	Discussion paper (with implementation options) developed and distributed for consultation by 2014/2015	The discussion paper with policy proposals was developed in 2014/15 and consulted with different stakeholders.	**The draft Social Assistance Amendment Bill to be submitted to Cabinet for approval.**
Reviewing the entire social welfare grant system to catalyse access to benefits by orphans	Review of grant system for orphans discussed and approved by cabinet and MINMEC	Policy approved by MINMEC [2017/18]	Policy proposal on expansion of CSG to orphans and vulnerable children was completed in 2015/16 and approved by Cabinet. **The**	**The draft Regulations on Social Assistance Amendment Act to be promulgated.**

Developing and implementing a strategy to reach potential beneficiaries of the child support grant falling through the cracks	Expansion of Child Support Grant to Orphans and other Vulnerable Children by 2015/16 Child Support Grant coverage	50% increase Child Support Grant to Orphans and other Vulnerable Children by 2018/19 Discussion paper drafted by 2016/17 At least of 95% of all children under the age of 18 who qualify access the CSG by 2019	**Social Assistance Amendment Bill was tabled in Parliament on 13 April 2018. The Bill seeks to make provisions for additional payments of CSG.** **No target set** The discussion paper was developed in 2016/17. **SASSA:** 2016/17 – 493 723 out of 1 206 306 (41%) children aged 0 -1 years were in receipt of CSG. The target was 55%	**No target set** **Draft policy on the universalisation of the CSG** **SASSA: 560 000 applications to be processed**
Provide nutritious food to vulnerable households not supported by other programmes	Number of household accessing nutritious food from DSD programs	1 million households accessing food by 2019	Between 2014 – 2016 a total of 1.3 million people accessed food through Community Nutrition Development Centres (CNDCs)	**415 000 vulnerable individuals to access food through CNDCs**

Sub-outcome 5: Optimal systems to strengthen coordination, integration, planning, monitoring and evaluation of social protection services

MTSF Deepening social assistance and expanding access to social security	**NDP Performance Indicator**	**NDP Target**	**DSD Achievement**	**DSD 2018/2019 APP**
Establish a National Integrated Social Protection Information System (NISPIS).	Common set of outcomes and systemic indicators developed on which all stakeholders, including other spheres of government will be assessed A fully functional NISPIS by 2017	Common set of outcomes and systemic indicators developed by December 2017 Develop a fully functional NISPIS by 2017	**In 2017/18 a target was set to integrate existing welfare services into a Single Information Case Management System** National Integrated Social Information System (NISIS) was upgraded to include community profiles in 2016/17	**NISPIS Development Governance Framework and enhancement of existing data sources to be established.**
Develop a result based framework social protection	Integrated M&E framework for Social Protection	Develop an integrated framework for social protection by 2015	M&E system was updated and aligned to relevant outcomes in 2015/16. A results-based M&E Framework with indicators was developed and consulted with relevant stakeholders in 2016/17.	**No target**

ANNEXURE B: SASSA'S PROGRESS IN ACHIEVING NATIONAL DEVELOPMENT PLAN (NDP) TARGETS

It is difficult to assess the overall performance of SASSA towards achievement of NDP targets as some of these targets are in percentages. However, it can be said that SASSA failed to achieve the target of implementing a new social grant payment system by 2016. It however, achieved the NDP target of re-registering beneficiaries into the biometric system.

MTSF Deepening social assistance and expanding access to social security	**NDP Performance Indicator**	**NDP Target**	**Achievement**	**SASSA 2018/2019 APP**
Actions:				
Developing a strategy to reach potential beneficiaries of the old age grant falling through the cracks	Increase in Old Age grant coverage	At least 95% of all aged persons who qualify access Old Age grant by 2016/17	2016/17 – 3 02 202 OAG recipients.	**No target**
Reviewing the entire social welfare grant system to catalyse access to benefits by orphans	Review of grant system for orphans discussed and approved by cabinet and MINMEC	Policy approved by MINMEC [2017/18]	DSD & NT: agreement reached to top up on CSG for orphans and child headed households. SASSA to start preparations to implement this agreement in 2018/19	**No target**
Developing and implementing a strategy to reach potential beneficiaries of the child support grant falling through the cracks	Expansion of Child Support Grant to Orphans and other Vulnerable Children by 2015/16	50% increase Child Support Grant to Orphans and other Vulnerable Children by 2018/19	2016/17 – 493 723 out of 1 206 306 (41%) children aged 0 - 1 years were in receipt of CSG. The target was 55%	**560 000 applications to be processed**

Improve Grant Administration System	Automation of social grant administration information system	20.7 million people re-registered onto the biometric system in February 2014	Re-registration was done in 2013/14. Twenty one million (21 million) beneficiaries were re-registered (including children and procurators)	**Biometric identity access management system implemented for SOCPEN users. A total of 6 120 users to be biometrically authenticated on SOCPEN.** **Biometric solution for beneficiary enrolment deployed nationally (new beneficiaries)**
	Successful registration onto the biometric system			
	A new social grant payment system	Advisory Committee report on international benchmarking by 2014/15	The Ministerial Advisory Committee was appointed in 2013/2014. Report was finalised in 2014/2015. New payment system not achieved by 2016 2017 – new hybrid model agreed on (commercial banks, SAPO & CFIs) SASSA/SAPO protocol agreement came into effect on 1st April 2018	**30 September 2018 – phasing out of the current service provider (CPS) and phasing in of the new service provider** **45 2nd tier merchants and CFIs appointed as alternative pay points**.

			CPS Cash payment system extended to 30 September 2018 (Court judgment)	

2. REPORT OF THE PORTFOLIO COMMITTEE ON ARTS AND CULTURE ON BUDGET VOTE 37: DEPARTMENT OF ARTS AND CULTURE, DATED 3 MAY 2018

The Portfolio Committee on Arts and Culture, having considered the 2018/19 budget and the Annual Performance Plan (APP) of the Department of Arts and Culture, Vote 37, reports as follows:

1. Introduction

1.1 The Portfolio Committee on Arts and Culture (hereafter referred to as the "Committee") considered the 2018/19 budget of the Department of Arts and Culture (DAC) as part of its oversight function over the Department as mandated by Public Finance Management Act (Act No 1 of 1999) and Money Bills Amendment Procedure and Related Matters Act (Act No 9 of 2009). Performing Arts Centre of the Free State (PACOFS), National Arts Council (NAC) and Pan South African Languages Board (PanSALB) briefed the Committee on their APP and budget on 17 April 2018 and the Department briefed the Committee on its APP and Budget on 24 April 2018.

2. Background

2.1 The aim of the report is to present an intensive analysis of the 2018/19 budget of the Department of Arts and Culture. This will assist the Committee to fulfill its monitoring and oversight functions effectively. This analysis particularly enables the Committee to monitor and oversee the Department and its entities' expenditure of public funds and the impact of service delivery.

2.2 Information contained in the report is based on the Department's 2018/19 APP, 2018/189budget, as well as the 2018 Estimates of National Expenditure (ENE) as tabled in the National Assembly.

2.3 The Report presents a programme-by-programme summary of the Department of Arts and Culture Budget, an overview of the key observations and recommendations made by the Committee.

3. Committee observations

3.1 The Department derives its mandate from the Constitution of the Republic of South Africa (Act No. 108 of 1996) with specific focus on language and culture, access to information and, to some extent, education.

3.2 The work of the Department is central to the implementation of Chapter 15, Nation *Building and Social Cohesion,* of the National Development Plan (NDP) Vision 2030. The Department has been assigned by the President the responsibility to lead Outcome 14: A diverse, socially cohesive society with a common national identity.

3.3 Through the implementation of the Mzansi Golden Economy (MGE) strategy, a strategy developed during the 2009-2014 term, the Department aims to contribute to national priorities of job creation and economic development.

3.4 Going forward into the medium-term, the Department aligns its work with the NDP as well as the Medium Term Strategic Framework through contributing to quality education and rural development. The Department seeks to equalize opportunities, promoting inclusion and redress and promote active citizenry and broad-based leadership.

3.5 The Department will work towards achieving the above findings by continuing with programmes which place artists in schools to improve the teaching of arts in basic education and by building arts, culture and heritage infrastructure in rural areas. This infrastructure includes community libraries, arts centres and building heritage infrastructure monuments.

3.6 The Department has ensured that all entities reporting to it have submitted annual performance plans (APPs) for the 2018/19 financial year. These include:

- The Afrikaanse Taal-Museum and Monument
- Iziko Museums of South Africa
- National English Literary Museum
- KwaZulu-Natal Museum
- Msunduzi/Voortrekker and Ncome Museums
- National Museum Bloemfontein
- Ditsong Museums of South Africa
- Robben Island Museum
- War Museum of the Boer Republics
- William Humphreys Art Gallery
- Freedom Park
- National Heritage Council
- National Film and Video Foundation (NFVF)
- National Arts Council
- South African Heritage Resources Agency
- South African Library for the Blind
- National Library of South Africa
- Artscape
- Performing Arts Council of the Free State (PACOFS)
- South African State Theatre
- Playhouse Company
- Luthuli Museum
- Nelson Mandela Museum

- Market Theatre
- Pan South African Language Board (PanSALB)

The Committee had to send back the APP of PACOFS to amend some areas where there were concerns. The Department ensured that corrections were done and the APP was resubmitted.

4. Overview of the 2017/18 financial year

Looking at the mandate of the Department enables one to assess the financial and service delivery performance of a department in any financial year, and the same applies for the 2017/18 financial year.

The Department derives its mandate firstly from the Constitution of the Republic of South Africa and other key pieces of legislation, which provide the primary legislative framework. The mandate of the Department[1]:

- Preserve, develop, protect and promote the cultural, heritage and linguistic diversity and legacy of South Africa;
- Lead nation building and social cohesion through societal transformation;
- Enhance archives and records management structures and systems and promote access to information;
- Provide leadership to the art and culture sector to accelerate its transformation.

In the 2017 State of the Nation Address (SONA), the President pronounced 2017 as a year of unity in action, which is in line with the social cohesion and nation building as one of the outcomes of government. In line with radical socio-economic transformation, the President said that arts should be used to open doors for tourism to catalyse economic activity.

[1] National Treasury, 2018, p. 793

Since annual reports for national departments have not yet been tabled, information related to performance over the last financial year is extracted from in-year quarterly expenditure and financial reports. The review of progress on the 2017/18 budget will therefore only focus on the first three quarters.

In order to evaluate service delivery, it is essential to look at expenditure per programme. The summary of the budget versus expenditure as at the end of the third quarter is tabulated below.

Table 1: DAC expenditure as at the end of the third quarter of the 2017/18 financial year

Programme	Adjusted appropriation 2017/18	Q3 Actual Expenditure 2017	Expenditure as % of the budget	Q3 Projected expenditure	% variance from projected expenditure
R million					
1. Administration	370 422	170 759	46.1%	189 247	9.8%
2. Institutional Governance	297 420	113 145	38.0%	243 404	50.5%
3. Arts and Culture Promotion and Development	1 092 595	784 099	71.8%	871 853	10.1%
4. Heritage Promotion and Preservation	2 611 301	2 015 329	77.2%	2 066 486	2.5%
Total	**4 371 738**	**3 083 331**	**70.5%**	**3 370 990**	**8.5%**
Economic Classification					
Current payments	669 204	354 808	53.0%	438 575	19.1%
Compensation of Employees	232 464	171 594	73.8%	173 228	0.9%
Goods and Services	436 740	183 214	42.0%	265 346	31.0%
Transfers and subsidies	3 486 869	2 670 747	76.6%	2 782 657	4.0%
Payments for capital assets	215 665	57 655	26.7%	149 664	61.5%
Payments for financial assets	0.0	122	-	95	-29.3%
Awaiting classification		0.0			
Total	**4 371 738**	**3 083 331**	**70.5%**	**3181.5**	**8.5%**

Source: Standing Committee on Appropriations (2018).

As per the report issued by the Standing Committee on Appropriations (SCOA) as at 31 December 2017 (end of the third quarter), the Department spent R3.1 billion or 70.5 per cent of its total adjusted appropriation which is R4.4 billion. Spending is lower by R287.7 million or 8.5 per cent when compared to the 3rd quarter projection of R3.4 billion, mainly on transfers & subsidies, payments for capital assets in programmes 2, 3, and 4 and on goods and services in programme 1.

Based on the report by SCOA, the following observations should be noted[2]:

- Expenditure on compensation of employees for quarter 3 is R171.6 million compared to its projections to spend R173.2 million. This expenditure is lower by R1.6 million or 0.9 percent, mainly in programmes 3 and 4, mainly due to delays in the filling of vacant posts including the post of DDG: Arts and Culture Promotion and Development. However, spending is higher than projected in programmes 1 and 2 due to the salary adjustment for senior management service employees which was paid in September and backdated from 01 April 2017, payment of performance bonuses in December and the appointment of the new Chief Director: Social Cohesion and staff brought to the department by the Minister and new Deputy Minister.

- As at the end of December, the department reduced its staff establishment by 57 posts at various salary levels by continuously terminating contract workers and intern posts. A moratorium on the filling of vacant posts is being implemented to ensure that the department's personnel spending remains within the set compensation ceiling with the exception of critical posts including the post of DDG: Arts and Culture Promotion and Development.

[2] Standing Committee on Appropriations, 2018

- Persistent underspending on the Mzansi Golden Economy (MGE) projects point to inefficiencies and inadequacies in the execution of the funding model of MGE work streams, which has been a problem since inception in 2012.

- Slow spending on Capital Works projects remains a challenge for the department due to its reliance on DPW for implementation as well as constraints experienced by public entities resulting in these entities not meeting the requirements of the department's infrastructure policy. The persistent trend of underspending on capital projects is a concern, especially considering the need to upgrade infrastructure in this sector.

- An escalating and a continuous increase on travel and subsistence allocation to International and local events by officials in the Ministry and Director General's office appears not to be in line with cost containment guidelines and the National Travel Policy Framework.

5. Policy Priorities for 2018/19 and alignment with national, regional, continental and global development agendas

The constrained resource environment has made the Department to direct its resources to the following key priority programmes and projects of the 10-Point Plan to yield a great impact in the short term[3]:

1. Accelerating and amplifying nation building and social cohesion and dealing with, inter alia, the challenges of racism;
2. Focusing on Africa and the global space;
3. Resistance and liberation heritage (RLH) Route infrastructure programme, including the National Heroes' Acre;
4. Promotion of all languages and improving the functioning of the PanSALB;

[3] Department of Arts and Culture, 2018, pp.31 - 34

5. Ensuring that MGE benefits previously disadvantages artists;
6. Ensuring that the Libraries programme provides access to library infrastructure for all and encouraging society to read and visit libraries;
7. Using available spaces for Community Arts;
8. Ensuring that the school curriculum teaches correct South African heritage and history through the Arts Education Programme and DAC Schools Programme;
9. Improving the quality of reporting and compliance; and
10. Conducting ongoing skills audit in the Department to ensure that human resources are correctly placed in the organisation.

The 2017/18 MTEF programme of action is structured against the following strategic outcome-oriented goals:[4]

- A transformed and productive arts, culture and heritage (ACH) sector, aiming to:
    - Develop, protect and promote the cultural and creative sector;
    - Develop, preserve, protect and promote heritage;
    - Develop and promote the official languages;
    - Build relationships and partnerships locally and internationally; and
    - Provide access to information.

- An integrated and inclusive society, aiming to:
    - Lead, coordinate and implement social cohesion programmes.

- An efficient and effective ACH sector, aiming to:
    - Create a coherent policy and legislative environment for the ACH sector;

[4] Department of Arts and Culture, 2018, p. 40

- Drive integrated outcomes-based research, planning, monitoring and evaluation across the sector;
- Implement sound financial management and control systems; and
- Strengthen and modernise archives and records management systems.

- A professional and capacitated ACH sector, aiming to:
  - Build human resource capacity and promote excellence.

The alignment of the Department's prevailing strategic plan and annual performance plan (APP) with national, continental and global agendas is briefly discussed below.

5.1. National agendas

5.1.1 National Development Plan

During the 2014-2019 term of government, the Medium-term Strategic Framework (MTSF) was aligned to the NDP. The Department thus plays a dual role in relation to the MTSF:

- To lead and coordinate the delivery of the outputs of Outcome 14: A diverse, socially cohesive society with a common national identity. The Department is delegated to coordinate the implementation of Outcome 14; and
- To ensure alignment with and support for other outcomes of the MTSF through programmes and interventions by the sector.

Strategic planning within the Department has taken cognisance of the NDP, particularly Chapter 15, and thus the Department aims to integrate arts, culture, language and heritage into all sectors of national life. The Department in a process of refining the MGE Strategy to ensure more efficient processing of applications and responses to beneficiaries[5].

[5] Department of Arts and Culture, 2018, p. 8

The policy priorities of the Department are aligned with the NDP. Through addressing the following three areas, the Department aligns its work with the NDP:

- Social cohesion and nation building;
- Job creation and economic development; and
- Quality education and rural development.

In response to the call to lead the way on matters of social cohesion, the Department has elevated the status of social cohesion and national building to subprogramme level within its Institutional Governance Programme as of 2014/15. Strategies and programmes such as the MGE Strategy, artists in schools, building ACH infrastructure (libraries, monuments and arts centres), and flags in schools all contribute to the implementation of the Chapter 15 of the NDP and Outcome 14 of the MTSF.

5.1.2 Nine-Point Plan

Government's Nine-Point Plan aims to grow the economy and create much-needed jobs. While the Department does not play a lead role in the achievement of the initiatives of the plan, through the MGE Strategy, the Department does contribute by increasing job creation in the sector and thus stimulating the South African economy.

5.2. Continental and global agendas

A brief outline of the alignment of the Department's policy priorities to the United Nations' (UN) Sustainable Development Goals (SDGs) and the Aspirations of the African Union's (AU) Agenda 2063 follows below.

5.2.1. Sustainable Development Goals

The United Nations Sustainable Development Summit has adopted the 2030 Agenda for Sustainable Development. This agenda, through its Sustainable Development Goals (SDGs), aims to end poverty, fight inequality and injustice and tackle climate change by 2030.

The work of the Department speaks to the following SDGs:

- Goal 4: Ensure inclusive and quality education for all and promote lifelong learning
  Through awarding bursaries for heritage and language studies, the Department contributes to the Goal 4 target which reads, "By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university"[6].

- Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all[7]
  As mentioned above, the MGE Strategy is the Department's main job creation strategy thus contributing to the attainment of this goal.

- Goal 10: Reduce inequality within and among countries
  Through prioritising nation building and social cohesion, the Department supports the target for this goal, which states, "By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status"[8].

5.2.2. Agenda 2063

The DAC has taken a deliberate decision to prioritise collaborations with BRICS member countries and the African continent to promote the AU's Agenda 2063, as well as the US Sustainable Development Goals (SDG) 2030. The DAC has collaborated on a number of international engagements, including the BRICS Cultural Festival and Film Weeks hosted in India and China respectively as well as SA/Russia season in the past two years to expose South African arts and culture to international markets. On the continental aspect: the SA/Algeria and SA/Gabon seasons have been hosted.

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[6] http://www.un.org/sustainabledevelopment/education/
[7] http://www.un.org/sustainabledevelopment/economic-growth/
[8] http://www.un.org/sustainabledevelopment/inequality/

6. Committee Engagements

- **The Committee held engagements with the Department of Arts and Culture and the following issues emerged:**
    - The Committee wanted to know the role played by the Department on artists, especially when it comes to victimisation and safety. The Department stated that it is not their role only as employment included Department of labour, and also some artists get into contracts knowing that they maybe tied to them even after they are dead. The Committee was not happy with the response of the Department, as the Committee required the Department to have an active role in the well-being of artist.
    - The Committee noted that the Department was detached from the entities, such that it was not aware of what is happening in some entities. The Committee was worried that there is infighting in some entities and there are also unending litigation cases in some. The Department said that it is aware of these issues such that they had been at PACOFS for conflict resolution with the board.
    - The Department in unresponsive to complaints of the communities, such that people resort to send their complaints to the Committee.
    - The Committee started in 2014, and since then the Department was saying that they were developing a White Paper for Arts, Culture and Heritage. However, to date, the White Paper has not been completed. The Department stated that they have reduced their targets from 65 to 36; however, the Committee asked what made them to reduce their targets. The Committee sought to know how does the Department assess themselves against their values, especially the value of responsiveness.

- When comparing the budget of the Winnie Mandela House (R2,8 million) and other infrastructure projects (R8 million each), the amount seems too little. Thus, the Committee was not sure whether that amount was adequate. The Department responded by saying that considering the size and space of the Winnie Mandela House, they were happy with the amount and they thought it was adequate
- The Committee asked why the Department had commissioned GTAC to conduct a work-study and organisational review. The department stated that they had conducted a skills audit in 2016, which had led them to do the work-study so that they can have an approved organisational structure and have employees at the appropriate functions. They have started communicating their plan and their next engagement will be with labour unions in the Department
- The Committee stated that the issue of making entities to work in isolation seems not to be working, as they can learn from each other. The Department stated that they have started a project of amalgamating some entities, as running them separately is expensive, because each entity has its own board. In order to action the amalgamation, the Department will commission a study in June, which will take approximately six months to complete. The Department will use Iziko and Ditsong as prototypes in this amalgamation.
- The Committee noted that the Department was doing a feasibility study on Resistance and Liberation movements Museums. The Department stated that they are doing the feasibility study to check whether there is a need for a new project or just to enhance the existing one.

- The Committee sought clarity on the use of library conditional grant. The Department said that it is used for building as well as for purchasing of all needed library materials. Provinces were funded for libraries against their business plans that they submit in the Department and they are monitored quarterly.
- The Committee was concerned with the infrastructure already at Enyoken, it was important that a proper handover process took place so that the building does not dilapitate. The Committee further sought a handover plan by the Department. The Committee was also concerned that the perpertatrors had not been charged yet. The Department stated that it is in their operational plan because there are areas that they need to iron out. They are in talks with the KwaZulu Natal government so that when the project is complete, the KZN government can take over. The Department and KZN government are still developing a Memorandum of Understanding about the Enyokeni Project takeover.
- The Committee asked the role of the Moral Regeneration Movement. The Department reported that the Moral Regeneration Movement new boards have been appointed and social cohesion advocates have been allocated R5million.

- **The Committee held engagements with the PACOFS, PanSALB and NAC:**

  - **PACOFS**

The Committee noted that the APP of PACOFS was incomplete and there are areas where there was lack of detail. The Committee ordered PACOFS to take the APP back and amend the areas identified by the Committee and resubmit. The Committee stated

that there was no value for money at PACOFS. The entity is not doing anything about social cohesion and the Committee advised that the Department and the entity should work closely. The Committee noted that PACOFS did not have a relationship with stakeholders, i.e. Universities, provincial Legislature, Libraries and provincial Department. Although the entity intends to produce a centenary production, the Committee does not see that happening. The entity informed the Committee that the matter of the unions has since been resolved.

There are litigation cases at PACOFS, and the Committee advised the Department to look at the litigation cases and present them to the Committee. The entity has failed to reinstate staff members who have been awarded judgements at CCMA. The Committee will seek for legal advice in the Parliamentary Legal Advice Service. The Committee observed that there was infighting in the PACOFS board. The entity does not have a programme for skill development for staff.

- **PanSALB**

PanSALB does not have a board, as it was dissolved and a board member challenged the dissolution in court. Currently the matter is before the court. The CEO, who was an accounting authority because there is no board, has been put on precautionary suspension. This has left a void in the executive management level of the entity.

The Committee said there is a need to resolve the legal status of PanSALB because, although PanSALB gets funds from DAC,the entity was challenging their reporting lines. The Committee is encouraged by the work done by PanSALB. The Committee asked about the issue of R11 million that is still with the entity. The entity stated that they were given R20 million and they used R9 million and they have the R11 million in their coffers. PanSALB was given a surplus retention approval by the National Treasury and they can account for the

R11 million and the interest anytime. The Committee sought clarity on the switchboard and cellphone contracts in the entity. The entity stated that they were reviewing all contracts to ensure that there is efficiency, and all contracts that are not adding value to the organisation will not be renewed. The entity will reduce travelling as they will leverage on ICT infrastructure and use remote communication. The entity is still grappling with the risk at National Language Units (NLU). NLU are supposed to report to PanSALB board, and in its absence there is no reporting although PanSALB funds them.

- **National Arts Council (NAC)**

The Committtee was concerned that the roles, responsibilities and reporting lines between at the entity were blurred, and it was not clear what the role of the Board was and the role of the Executive was. The Department should play its role of ensuring that it inducts Board members of all entities so that they can play their fiduciary duties effectively and not interfere in the operations of an entity. The Department should evaluate their induction mechanism because even though these took place problems still persisted

The Committee believes that the reason that the Board Secretary was suspended related to the fact that she disclosed information to the Portfolio Committee. The Council disputed that fact stating that she was suspended for failing to perform her duties. This was however questioned by the Committee with the Committee seeking proof of what remedial actions the entity took to rectify the matter prior to her suspension. The Committee raised the issue of the CEO who received 18 percent increase in the previous financial year. However, the entity said that there was no 18 percent increase, but all employees received 7.6 % increase across the board and the 10% bonus, which amounted to the 18% The Committee was not happy with the explanation.

The Board Chairperson reported that the board secretary did not keep minutes and those that were kept were not signed. This led to decisions of the board not to be followed through. During meetings, the board secretary would type but not the deliberations of the meetings and for these transgressions, the board secretary had to be disciplined, reported the Board Chairperson.

7. Budget Analysis

The budget structure for the Department remains unchanged and has four expenditure programmes:

- Programme 1: Administration
- Programme 2: Institutional Governance
- Programme 3: Arts and Culture Promotion and Development
- Programme 4: Heritage Promotion and Preservation

For the 2018/19 financial year, the total budget allocation is R4.4 billion. During the 2017/18 financial year, the adjusted budget was R4.4 billion. The budget has real decrease of 5.2 percent (R227 411 900). The highest decrease is in Programme 1: Administration (23.02%) followed by Programme 4: Heritage Promotion and Preservation (10.31%).

7.1 Programme analysis

This section explores budget allocations per programme for the 2017/18 financial year. The table below sets out the budget allocation per programme for the current financial year and compares it to allocations in 2016/17.

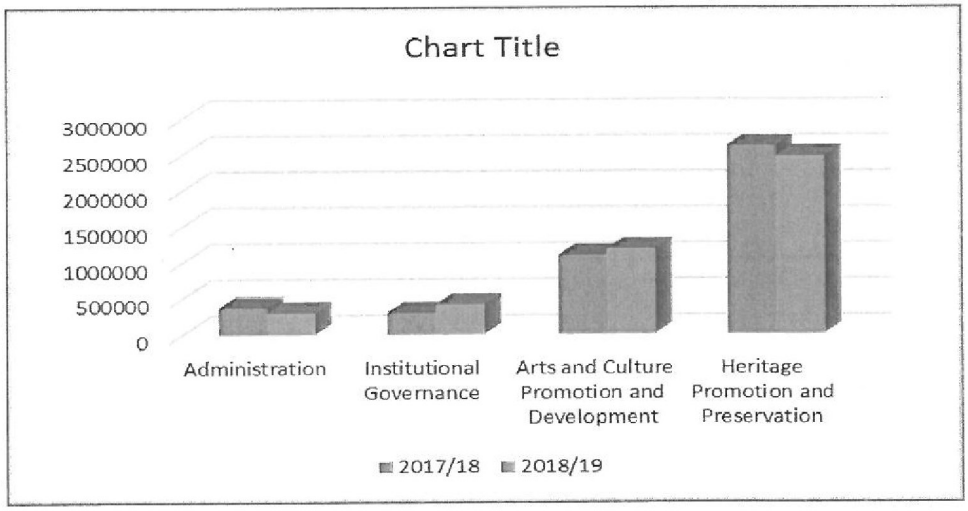
Table 2: Change to allocations per programme for 2018/19

Programme	**Budget**		**Nominal Increase / Decrease**	**Real Increase / Decrease**	**Nominal Percent change**	**Real Percent change**
R thousand	**2017/18**	**2018/19**	**2018/19**		**2018/19**	
1. Administration	370 422,0	300 844,0	- 69 578,0	- 85 261,8	-18,78%	-23,02%

2. Institutional Governance	297 420,0	416 027,0	118 607,0	96 918,4	39,88%	32,59%
3. Arts and Culture Promotion and Development	1 092 595,0	1 184 413,0	91 818,0	30 071,4	8,40%	2,75%
4. Heritage Promotion and Preservation	2 611 301,0	2 470 980,0	- 140 321,0	- 269 139,9	-5,37%	-10,31%
TOTAL	**4 371 738,0**	**4 372 264,0**	**526,0**	**- 227 411,9**	**0,0%**	**-5,20%**

The following graph is a visual representation of the budget allocations (not adjusted to inflation) tabulated above:

Figure 1: Comparison of budget allocations per programme for 2016/17 and 2017/18 (not inflation-adjusted)



7.1.1 Programme 1: Administration

The programme is responsible for the provision of leadership, management and support functions to the Minister, Deputy Minister, Director-General (DG) and the Department.

For the 2018/19 financial year, the budget allocation for this programme is R300 844 000. During the previous financial year, the adjusted budget was R370 422 000, representing a real decrease of 23.02 percent.

Budget allocations for all sub-programmes are tabulated below:

Table 3: Programme 1: Administration

Sub-programme	**Budget 2017/18**	**Percentage of total programme budget**
R million		
1: Ministry	4.9	1.6%
2: Management	53.4	17.6%
3: Corporate Services	102.2	33.9%
4: Office of the CFO	31.5	10.4%
5: Office Accommodation	108.9	36.2%
TOTAL	**300.9**	**100%**

Table 4 below reflects how budget allocations per sub-programme has changed between financial years 2016/17 and 2017/18.

Table 4: Change to allocations per sub-programme for Programme 1

Sub-programme	**Budget**		**Nominal per cent change in 2017/18**	**Real per cent change in 2017/18**
R million	**2017/18**	**2018/19**		
1: Ministry	4.5	4.9	8,89%	3,21%
2: Management	52.5	53.4	1,71%	-3,59%
3: Corporate Services	146.4	102.2	-30,19%	-33,83%
4: Office of the CFO	30.5	31.5	3,28%	-2,11%
5: Office Accommodation	140.7	108.9	-22,60%	-26,64%
TOTAL	**374.6**	**300.9**	-19.7%	-23.9%

As reflected in Table 3 above, 36.2 per cent of the programme budget is allocated to office accommodation. Table 4 also shows that sub-programme 3 and 5 have decreased. It is important to find out the rationale of decreasing in these sub-programmes. .

7.1.2 Programme 2: Institutional Governance

The purpose of this programme is to coordinate and manage all cross-cutting functions of the Department and its public entities and provide support and oversight to these public entities.

In the 2018/19 financial year, this programme has seen a real increase in budget allocation of 32.6 percent (from R297.4 million to R416.0 million).

The budget allocation for this programme is divided amongst its sub-programmes as follows:

Table 5: Programme 2: Institutional Governance

Sub-programme	**Budget 2018/19**	**Percentage of total programme budget**
R million		
1: International Co-operation	36.9	8.9%
2: Social Cohesion and Nation Building	78.6	18.9%
3: Coordination, Monitoring, Evaluation and Good Governance	45.3	10.9%
4: Capital Works	255.2	61.4%
TOTAL	**416.0**	**100%**

Table 6 reflects how budget allocations per sub-programme has changed between financial years 2017/18 and 2018/19.

Table 6: Change to allocations per sub-programme for Programme 2

Sub-programme	**Budget**		**Nominal per cent change in 2017/18**	**Real per cent change in 2017/18**
R million	**2017/18**	**2018/19**		
1: International Co-operation	37.1	36.9	-0,54%t	-5,72%
2: Social Cohesion and Nation Building	53.7	78.6	46,37%	38,74%t
3: Coordination, Monitoring, Evaluation and Good Governance	30.2	45.3	50,00%	42,18%
4: Capital Works	169.3	255.2	50,74%	42,88%
TOTAL	**290.3**	**416.0**	**43,3%**	**35,83%**

This programme has had a biggest increase of 32.6% in real terms, which amounts to R96.9 million. Within the programme, a subprogramme that got the biggest increase is Capital Works, followed by Coordination, Monitoring, Evaluation and Good Governance. International Cooperation had a decrease. Social cohesion also received a healthy increase.

7.1.3 Programme 3: Arts and Culture Promotion and Development

The purpose of Programme 3 is to promote and develop arts, culture and languages. Figure 1 above illustrates that this programme receives the second largest allocation of the total budget, i.e. 27.0 per cent or R1.2 billion. In terms of percentage change compared to the last financial year, Programme 3 has experienced a slight increase of 2.1 per cent.

The budget allocation for this programme is divided amongst its sub-programmes as follows:

Table 7: Programme 3: Arts and Culture Development

Sub-programme	**Budget 2018/2019**	**Percentage of total programme budget**
R million		
1: National Language Services	522.4	4.4%
2: Pan South African Language Board	11.6	9.6%
3: Cultural and Creative Industries Development	385.5	32.6%
4: Performing Arts Institutions	331.7	28.0%
5: National Film and Video Foundation	146.7	12.4%
6: National Arts Council	111.5	9.4%
7: Capital Works of Performing Arts Institutions	43.1	3.6%
TOTAL	**1 184.5**	**100%**

Table 8 below reflects how budget allocations per sub-programme has changed between financial years 2016/17 and 2017/18.

Table 8: Change to allocations per sub-programme for Programme 3

Sub-programme	**Budget**		**Nominal per cent change in 2017/18**	**Real per cent change in 2017/18**
R million	**2017/18**	**2018/19**		
1: National Language Services	49.0	522.4	6,94%	1,36 %
2: Pan South African Language Board	108.6	11.6	4,60 %	-0,85 %
3: Cultural and Creative Industries Development	383.5	385.5	0,52 %	-4,72 %
4: Performing Arts Institutions	296.4	331.7	11,91 %	6,08 %
5: National Film and Video Foundation	129.1	146.7	13,63 %	7,71 %
6: National Arts Council	106.2	111.5	4,99 %	-0,48 %
7: Capital Works of Performing Arts Institutions	27.9	43.1	54,48 %	46,43 %
TOTAL	**1 100.7**	**1 184.5**	**7.6%**	**2.0%**

In real terms, the budget for this programme has increased by 2 percent. The subprogramme that received a huge increase is Capital Works.

7.1.4 Programme 4: Heritage Promotion and Preservation

The purpose of this programme is to preserve and promote South African heritage, including archival and heraldic heritage. It also oversees and transfers funds to libraries.

Programme 4 receives the bulk of the total budget, R2.5 billion or 56.5 per cent. In comparison to the budget allocation in 2017/18, this represents 3.2 per cent reduction in this programme budget.

Table 9 provides an overview of the budget allocation per sub-programme.

Table 9: Programme 4: Heritage Promotion and Preservation

Sub-programme	**Budget 2018/19**	**Percentage of total programme budget**
R million		
1: Heritage Promotion	57,4	2,32 %
2: National Archive Services	45,1	1,83 %
3: Heritage Institutions	635,1	25,70 %
4: National Library Services	151,9	6,15 %
5: Public Library Services	1 452,5	58,78 %
6: South African Heritage Resources Agency	55,7	2,25 %
7: South African Geographical Names Council	4,8	0,19 %
8: National Heritage Council	68,5	2,77 %
TOTAL	**2 471.0**	**100%**

Table 10 reflects how budget allocations per sub-programme has changed between financial years 2016/17 and 2017/18.

Table 10: Change to allocations per sub-programme for Programme 4

Sub-programme	**Budget**		**Nominal per cent change in 2017/18**	**Real per cent change in 2017/18**
R million	**2017/18**	**2018/19**		
1: Heritage Promotion	82,6	57,4	-30,51 %	-34,13 %
2: National Archive Services	47,1	45,1	-4,25 %	-9,24 %
3: Heritage Institutions	737,3	635,1	-13,86 %	-18,35 %
4: National Library Services	162,7	151,9	-6,64 %	-11,51 %
5: Public Library Services	1 447,2	1 452,5	0,37 %	-4,87 %

6: South African Heritage Resources Agency	59,9	55,7	-7,01 %	-11,86 %
7: South African Geographical Names Council	4,6	4,8	4,35 %	-1,09 %
8: National Heritage Council	64,7	68,5	5,87 %	0,35 %
TOTAL	**2 606,1**	**2 471.0**	**-5.2%**	**-10.1%**

The programme has a real decrease of 10, 1 percent. The biggest decrease is on heritage promotion.

8. Observations

During the process of considering the 2018/19 APP of the Department and its entities, the Committee made the following observations:

8.1 Review of White Paper on Arts, Culture and Heritage

The Committee raised concern that the Department has been very slow in the process of reviewing the White Paper.

8.2 Compliance with Generally Recognised Accounting Practices 103

The Committee raised concern that the accounting standard was affecting the audit outcomes of the entities. The Committee appreciated the efforts of the entities in complying with the accounting standard. The Committee was pleased with the National Treasury for the allocation of funds to assist the entities.

8.3 Infrastructure Projects

The Committee was concerned that the transgressors in the Enyokeni Precinct Project have not been brought to book.

8.4 Funding Model of the Department to the entities

The Department still was without a funding model resulting in funding the entities and the NPO's randomly. This was a concern as a majority of entities were underfunded taking into account their mandate and the role they play in society.

8.5 Litigation in entities

Some entities are faced with litany of litigations. These litigations are unending because even if an accused wins the case at CCMA, entities opt to interpret the award instead of actioning them.

8.6 Underspending on infrastructure by the Department

Historically the Department has been underspending on Capital Works Projects. The Department attributes this chiefly to slow invoicing from Department of Public Works.

8.7 Infighting within the entities

While the Committee noted that there was improvement in some entities, the Committee raised a concern that there was a lot of infighting within the Councils and Management in some entities. The concern of the Committee is that, the Department is not doing enough to solve challenges in the entities, which maybe caused by lack on monitoring. The Department get to hear about some challenges of the entities from the Committee.

8.8 Quality of information

The quality and accuracy of information that is submitted by the Department at times is not acceptable. One of the entities had to take back its APP and amend as suggested by the Committee and resubmit. If the Department had closely scrutinised the APP, it would have come to the Committee in an acceptable state.

9. Recommendations

The Committee welcomes the Annual Performance Plan and 2018/19 budget of the Department of Arts and Culture. The Committee further recommends the following:

9.1 Review of the White Paper on Arts, Culture and Heritage

The Department should provide timeframes (road maps; action and times) to the Committee of the process of the White Paper review.

9.2 Compliance with Generally Recognised Accounting Practices 103

The Department together with the AGSA, National Treasury and the Chief Executive Officers should keep updating and reporting the status and

progress of GRAP 103. In the meantime, the entities should develop inventory to manage their collections and value some of their collection to begin complying with GRAP 103. Once collections have been values, it is critical for entities to strengthen their securities. The Committee acknowledges the budget by the National Treasury to improve the accounting standard.

9.3 Infrastructure Projects

The Department should work closely with the Department of Public Works to ensure that all its projects are up to date. Within the Department, there should be a team of experts in the infrastructure built industry to be able to monitor and conduct evaluation of the infrastructure projects.

9.4 Funding Model of the Department to the entities

The Department should develop a funding model for all entities and organisations that receive funding from it. This will make the funding to be transparent.

9.5 Litigation in entities

It is advisable that entities should abide by the law in instances where employees win their cases at the CCMA. Should anybody within the entity wish to challenge the outcome they should do so using their own funds.

9.6 The Enyokeni Project

The Department should ensure that there is transparency in the manner it deals with the Enyokeni Project. The MoU with the KZN Department should be finalised soon and be made available to the Committee.

9.7 Underspending on infrastructure by the Department

The Department should ensure that it issues invoices on time so that funds can be spent within the budgeted quarter. Putting all infrastructure projects under the same programme will be of great assistance in curbing infrastructure underspending.

9.8 Infighting within the entities

The Department should manage the relations between management and Councils of entities by monitoring them closely to know their challenges on time. When there are challenges and conflicts in entities, the Department should intervene timeously

9.9 Quality of information

The Department should quality check all its documents before it sends them to the Committee, and this is very important, especially the APP of the Department and the entities. Documents that are sent to the Committee are open for public consumption.

10. Conclusion

The Portfolio Committee acknowledges the importance of the mandate of the Department of Arts and Culture in building and uniting South Africa. The Committee recommends that the House adopts the Budget Vote Report of Vote 37: Department of Arts and Culture.

Report to be considered

3. Report of the Portfolio Committee on Human Settlements on Budget Vote 38: Human Settlements, and on the strategic plan for the coming Medium Term Expenditure Framework (MTEF) period and Annual Performance Plan 2018/19, dated 3 May 2018

The Portfolio Committee on Human Settlements, having considered Budget Vote 38: Human Settlements, and the strategic plans for the MTEF period and the annual performance plans of the Department of Human Settlements (later referred to as the Department) and its entities on 17, 18 and 19 April 2018, referred to it, reports as follows:

1. Introduction

The Constitution of the Republic of South Africa (1996) places an obligation on the State to provide access to adequate housing to its citizens. As the custodian of the housing sector, the Department derives its core mandate and responsibilities from section 3 of the Housing Act (1997), which allows the Department, in collaboration with provinces and municipalities, to establish and facilitate a sustainable national housing development process. The Department does this by, determining the national policy, national norms and standards for housing and human settlements development, setting broad national housing delivery goals, and monitoring the financial and non-financial performance of provinces and municipalities against these goals, building the capacity of provinces and municipalities and promoting consultation with all the stakeholders in the housing delivery chain, including civil society and the private sector.

In order to ensure the progressive realization of its mandate and the goal of sustainable and integrated human settlements, the Department has subsequently developed strategies, policies and programmes. The comprehensive plan for the development of sustainable human settlements, approved in 2004 and the revised Housing Code, published in 2009, mark a conceptual shift away from the mandate of providing shelter, to supporting the residential property market. The Housing Code allows for access to housing and services for low-income families and ensures greater choice in quality, location and ownership. Subsequently, chapter eight of the National Development Plan (NDP) provides a roadmap for the achievement of sustainable human settlements in South Africa by 2030. The Department has thus strategically aligned its plans with the NDP.

2. Department of Human Settlements

2.1 Aim and mandate of the Department

The mandate of the Department is to determine, finance, promote, co-ordinate, communicate and monitor the implementation of housing policy and human settlements. Since the formulation of the Comprehensive

Housing Plan in 2004, the Department has conducted various initiatives to enhance the creation of comprehensive, integrated, coordinated and sustainable human settlements and quality housing. These initiatives include the review of the National Housing Code, which determines national norms and standards in respect of housing development, as well as the provision of the Farm Worker/Occupier Housing Assistance Programme and the establishment of the Housing Development Agency.

Subsequent to that and during the course of January 2010, the Cabinet approved an outcomes-based performance approach to the mandate of the Department with the adoption of Outcome 8 – Sustainable Human Settlements and Improved Quality of Household Life. The Outcome 8 has sub-outcomes that the Department has to adhere to such as the provision of adequate housing and improved quality living environments; a functionally equitable residential property market and enhanced institutional capabilities for effective coordination and spatial investment decisions. The Outcome 8 approach sets targets for Government in respect of four areas:

- Accelerated delivery of housing opportunities with a focus on upgrading of informal settlements and providing affordable rental housing stock;
- Providing access to basic services as part of the National Bulk Infrastructure Development Programme;
- Ensuring more efficient land utilization with a target of the acquisition of 6250 ha (net) state owned land; and
- Facilitating an improved property market through the supply of affordable housing finance.

While the timeframe of the Outcome 8 in terms of targets ended in 2014, the policy approach and focus remains relevant.

2.2 National Development Plan

The NDP highlights the spatial inequalities that exist in society as a major challenge to reducing inequality. A number of objectives are listed in order

to transform the human settlements sector in line with the developmental vision for South Africa. These include:

- A strong and efficient spatial planning system that is well integrated across the spheres of government;
- The upgrading of all informal settlements on suitable, well-located land by 2030;
- More people living closer to where they work;
- Better quality public transport; and
- More jobs in or close to dense, urban townships.

2.3 Medium Term Strategic Framework

The MTSF-2014-2019 focuses on the reforms aimed at achieving the following:

- Ensuring that the poor households have adequate housing in better living environments;
- Improving the institutional capacity and coordination for better special targeting; and
- Supporting development of a functionally and equitable residential property market.

The MTSF identified the following key priorities for the Department:

- Scaling up the upgrading of informal settlements;
- Transfer of all title deeds for subsidy units;
- Developing a more coherent and inclusive approach to land;
- Implementing a coherent multi-segmented social rental-housing programme that includes backyard rentals;

- Dealing with affordable market with a particular emphasis on constructive engagement and strengthening partnerships with the private sector to improve delivery; and
- Consolidating the Development Finance Institutions.

2.4 Revision of legislative and other mandates

The mandate and core business of the Department of Human Settlements is underpinned by the Constitution and all other relevant legislation and policies applicable to the Department. In addressing the mandate for integrated sustainable human settlements, the review of policies particularly the development of the White Paper for Human Settlements and the revision of the Housing Act to Human Settlements Act will enhance the departments' efforts in the provision of adequate housing by:

- Providing a framework for the realisation of sustainable human settlements and improved quality of household life.
- Providing a foundation for the establishment of a viable, socially and economically integrated communities that are located in areas allowing convenient access to economic opportunities as well as health, educational and social amenities.

2.4.1 Policies

The mandate of the Department is set out in the Housing Act. Section 2 of the Housing Act compels all three spheres of government to give priority to the needs of the poor in respect of housing development. In addition, all three spheres of government must ensure that housing development:

a) Provides as wide a choice of housing and tenure options as is reasonably possible;

b) Is economically, fiscally, socially and financially affordable and sustainable;

c) Is based on integrated development planning; and

d) Is administered in a transparent, accountable and equitable manner, and upholds the practice of good governance.

Following a Presidential Proclamation, the Department took over the oversights function of the Estate Agency Affairs Act, 1976 from the Department of Trade and Industry during May 2012. The objectives of the Act are to:

- Establish the Estate Agency Affairs Board (EAAB) to regulate the conduct of estate agents;
- Establish the Estate Agents Fidelity Fund;
- Monitor trends within the real estate industry; and
- Render education and training to estate agents and consumers.

2.4.2 Policy Mandates

Other specific constitutional, legislative and policy mandates of the Department including government policy frameworks are:

- Constitution of the Republic of South Africa
- Housing Act, 1997 (Act No 107 of 1997)
- Comprehensive Plan for the Creation of Sustainable Human Settlements (BNG)
- The Housing Consumer Protection Measures Act, 1998 (Act No 19 of 1998)
- The Housing Development Agency Act, 2008 (Act No 23 of 2008)
- Public Finance Management Act, 1999 (Act No 1 of 1999)
- The Social Housing Act, 2008 (Act No 16 of 2008)
- The Division of Revenue Act, 2011 (Act No 6 of 2011)
- The Rental Housing Act, 1999 (Act No 50 of 1999)
- Home Loan and Mortgage Disclosure Act, 2000 (Act No 63 of 2000)
- Inclusionary Housing Bill
- Sectional Titles Schemes Management Act (Act 8 of 2011)
- Community Schemes Ombud Service Act 2011 (Act 9 of 2011)

- Intergovernmental Relations Framework Act (No 13 of 2005)
- National Development Plan (NDP)
- Spatial Planning and Land Use Management Act, 2013 (Act No 16 of 2013).

2.4.3 Planned policy initiatives

The Department has embarked on a process of developing a White Paper on Human Settlements. The White Paper will be a fundamental policy document that carves the development path and subsequently, the implementation of Integrated Human Settlements in South Africa. This process will result in the review of a host of human settlements policy and legislation, for instance the Housing Act (No 107 of 1997) and the 2009 National Housing Code.

The Policy initiatives would provide the rationale for the establishment of Human Settlements Ombudsman (HSO) which would allow for the investigation and resolution of disputes relating to human settlements matters and the observance of the fundamental right to access to adequate housing, within the area of responsibility in the Department at National, Provincial and Local government level, including the Department's entities.

The following are the Department's policy and legislative priorities for 2018/19:

- Development of the Human Settlements Code
- Amendment of the Housing Act to Human Settlements Legislation
- Repealing the Housing Consumer Protection Measures Act
- Human Settlement Development Bank Bill
- Amending the Prevention of Illegal Evictions and Unlawful Occupation of Land Act
- Revision of the Social Housing Policy and Regulations
- Policy Review and Evaluations.

2.5 Outcome 8: Sustainable human settlements and an improved quality of household life

While the timeframe of targets stated in Outcome 8 ended in 2014, the Department is of the view that the policy approach and focus of the document remains relevant.

The following targets apply:

- Accelerated delivery of housing opportunities with a focus on the upgrading of informal settlements and providing affordable rental housing stock.
- Access to basic services as part of the National Bulk Infrastructure Development Programme.
- More efficient land utilisation with a target of acquiring 6 250 hectare of State-owned land.
- An improved property market through the supply of affordable housing finance.

2.6 State-of-the-nation address (SONA) and the Budget Speech

Although there was no specific reference to the Human Settlements and housing was made by the President in SONA 2018, it is important to note that given the integrated, collaborative and coordinated work of the State and Government – the Department plays a key role in a number of the strategic areas highlighted by the President. Key areas of work being undertaken as part of the Department mandate impacts on the overall strategic objectives of government related to the eradication of poverty, inequality and unemployment as well as socio-economic transformation. The policies, legislation and implementation frameworks of the Department are designed to ensure that the key mandates of government are integrated into the outputs and outcomes achieved. The Human Settlements Development Grant (HSDG) and Urban Settlement Development Grant (USDG) Frameworks ensure that the key priorities are addressed and the following are included:

- Monitoring and reporting on set asides related to procurement awards to women, youth, military veterans and persons with disabilities;
- Investment in socio-economic infrastructure which takes steps to eradicate asset and infrastructure inequality and this includes building of libraries, fire stations, community centres, energy, roads and transport infrastructure;
- Ring-fenced funding for Distressed Mining Towns and Labour Sending Areas;
- In the City of Cape Town USDG funds have been allocated to assist mitigation measures related to the drought;
- The objective of the title deeds programme is to promote and foster an increase in household wealth which promotes eradication of poverty and inequality.

The Department is in the process of finalising a concept framework on the matter of ensuring a contribution to student accommodation. However, the following should be noted:

- Department has facelifted the provision of bulk and link service through the USDG allocation to Ethekwini to allow for the Mangosuthu University of Technology to commence with the expansion of its student residents;
- Social and Rental Funding has provided for the upgrading of buildings in Braamfotein through both the SHRA and GPF which has provided the impetus for private sector investment into the area for Social and Rental Housing;

The Department is, through the Catalytic Project Programme, Distressed Mining Towns Intervention and the Employer Assisted Housing Programme, ensuring the private sector funding is crowded in therefore promoting public-private partnerships to encourage into government programmes. The Director-General has directed that the Department improves its Youth and Women Empowerment Programmes by ensuring it is underpinned by a clear strategy with

concrete outcomes within the clear coordination framework, presently programmes include the EAAB One Learner – One Agency Partnership, the NHBRC Training Academy, the Scholarship Programme, the Youth Brigades but Provincial and Municipal Programmes are excluded and therefore much is being done but it is disparate and uncoordinated. In order to assist in improving the sustainability of SMME's, the Department has already initiated monitoring mechanisms to ensure payment within the required 30-day period as provided in the Public Finance Management Act (PFMA), the Department presents to MinMec a Provincial overview of compliance.

2.7 Summary of the Strategic Plan

The Department's Strategic and Performance Plans for the 2018/19 financial years indicate the following focus areas:

- Accelerating the delivery of housing as a key strategy for poverty alleviation;
- Utilizing the provision of housing as a major creation strategy;
- Ensuring that property can be accessed by all as an asset for wealth creation and empowerment;
- Leveraging growth in the economy;
- Combating crime, promoting social cohesion and improving quality of life for the poor;
- Supporting the functioning of the entire single residential property market to reduce duality within the sector by breaking the barriers between the first economy residential property boom and the second economy slump; and
- Utilizing housing as an instrument for the development of sustainable human settlements, in support of spatial restructuring.

The strategic objectives would be implemented through the following four programmes:

- Programme 1: Administration;
- Programme 2: Human Settlements Strategy, Policy and Planning;
- Programme 3: Programme Management Unit; and
- Programme 4: Housing Development Finance.

2.8 Updated Situational Analysis

The Department of Human Settlements is committed to facilitating and supporting the creation of sustainable and integrated human settlements across the country. This commitment is in response to the NDP proposal and is outlined in the Medium Term Strategic Framework 2014 – 2019 which includes the promotion of social inclusion, economic growth, ensuring that beneficiaries obtain security of tenure and spatial restructuring.

Though government delivered more than 3.9 million housing opportunities since the dawn of democracy, the demand for housing closer to economic opportunities continue to be the main problems facing the country. The demand for housing has been influenced by the increase in urbanization which has unintendedly resulted to an increase to informal dwellings and putting pressure in the country's existing infrastructure. Statistics South Africa estimates that by 2020, there will be about 3.6 million new household formations with more than 2 million falling within the income category of less than R3500 per month will contribute to an increasing demand for housing. Currently the demand for adequate housing is estimated at about 2.2 million households, which includes households in informal settlements and backyard shacks. Of these, about 1.7 million are registered in the Department of Human Settlements' Housing Needs Database.

In order to deal with the high demand for housing, that varies per income category, government in collaboration require a different approach taking into consideration the existing economic climate and the need for shelter. With only 30% of South Africans that are able to purchase a house of more than R500 000, and the shrinking tax base that has widened the national expenditure, the new approach must encompass a number of sustainability factors that will address a wide range of challenges within the housing and human settlements environment. The department will in the coming years focus in implementing the following strategies:

- Assist the poor and low income households to access numerous housing opportunities through the Human Settlements Development Bank;
- Coordinate development and ensure development occurs in areas where there is bulk infrastructure;
- Implement capacity development initiatives;
- Coordinate the implementation of the catalytic programme;
- Coordinate the development planning process and ensure that settlements are developed in townships that are proclaimed;
- Ring-fence funding for the title deeds restoration programme.

The proposed strategies will be implemented through the collaborative agreements and arrangements with all spheres and sector departments thus enabling the transformation of settlements developed and achieving the social cohesion as envisioned in the New Urban Agenda. To achieve and realise the overall MTSF-NDP-New Urban Agenda goals and objectives, the department will focus at:

a) Improving sector planning and delivery capabilities;

b) Coordinating and ensuring that the upgrading of informal settlements programme is accelerated;

c) Ensuring that all beneficiaries are provided with security of tenure over the medium-long term;

d) Ensuring that the establishment of the Human Settlements development bank is completed;

e) The establishment of Human Settlements Ombudsman to provide the citizens the ability to hold their government to account for its decisions.

2.8.1 Performance Delivery Environment

The Department of Human Settlements is currently implementing its 2015-2020 Strategic Plan. The Department within the framework of the NDP, the 2015-2020 Strategic Plan is structured around three strategic outcome-oriented goals that include:

- Enhanced efficiency and effectiveness of the Department;
- Integrated and responsive human settlements sector planning and policy environment;
- Increased delivery of adequate housing in quality living environments.

The efforts of the Department various programmes and the Department's funding (including grants transferred to provinces and metros) are now directed towards the achievement of the above strategic outcome-oriented goals. For each of these goals, the Department defined a number of a number of strategic objectives linked to the five-year targets.

While the Department has set goals that will contribute to the realization of sustainable human settlements, the achievement of these goals is dependent on external forces that include:

- Availability of clear funding mechanism for infrastructure including bulk that unlocks some of the development challenges;

- Coordinated planning from local government, provinces along the identified priority precincts that have major influence on spatial restructuring;
- Efficient utilization of human settlements grants by provinces and municipalities which also is a key lever to the success of human settlements programmes and the achievement of national targets;
- Availability of planning and delivery capacity.

Without these, performance in the human settlements the sector would continue to experience the same challenges thus not be able to deal with the high demand for housing that has resulted to overcrowding, inadequate dwellings, deplorable urban environment, degrading public infrastructure and outright homelessness. Unlike the human rights-based framework of transitional justice that underpinned the Truth and Reconciliation Commission (TRC), issues such as sanitation, housing and public education can only be addressed by long-term state interventions at a systemic level. Conventional transitional justice mechanisms such as commissions, courts and tribunals are seldom able to adequately address these structural problems and inequalities.

The table below sets out housing delivery through the national housing programme since 2014.

Year	**Serviced Sites Completed**	**Houses/Units Completed**	**Total Housing Opportunities**
2013/14	48 193	105 936	154 129
2014/2015	49 345	94 566	143 911
2015/2016	52 411	100 339	152 750
2016/2017	56 343	90 962	147 305
TOTAL	**206 292**	**391 803**	**598 095**

2.8.2 Organizational Environment

The Department's main strategic goal is to deliver adequate housing in quality living environments. Through the implementation of the 2014-2019 MTSF, the departmental strategic approach is focused at increasing housing opportunities and improved settlement functionality, efficiencies and resilience. Though there has not been a significant change in the organisation, the department is working towards the finalisation of a reviewed organizational structure which takes into account the delivery needs as the budget constraints the department is faced with. The reviewed structure would enable the Department to function better through regions. This would enhance the support offered to provinces and municipalities.

3. Budget analysis

3.1 Budget allocations per programmes

This budget analysis used both the nominal and real value of allocations to programmes and sub-programmes. The nominal value referred to a value expressed in money terms, i.e. a currency such as Rand value. The real value, however, adjusts nominal value to remove effects of price changes over time, for instance, the effects of inflation. Real increases or decreases in allocations would, therefore, take into account the effects of inflation on the monetary allocation to a programme or sub programme:

3.1.1 Overview of the 2018/19 Budget & MTSF Estimates

Table 1: Expenditure Estimates

Programme	**Budget**				**Nominal Increase/ Decrease R' value**	**Real Increase/ Decrease R' value**	**Nominal Percent change**	**Real Percent change**
R Million	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2017/18**	**2017/18**	**2017/18**	**2018/19**
Administration	470,0	442,7	471,5	502,7	- 27,3	- 50,4	-5,81%	-10,72%
Human Settlement Policy, Strategy and Planning	93,6	89,8	96,0	102,6	- 3,8	- 8,5	-4,06%	-9,06%
Human Settlement Delivery Support	216,9	246,0	261,0	329,8	29,1	16,3	13,42%	7,50%
Housing Development Finance	32 697,3	31 577,3	32 859,3	34 851,1	- 1 120,0	- 2 766,2	-3,43%	-8,46%
Total	33 477,8	32 355,8	33 687,8	35 786,2	- 1 122,0	- 2 808,8	-3,35%	-8,39%

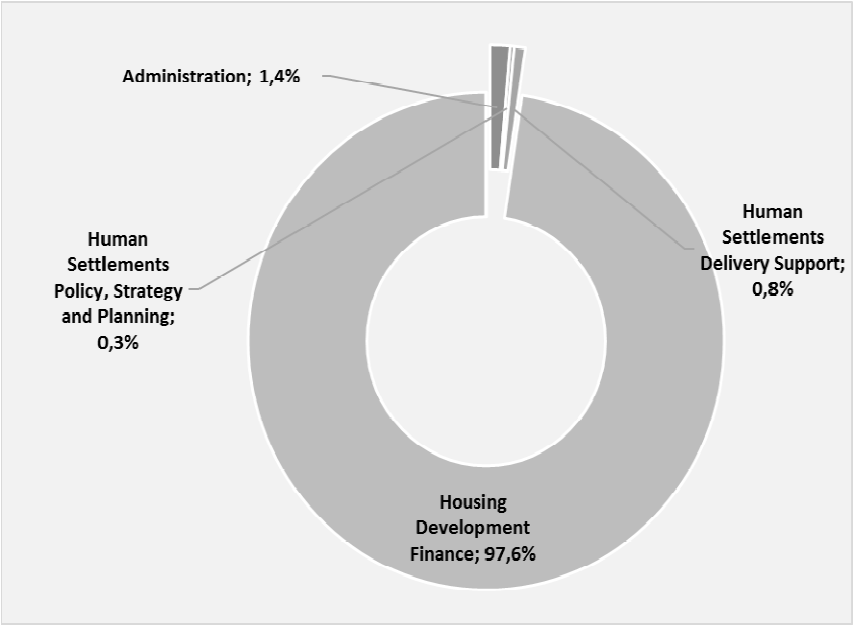
Source: National Treasury 2018

The Department's budget for 2018/19 is R32.3 billion. This reflects a nominal decrease of 3,35% (or 8,39% decline in real terms) when compared to the allocation of R33.4 billion for the previous year. Allocation to the Department for 2018/19 therefore did not keep abreast of inflation. The Human Settlements Delivery Support programme is the only of the four main programmes that received above inflation increases. Real changes (calculating the effect of inflation) in expenditure of the four main programmes for 2018/19 is:

- Administration: -10,7%;
- Human Settlements Policy, Strategy and Planning: -9,06%;
- Human Settlements Delivery Support: 7,50 %; and
- Housing Development Finance: -8,46%.

The bulk of the Department's allocation is concentrated in the Housing Development Finance programme, i.e. R31 577.8 billion. This programme constitutes 97.6 % of the Department's overall budget for 2018/19. This is the programme that funds the major conditional grants located within the Department, and would be expanded upon in the latter part of this document.

Figure 1: Proportional Allocation Per Main Programme – 2018/19



National Treasury, 2018

3.1.2 Economic classification

- The Department's budget for compensation of employees declines from R383.3 million the previous year, to R376.9 million in 2018/19 – a real decrease of -6,0%. Indications in the ENE are that the number of posts filled would be reduced from 645 the previous year, to a total 606 in 2018/19.

- The Department is also reducing expenditure on both catering and computer services (declining in real terms with -16,02% and -9,55% respectively).

- Expenditure on consultants experience an above inflation increase – i.e. 8,75% real increase. This item grows from R128.3 million in 2017/18, to R147.2 million in 2018/19.

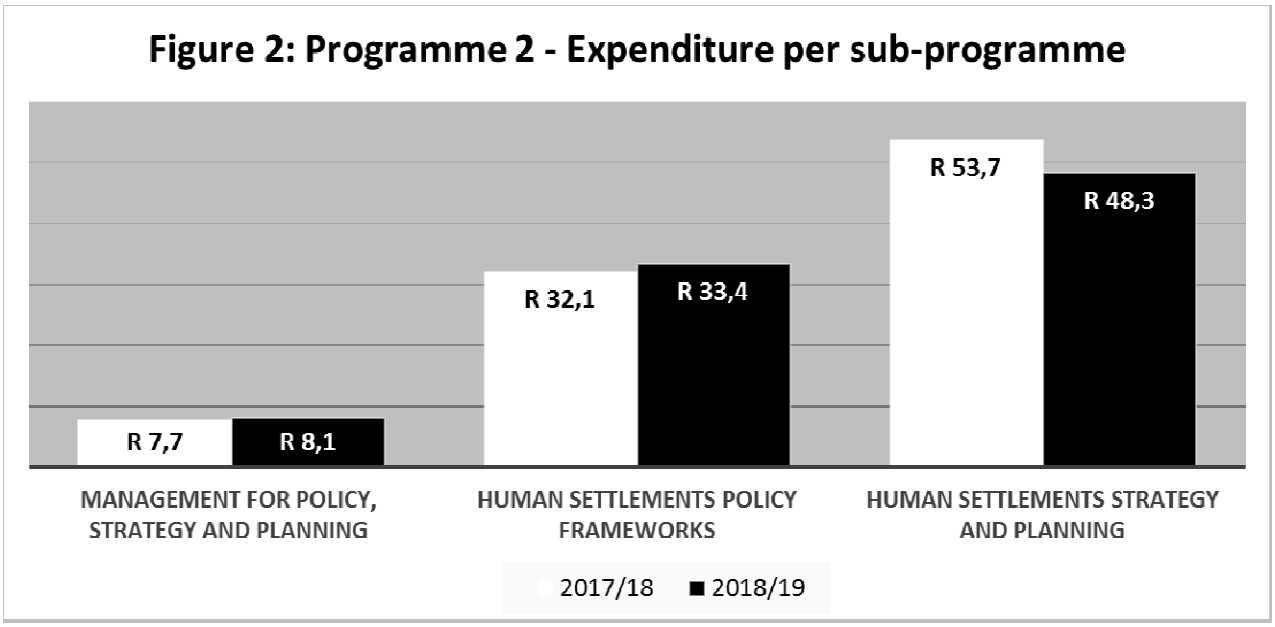
- Agency and support (outsourced services) triples from 869 000 to 2.4 million – i.e. 158% real growth from the previous financial year.
- Travel and subsistence, whilst showing a nominal increase from R50.9 million to R52.4 million 2018/19, in fact also declines in real terms with -2,35%.

3.1.3 Programme 1: Administration

Administration aims to provide strategic leadership, administrative and management support services to the Department. The Administration programme receives an allocation of R 442.7 million. This allocation reflects both a nominal (-5,81%) nominal and real (-10,72%) decrease. Expenditure across all five sub-programmes either declines or remains unchanged. The bulk of the departmental expenditure on compensation of employees (59,4%) and goods and services (52,4%) are located under this programme.

3.1.4 Programme 2: Human Settlements Policy, Strategy and Planning

Programme 2: Manages the development of policy, and compliance with human settlements sector delivery and intergovernmental relations frameworks, and oversees integrated human settlements strategic and planning services. Programme 2 receives an allocation of R89.8 million for the 2018/19 financial year, which is the smallest portion of the department's budget. Its allocation reflects a decrease of -4,06% in nominal terms (and -9,06 real terms). The Human Settlements Strategy and Planning sub-programme continues to dominate expenditure with an allocation of R48.3 million for 2018/19. Expenditure declines in real terms with -14,74% from the previous year.



National Treasury, 2018

In previous financial years, the Human Settlements Strategy and Planning programme struggled to meet its performance targets, as well as experiencing underspending. The reasons for the under expenditure were:

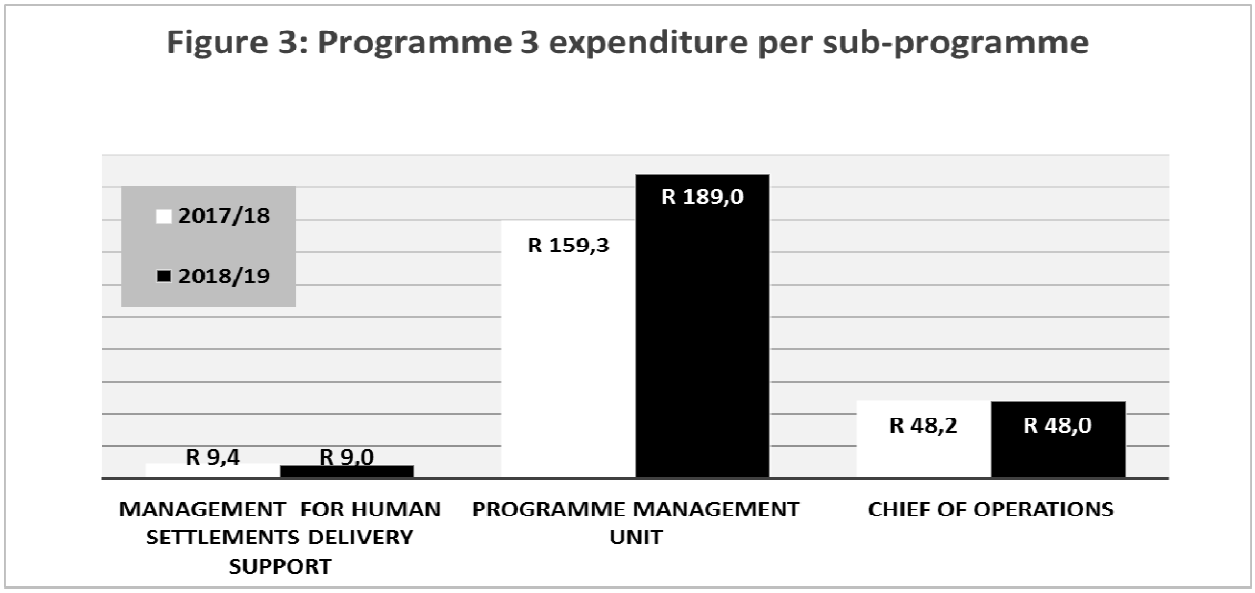
- Failure to implement the mineworker strategy;
- Failure to develop a policy and administrative systems that support individual transactions in the affordable housing market; and
- Delay in purchasing of computer equipment due to frozen posts.

In 2017/18, this programme only achieved 63.6% of its performance targets. Some of the targets not met include:

- An approved Human Settlements Master Spatial Plan;
- About a third of title deeds backlogs was not eradicated;
- While target for hectares of land acquired was exceeded, most of it has not been
- re-zoned and thus not released for new development; and
- A draft White Paper for Human Settlements was not completed.

3.1.5 Programme 3: Human Settlements Delivery Support

Programme 3: Aims to support the execution, and monitor and evaluate the implementation of human settlements programmes and projects. Manage the building of capacity and skills in the sector and provide oversight of public entities.



National Treasury, 2018

- This programme receives an allocation of R246 million, for the 2018/19 financial year, which reflects a nominal increase of 13,42% and a real increase of 7,50%. It is the only of the four departmental main programmes, which receives an above inflation increase for 2018/19.
- The Programme Management Unit sub-programme dominates expenditure with an allocation of R189 million – resulting in real growth of 12,46%.

In terms of economic classification, 66% of expenditure under this programme goes towards goods and services. Goods and services exhibits strong real growth in 2018/19, which can primarily be attributed to the significantly bigger allocation to the consultants' item. Expenditure on consultants increase with 32,5% (real growth) from the previous year, i.e. from R79.2 million in 2017/18 to R110.7 currently.

However, this programme has been subject to consistent under-expenditure over previous financial years. For the 2015/16, the Department's Annual Report provides the following reasons for under-expenditure:

- Delays in finalising the agreements around the Youth Brigade training with the Department of Rural Development and Land Reform meant that R7.5 million allocated to training was not transferred.
- Underspending in the National Upgrading Support Programme was reported and reasons provided include that:
    - Some contracts running behind schedule due to slow responses from municipalities to approve work;
    - Some service providers submitted invoices late;
    - In few cases, the Department completed net draft RQFs but municipalities took long to approve these;
    - Due to capacity constraints, the new capacity-building programme could not be implemented.
- Payments on the Bursary Scheme for non-employees was less than anticipated;
- The purchasing of computer equipment was delayed due to frozen positions;
- Expenditure was less than anticipated due to over estimation; and
- Expenditure on financial assets relates to approved losses approved by the loss control committee.

For 2016/17 financial year, the Department attributed its under-performance to the following:

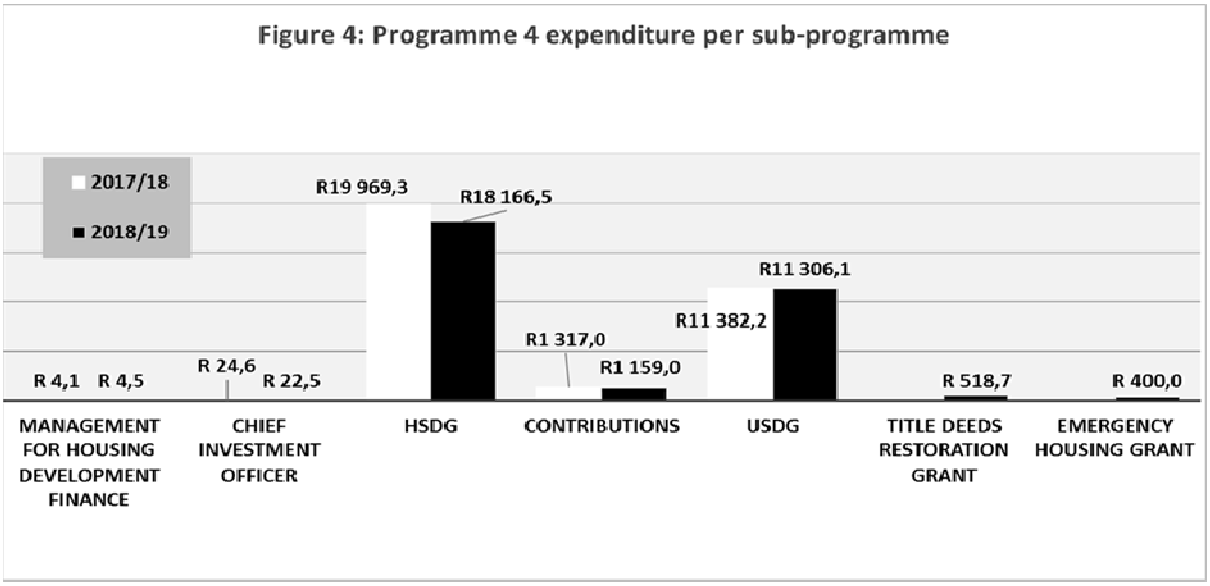
- The delay in the upgrading of households was because the processes involved that included the adoption of upgrading plans by the council and budgeting process thereof
- Delays in delivering as a result of a number of processes that include the third quarter seasons where for almost two months' work is stalled;

- Underperformance because of the process to reconstruct the organisation; and
- Confirming the state of readiness of projects by various stakeholders contributed to the delays and slow pace of delivery.

3.1.6 Programme 4: Housing Development Finance

Programme 4: It funds the delivery of all housing and human settlements programmes, and manages all matters related to improving access to housing finance and developing partnership with the financial sector.

- Programme 4 receives an allocation of R 31.5 billion, compared to R32.6 billion previously. This reflects a real decline of -8,46%.
- The bulk of expenditure in Programme 4 is in the form of transfers, i.e. 97% of the budget is transferred to provinces and municipalities (in the form of conditional grants), as well as to the departmental entities.
- This programmes continues to be dominated by the Human Settlements development Grant (HSDG) and the Urban Settlements Development Grant (USDG). Both grant types declines in real terms from the previous year (HSDG -13,77% and USDG -5,85%).
- In 2018/19, two additional conditional grants are introduced, i.e. the Title Deeds Restoration Grant (R580.7 million) and the Emergency Housing Grant (R400 million).



National Treasury, 2018

Programme 4, has consistently showed good performance over the period with an expenditure of 98.5 percent during 2015/16. However, there was underspending on the USDG in provinces such as Gauteng, Western Cape, and Limpopo. This under expenditure was attributed to the breakdown in the linkage between the funds.

3.1.7 Relating expenditure trends to strategic outcome oriented goals

The Department of Human Settlements is committed to the NDP's vision of transforming human settlements and the spatial economy to create functionally integrated, balanced and vibrant urban settlements by 2030. Outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework is aligned with this vision and guides the work of the department, as well as its commitment to improving institutional capacity and coordination across government. Over the MTEF period, the department would focus on ensuring that poor households have access to adequate housing in better living environments, and creating a functional housing market. It would invest in catalytic projects that deliver integrated communities; upgrade informal settlements; and provide affordable rental housing, outstanding title deeds to beneficiaries of state-subsidised housing, and temporary shelter to people affected by housing emergencies such as fires.

The Department has a total budget of R101.8 billion over the MTEF period, increasing at an average annual rate of 2.2 per cent, from R33.5 billion in 2017/18 to R35.8 billion in 2020/21. The below inflationary growth in the budget is due to Cabinet approved budget reductions of R3.1 billion in 2018/19, R3.8 billion in 2019/20 and R4 billion in 2020/21. Despite these reductions, the department aims to deliver 1.5 million housing opportunities by 2019, as determined by government's 2014-2019 Medium-Term Strategic Framework.

4. Delivery agreements for Outcome 8 for 2015/2016 (planned targets)

Objective of Outcome 8 was to manage a comprehensive human settlements programme with multiple projects that covers extensive geographical spread aiming to improve the workings of the space economy. This would be achieved by:

- Providing poor households with adequate housing in better living environments;
- Supporting the development of functional and equitable residential property market; and,
- Improving the institutional capacity and coordination for better spatial targeting.

Housing delivery: In terms of the Outcome 8 MTSF for Human Settlements, a total number of 1. 5 million housing opportunities would be delivered over the MTSF period of five years. The 1. 5 million housing opportunities would consist of:

- 750 000 households in informal settlements upgraded;
- 563 000 individual units for subsidy market;
- 110 000 loans (70 000 FLISP plus 40 000 DFIs);
- 27 000 social housing;
- 10 000 CRU; and
- 35 000 affordable rentals.

4.1 Other targets

- 2 200 informal settlements would be assessed; and
- 10 000 ha of well-located land would be rezoned and released for new developments targeting poor and lower to middle income households.

5. Allocations over MTSF by economic classification

		2018 MTEF PERIOD		
Total Allocation R`000	**2017/18**	**2018/19**	**2019/20**	**2020/21**
Departmental Operational	**933 039**	**793 583**	**844 934**	**952 271**
Compensation of employees	383 257	376 945	405 680	436 107
Goods and services	394 097	410 660	432 951	509 515
Payment for Capital assets	5 685	5 978	6 303	6 650
Payments for financial assets	**150 000**	**80 000**	**50 000**	**-**
National Housing Finance Corporation	100 000	80 000	50 000	-
Rural Housing Loan Fund	50 000	-	-	-
Grants and transfer payments	**32 531 943**	**31 482 133**	**32 792 971**	**34 833 893**
Grants	**31 351 590**	**30 391 312**	**31 687 288**	**33 667 897**
Human Settlements Development Grant	**19 969 343**	18 166 520	18 832 802	20 101 904
Urban Settlements Development Grant	**11 382 247**	11 306 137	11 880 786	12 534 479
Municipal Emergency Housing Grant	-	140 000	149 100	158 792
Provincial Emergency Housing Grant	-	260 000	276 900	294 899
Title Deeds Restoration Grant	-	518 655	547 700	577 823
Entities	**1 167 031**	**1 079 034**	**1 093 236**	**1 152 864**
Social Housing Regulatory Authority: Operational	46 815	51 980	55 201	58 237
Social Housing Regulatory Authority: Institutional Investment	20 490	20 132	21 259	22 428
Social Housing Regulatory Authority: Restructuring Capital Grant	851 658	743 640	738 414	778 527
Social Housing Regulatory Authority: Regulations	8 000	10 000	10 560	11 141
Community Schemes Ombuds Services	29 400	31 105	32 847	34 654
Housing Development Agency	210 668	222 177	234 955	247 878
Departmental Transfers	**12 640**	**11 787**	**12 447**	**13 132**
Bursaries Scheme	9 822	6 892	10 974	11 578
UN Habitat	1 272	1 346	1 421	1 499
Nelson Mandela Metropolitan University	-	3 500	-	-
Transfer to Households (e.g. leave gratuity and donations to households)	46	49	52	55
Total	**33 464 300**	**32 355 716**	**33 687 905**	**35 786 164**

Source: Department of Human Settlements, 2018.

6. Grant allocation

6.1 Human Settlements Development Grant (HSDG) Provincial Allocations

		2018 MTEF PERIOD		
Provinces R`000	**2017/18**	**2018/19**	**2019/20**	**2020/21**
Eastern Cape	2 239 316	1 908 439	1 982 512	2 123 601
Free State	1 193 038	1 072 422	1 111 476	1 185 866
Gauteng	5 528 050	5 046 583	5 236 578	5 598 471
Kwazulu-Natal	3 477 567	3 152 757	3 275 125	3 508 205
Limpopo	1 319 493	1 287 681	1 331 247	1 414 229
Mpumalanga	1 395 774	1 278 427	1 322 832	1 407 412
Northern Cape	402 668	474 791	487 930	512 958
North West	2 186 679	1 926 644	1 987 972	2 104 786
Western Cape	2 226 758	2 018 776	2 097 130	2 246 376
Total	**19 969 343**	**18 166 520**	**18 832 802**	**20 101 904**

Source: Department of Human Settlements Strategic Plan.

6.2 Urban Settlements Development Grant (USDG) allocation

				2018 MTEF period	
Provinces	**Metros**	**2017/18**	**2018/19**	**2019/20**	**2020/21**
EASTERN CAPE	Buffalo City	768 128	762 992	801 772	845 886
	Nelson Mandela	911 761	905 664	951 696	1 004 059
Sub Total		***1 679 889***	***1 668 656***	***1 753 468***	***1 849 945***
FREE STATE	Mangaung	761 307	756 216	794 652	838 374
GAUTENG	Ekurhuleni	1 985 010	1 971 737	2 071 952	2 185 954
	Jo'burg	1 864 731	1 852 262	1 946 406	2 053 499
	Tshwane	1 616 415	1 605 607	1 687 214	1 780 046
Sub Total		***5 466 156***	***5 429 606***	***5 705 572***	***6 019 499***
KWAZULU-NATAL	eThekwini	1 980 109	1 966 869	2 066 837	2 180 557
WESTERN CAPE	Cape Town	1 494 786	1 484 790	1 560 257	1 646 104
Grant Total		**11 382 247**	**11 306 137**	**11 880 786**	**12 534 479**

Source: Department of Human Settlements, 2018.

7. Summary of the MTSF targets – Provincial and Municipal Business Plans

MTSF TARGET 2019	Planned Sites 2018/19	Planned Units 2018/19	Total Target Site & Units
UISP - HSDG	35 547	37 514	73 061
Individual Units	24 589	43 683	68 272
Social	0	0	0
CRU	0	1 888	1 888
FLISP	0	16 870	16 870
Total MTSF	60 136	99 955	160 091

Source: Department of Human Settlements, 2018.

7.1 Summary of the MTSF Targets HSDG Business Plans Per Province

MTSF Targets	EC	FS	GP	KZN	LIM	MP	NC	NW	WC	NATIONAL TOTAL
Sites	5 608	12 834	12 842	5 540	4 629	2 720	2 817	4 453	8 693	**60 136**
Units	8 940	4 605	28 605	20 068	7 450	7 883	1 943	10 994	9 467	**99 955**
Total Target	**14 548**	**17 439**	**41 447**	**25 608**	**12 079**	**10 603**	**4 760**	**15 447**	**18 160**	**160 091**

Source: Department of Human Settlements, 2018.

7.2 Free State and its Metropolitan municipality

Mr N Mokhesi, Head of Department, introduced his delegation. He informed the Committee that Ms N Molikoe, Chief Financial Officer, assisted by Ms C Tlali, Chief Director, would present on behalf of the provincial department.

Ms Molikoe presented the financial part of the information and Ms Tlali presented the non-financial aspects.

Ms Tlali informed the Committee that the provincial department had targeted to have 6 848 sites, 5 594 units and other 36 919 by the end of financial year. The actual performance during the period of 1 April 2017 to 31 March 2018, was 4 466 sites, 3 020 units and other was at 3 374. With regards to the revitalization of mining towns, it was reported that there were 1 300 planned sites and 324 units in Matjhabeng Local Municipality. These included the incremental housing, social and rental units, and the eradication of title deeds backlog (2 497). The total budget for all the programmes was R173 735 672.

7.3 Briefing by the Auditor-General South Africa on the Department of Human Settlements Strategic Plan, Annual Performance Plan and Budget 2018/19 findings

Ms C Myburg, Business Executive, presented on behalf of the AGSA. She informed the Committee that the purpose of the briefing was to provide the Committee with audit insights on the interim review of the Departments' draft annual performance plan. This would assist the Committee to add value to the oversight and with the overview of key areas of concern identified through a high-level risk assessment. She stated that the review was performed on the 2018/19 final draft APP and all findings were communicated to the Department to ensure that the APP submitted to the Committee was according to the relevant frameworks.

The Committee welcomed the presentation made by the office of the AGSA as it was an eye-opener. The presentation would assist the Committee in interrogating the presentation of Departmental APP, Strategic Plan and Budget for 2018/19 financial year. The following concern, questions and comments were raised:

- The Committee was concerned about the customised indicators were not coordinated between national and provincial departments. This presented a negative impact on the overall performance of the national department;

- The Committee was concerned about the usage of the word "support". The Committee wanted to know what kind of support was given by the national department to provinces. For instance, what kind of support was the national department giving in the issuing of title deeds;
- The ICT challenges were constantly in the audit outcomes by the AGSA and the national department seemed not to do anything about it. Therefore, the national department would have to respond on the issue;
- That Programme 3 had never reached 80% of its target, the Committee commented that this programme is the heartbeat of the national department whilst was not doing well at all.

In response to the Committee, the AGSA reported that the national department needed monitoring of system controls of the ICT, as there was no evidence in excess controls. It was observed that there were vacancies in the unit in the previous years and that had led in the lack of monitoring. The national department and the AGSA would need to have an understanding of their work with regards to the ICT.

The Committee suggested that there should be a continuous engagement between the national department and the AGSA. This would assist in identifying challenges early. Nonetheless, the Committee was comfortable with the information given by the AGSA.

8. Human Settlements entities annual performance plan and budget

8.1 Housing Development Agency (HDA)

Mr P Moloi, Chief Executive Officer, presented the Annual Performance Plan and the Strategic Plan of the entity for the 2018/19 financial year:

- 3 000 hectares of well-located land released for human settlement development;
- 1 000 hectares released and rezoning of land;
- 5 722 sites serviced;
- 7 168 housing units provided.

Mr B Chaplog, Chief Financial Officer, presented the budget of the entity.

The Committee deliberated on the following:

- To improve on the production of land acquisition strategy for each year;
- To report on the work done in acquiring land parcels by the HDA and the Joint Coordinating Committee chaired by the Department's Chief Operations Officer;
- Continue with capacitation of provincial departments in order to increase the number of assessments conducted with regard to informal settlements targeted for upgrading.

8.2 Social Housing Regulatory Authority (SHRA)

Mr R Gallocher, Chief Executive Officer, presented the Annual Performance Plan and the Strategic Plan of the entity for the 2018/19 financial year. The following were highlighted as the key for the financial year:

- 14 000 Units approved for Restructuring Capital Grant Award;
- 12 508 Social housing units delivered;
- 37 085 units under regulation;
- 95% expenditure of the Consolidated Capital Grant.

Ms A Puoane, Corporate Manager presented the budget of the entity.

The Committee deliberated on the following:

- Enhance outreach programmes;
- Explore possibility of additional delivery channel to that of intermediaries – thus there may be other options to reach out and service the market which would ensure less reliance on the use of intermediaries.

8.3 Rural Housing Loan Fund (RHLF)

Mr J Fakazi, Chief Executive Officer, Annual Performance Plan and the Strategic Plan of the entity. The following were highlighted as the key for the financial year:

- 53 772 housing loans disbursed
- 60% of loans provided to people earning R3,500 or less per month
- R259. 680 million disbursed to retail intermediaries
- 30% loans issued to women by 2019
- 20% of loans issued to people earning over R15 000
- 100% of clients visited for loan verification.

Mr B Gordon, Chief Financial Officer, presented the budget of the entity.

The Committee deliberated on the following:

- Enhance outreach programmes;
- Explore possibility of additional delivery channel to that of intermediaries – thus there may be other options to reach out and service the market which would ensure less reliance on the use of intermediaries.

8.4 National Housing Finance Corporation (NHFC)

Mr S Moraba, Chief Executive Officer, presented the Annual Performance Plan and Strategy of the entity. He informed the Committee that the entity was self-sustaining, state-owned company.

It had R3.4 billion of total assets as December 2017 and R323 million of total liabilities. He highlighted the following as plans for the entity:

- 1 630 housing opportunities facilitated through disbursements;
- 826 rental housing opportunities facilitated through disbursements;
- 205 affordable housing opportunities facilitated through disbursements;
- 3 973 housing opportunities facilitated through leveraged funds;
- R782 million leveraged from the private sector.

Mr Lupondwana, Acting Chief Financial Officer presented the budget.

The Committee welcomed the presentation and wanted to know how the entity was doing its community outreach and how was it assisting communities around South Africa. A clarity was sought between the inner-city development and the inner-city focus. It was enquired from NHFC on how it was empowering the previously disadvantage communities. As a lending entity, the Committee wanted to know whom were they financing and whether the lending was transforming the lives of beneficiaries.

The Committee deliberated on the following:

- Need to unpack Section 66 of the Public Finance Management Act 1999 (No 1 of 1999) for better understanding;
- Contribution to the Transformation & Empowerment Programme including the role of partners' contribution towards the transformation agenda;
- Need upscale marketing programmes;
- Need to expand rental housing programmes in order to accommodate students, workers etc.;
- To furnish its clients list to the Committee.

Mr Moraba's response indicated that the entity does not have a risk capital to support the transformation programme as well as to finance the previously disadvantage communities. The Department reported that a coordinated implementation strategy on transformation would be arranged and the Committee would be briefed. The Department confirmed that the industry was still white dominated and transformation was to be prioritised.

8.5 Estate Agency Affairs Board (EAAB)

Mr N Sigabi, Acting Chief Executive Officer, presented the Annual Performance Plan, the Strategic Plan and the budget of the entity for the 2018/19 financial year:

- 75% of compliant registered estate agents;
- 14 million consumers reached through radio awareness campaigns;
- 10% of compliant estate agents operating in affordable housing markets;
- 1 000 youth placed with host employers;
- Fidelity Fund Net Asset Value 1.25% per annum;
- 10% increase in Estate Agencies operating in the affordable housing market -30% over MTSF period.

The Committee deliberated on the following:

- Attend to Transformation Programme while also targeting vulnerable groups for empowerment;
- Need for creative ways of making the 'One Learner One Estate Agent' to perform optimally;
- Resolve the IT system issue.

8.6 National Home Builders Registration Council (NHBRC)

Mr M Dlabantu, Chief Executive Officer, presented the Annual Performance Plan and the Strategic Plan of the entity for the 2018/19 financial year.

- 50 471 non-subsidy homes by private sector enrolled;
- 123 600 subsidy homes enrolled;
- 52 164 non-subsidy enrolled homes inspected;
- 84 455 subsidy homes enrolled inspected;
- 3 201 new homebuilder registrations approved;
- 11 297 renewals of homebuilder registrations;
- 2 000 homebuilders trained;
- 2 000 youth trained;
- 500 home inspectors trained;
- 400 Artisans trained;
- 1 800 women trained;
- 450 Military Veterans trained;
- 300 people with disabilities trained.

Mr S Abrahams, Chief Financial Officer, presented the budget of the entity.

The Committee deliberated on the following:

- Increase interaction as well as improve working relationship with municipalities in order to ensure compliance;
- Inspection must be done prior to the handing over of the house for occupation;
- Entity needs to be proactive in encouraging registration;
- Setting of measurable targets;
- Punitive measures should be put place for failure to comply;
- A long term plan to manage costs associated with outsourcing of inspections;
- Enhance internal organizational capacity in order to reduce outsourcing;
- Ensure placement of vulnerable groups and military veterans after having attended NHBRC training programmes.

8.7 National Urban Reconstruction and Housing Agency (NURCHA)

Mr Gqwetha, Managing Director presented the Annual Performance Plan and the Strategic Plan of the entity. The following were highlighted as the key for the financial year:

- 1 365 affordable houses built and sites serviced with NURCHA bridging finance;
- 10 120 subsidy houses built and sites serviced with NURCHA bridging finance
- 2 Infrastructure and community facility projects completed with NURCHA bridging finance;
- 37 Contractors trained through the Contractor Finance and Development Programme.

Mr Nxusani, Chief Financial Officer, presented the budget of the entity.

The Committee deliberated on the following:

- Contractor Development Programme to be expanded;
- Upscale Transformation and Empowerment Programme.

8.8 Community Schemes Ombud Services (CSOS)

Adv S Letele, Acting Chief Ombud, presented the Annual Performance Plan and the Strategic Plan of the entity for the 2018/19 financial year.

- 30 000 community schemes registered;
- 1 500 governance documentation quality assured;
- 70% of disputes resolved through conciliation;
- 2 Additional CSOS points of presence established.

Mr T Mabuya, Chief Financial Officer, presented the budget of the entity.

The Committee deliberated on the following:

- Enhance consumer outreach programmes and stakeholder engagement;
- Increase the entity's footprint in all provinces;
- Forge partnerships with relevant SETAs;
- Establish targeted programmes;
- Revisit the report on the entity's management system;
- Finalisation of the proposed collaboration with the SARS on the Management and Revenue Collection System for levy collection;
- Contribution towards the transformation agenda;
- Resolve office space requirements;
- In future to ensure full disclosure of any surplus funds whether approved or not approved by the National Treasury (including monies received from any source other than the Department);
- Address governance issues;
- Both the Department and CSOS to complete any outstanding issues.

9. Committee deliberations and observations

The Committee, having been briefed by the office of the Director-General South Africa Department and its entities on its strategic plans, annual performance plans and budget and provincial business plans, deliberated and made the following observations:

9.1 Observations

- That there was incorrect classification of financial assets in the financial statements.
- That there was availability of sufficient appropriate audit evidence regarding the report achievement on the number of title deeds eradicated.

- That the AGSA identified IT management, financial management, compliance management, and performance management as concerning performance areas.
- That there was weak user-access management control environment.
- That the Department did not have customized sector indicators to ensure consistency between performance targets and indicators reported on at national and provincial level.
- There was a general lack of approval of restructuring zones resulting in the lack of social housing projects.
- Concerns about the impact of the Consolidation of Development Finance Institutions (DFIs) on employees of affect entities;
- That there was a lack of coordination in project planning.
- That SHRA projects were mainly based in Gauteng, with minimal visibility in other provinces.
- That there were high levels of indebtedness by people seeking loans from RHLF.
- That there was a lack of visibility of NHBRC inspectors in human settlements projects.
- That there was no progress in the implementation of the One-Learner-One-Estate programme.
- That there were a lot of Estate Agents practicing illegally.

9.2 Recommendations

The Committee, having been briefed by the office of the Director-General South Africa, the Department and its entities on its strategic plans, annual performance plans and budget, provincial business plan, the Committee recommends that the Minister should:

- Ensure that indicators between the national and provincial departments are customized. This is critical because it has implications on the overall performance by the national department.

- Framing of targets by the Department should be clear, concise and measurable to ensure accountability. The Department must review processes on the APP to reflect SMART principles in their planning.
- Improve the IT systems because this was identified by the AGSA as a continuous challenge that could results in information leakage.
- Ensure frequent interaction between the Department and the AGSA to improve synergy of auditing processes. Top management must ensure that common understanding of auditing processes is understood by the Department employees.
- Improve planning between the spheres of government. Ensure resource optimisation in management to improve intergovernmental planning. Furthermore, provincial departments, municipalities and entities should reflect on the National Development Plan in their planning.
- Improve visibility of entities in both rural and urban settings.
- Ensure monitoring and reporting on set asides targets related to procurement awards to women, youth, military veterans and persons with disabilities.
- Fast-track the drafting of legislation that would result in the radical transformation of the human settlements sector, that would include but not limited to the Property Practitioners Bill, Housing Consumers Protection Measures Amendment Bill and Home Loans and Mortgage Disclosure Amendment Bill.
- Fast-track the consolidation of Development Finance Institutions (DFIs), the consolidation in implementation strategy must ensure empowerment of the previously disadvantaged communities.
- Ensure collaboration by the Department and its entities with the key sister-departments in providing student accommodation.
- Ensure the provision of bulk infrastructure to fast-track the provision of housing opportunities in all municipalities. This would assist in the promptness of planning and financial approvals to ensure that projects are not blocked.
- Ensure that SHRA plans and accelerate the delivery of social housing opportunities and projects in the country.

- Fast-track the approval of restructuring zones for social housing.
- Ensure that RHLF improves visibility in rural areas. In addition, the Department should ensure that the highly indebted population is considered by RHLF.
- Ensure prompt land identification and acquisition for human settlements by HDA.
- Ensure that HDA assists the Department with the implementation of mining town programmes and catalytic projects.
- Ensure that inspectors from the NHBRC are visible in all human settlements projects. Furthermore, improve the strategic capacitation of the NHBRC to improve its sustainability, efficacy and efficiency of the organisation into the future.
- Ensure that suppliers are paid within the prescribed 30 days' period, as prescribed by the Public Finance Management Act.
- Ensure that EAAB improves the implementation of the One-Learner- One- Estate agent programme. The industry need to be more inclusive of the demographics of the country. Need to fast-track and open up for the previously disadvantaged communities across all races.
- Ensure that the illegal estate agents are rehabilitated, and meet the requirements in order to be registered in the EAAB database, and that would assist in deepening transformation of the industry.
- Ensure that all entities have a transformation agenda that would empower the previously disadvantaged community, this include women, youth, and people with disabilities.
- Ensure that CSOS conducts public awareness on its role and responsibilities.
- Ensure that CSOS fast-tracks the drafting of the Memorandum of Understanding (MOU) between the Departments of Human Settlements and Treasury.
- Fast-track the implementation of the title deeds programme in order to restore ownership and dignity to previously disadvantaged communities.

Report to be considered.

STUDY TOUR OF THE CHIEF WHIPS' FORUM TO GHANA AND THE UNITED KINGDOM FROM 16 TO 26 JANUARY 2018

INTRODUCTION

The decision to undertake a study tour to Ghana and the United Kingdom (UK) was informed by the fact that Parliament was in a continuous state of development, and members should therefore seek ways and means to improve the efficiency and effectiveness of the work of the Whippery. It was hoped that the study tour would provide the Chief Whips' Forum with an opportunity to learn from the experiences of the two Parliaments.

PURPOSE OF THE STUDY TOUR

The purpose of the study tour was to enable the Forum to engage the two Parliaments on, amongst others:

- The relationship between the whips and other office bearers;
- The structure of the annual programme of the Parliaments, especially in relation to plenaries;
- How oversight over the Executive is exercised and, how in turn, the Executive accounts to Parliament;
- Mechanisms available to design, craft and oversee the budget of Parliament;
- The committee system, and how it is capacitated;
- Support given to members to carry out parliamentary and constituency work; and
- System used to determine the remuneration, tools of trade and human resource needs of members.

Furthermore, the delegation wanted to explore in detail the following issues with each Parliament:

- How chief whips and whips in Parliament operate; i.e. organisational responsibilities, institutional responsibilities and political management of the parliamentary programme;
- Relationship with the parliamentary administration;
- Relationship between parties in Parliament;
- Maintenance of decorum in the Houses of Parliament;
- Work of an MP, including support available in Parliament and constituencies; and
- Support for political parties and regulation of political party funding;

COMPOSITION OF DELEGATION

The composition of the delegation was as follows:

- Chief Whip of the Majority Party, Hon J Mthembu (Chairperson of the Forum and leader of the delegation);
- Deputy Chief Whip of the Majority Party, Hon D Dlakude;
- House Chairperson, Hon C T Frolick;
- Programming Whip, Hon F Bhengu;
- Chief Whip of the Opposition, Hon J S Steenhuissen;
- Deputy Chief of the Opposition, Hon M Waters;
- Chief Whip of the EFF, Hon F Shivambu;
- Whip of the EFF, Hon M Hlope;
- Chief Whip of the IFP, Hon N Singh;
- Whip of the NFP, Prof N M Khubisa;
- Whip of the UDM, Hon N L Kwankwa;
- Whip of the FF Plus, Dr C P Mulder;
- Whip of the ACDP, Hon C Dudley; and
- Whip of the AIC, Hon L Ntshayisa.

Two parliamentary officials, i.e. Ms Akhona Qina (International Relations and Protocol) and Mr Victor Ngaleka (NA Table), supported the delegation.

STUDY TOUR TO THE PARLIAMENT OF GHANA

Courtesy visit to the South African High Commission in Accra

Upon their arrival in Ghana on 16 January 2018, the South African High Commissioner to Ghana, Ms L Xingwana, in Accra, welcomed the delegation. It was agreed that the delegation would pay a courtesy visit to her office the following day.

On 17 January 2018, the High Commissioner and her staff briefed the delegation on the state of bilateral relations between Ghana and South Africa. She said that the bilateral political relations between the two countries were very good, with each country maintaining residential diplomatic missions in each other's capital. There had been a number of visits by high-level delegations from South Africa to Ghana, including the following:

- Premier of the Gauteng Province, Mr D Makhura, from 28 to 31 May 2017;
- Premier of the Western Cape, Ms H Zille, from 6 to 10 August 2017; and

- Minister of Science and Technology, Ms N Pandor, together with the Deputy Minister of International Relations and Cooperation, Mr L Landers, from 21 to 25 August 2017.

According to the High Commissioner, Ghana was the second largest economy in the West African Region, after Nigeria. Its major sources of foreign currency included gold, timber, cocoa and oil.

There were about 100 South African companies participating in the economy of Ghana. These companies were prevalent in mining, retail, insurance, transport, tourism, banking, telecommunications, construction, franchising, manifesting, advertising, fishing, aviation and energy. She mentioned well-known names like First National Bank, Standard Bank, AngloGold, Gold Fields, MTN, Telkom, Woolworths, MultiChoice, Pick 'n Pay and Shoprite. It was estimated that there more 100 South African companies operating in Ghana.

The Chief Whip of the Majority Party informed the High Commissioner and her staff that one of the reasons for the study tour was to learn from countries that have traversed the democratic road for many years considering that South Africa was a young democracy. Hence the decision to visit Ghana to learn from the experiences of the Parliament of Ghana. The second leg of the study tour would be a visit to the United Kingdom.

The High Commissioner informed the delegation that one of the biggest problems that they encountered in the course of their work was with visas. Many people applied for visas to visit South Africa, but when they get there, they do not want to return and it was difficult to track them down. They hoped that Parliament would help to tighten up this area of their work.

The High Commissioner committed the Deputy High Commissioner to accompany the delegation at all times during their visit in Ghana.

Meeting with Mr E Djetror: Director of the Table Staff of Parliament of Ghana

The delegation was initially scheduled to meet the First Deputy Speaker of Parliament on 17 January 2018, but was, however, informed that they would instead meet with Mr E Djetror, the Director of the Table staff. The meeting with the First Deputy Speaker was rescheduled for 20 January 2018.

The High Commissioner joined the delegation at the meeting with Mr Djetror.

Mr Djetror's presentation focussed on the structure of the parliamentary programme, mechanisms available to exercise oversight over the Executive and the voting system in the House.

Form of government

The form of government in Ghana was a combination of the presidential and Westminster systems. The voters directly elected the President; however, constituencies elected members of Parliament.

The President was the head of state and executive powers were vested in him/her. The Constitution required the President to appoint the majority of members of the Cabinet from amongst the members of Parliament; however, their appointment was subject to the prior approval of Parliament. According to Mr Djetror, Presidents have avoided embarrassments in instances where it was apparent that Parliament might not grant approval, by simply withdrawing the impugned name before it was forwarded to the House or voted for in Parliament.

Election of Speaker

At its first sitting after an election, one of the first items of business transacted by Parliament was the election of the Speaker. Once the Speaker was elected, he/she vacated their seat if they were a Member of Parliament. Furthermore, a convention in Ghana was that the Speaker vacates any office that he/she holds in his or her party, although he or she may remain a member of the party. He stated that it was difficult to remove a sitting Speaker as it required a three quarters majority to remove him or her.

Parliamentary calendar, role of the Speaker and other office-bearers

The determination of the parliamentary calendar is rooted in the fundamental law of Ghana, i.e. the Constitution. Article 112 of the Constitution provides the Speaker with the power to determine where and when a session of Parliament would take place, subject to other provisions of the Constitution. It further states that a session of Parliament must be held at least once a year in such a manner that

the period between the last sitting of Parliament in one session and the first sitting in the next session does not amount to more than twelve months. However, if fifteen percent of members of Parliament requested a meeting of Parliament, the Speaker was obliged, within seven days after receipt of the request, to summon Parliament to a sitting.

Although the Speaker had the power to determine when Parliament was convened, he/she took his/her cue from the politicians, especially the Leader of the Governing Party. In addition, informal consultations took place in order to sensitise the Speaker to the priorities of the politicians. These consultations took place at a Leadership Forum where the Speaker, the First Deputy Speaker, the Second Deputy Speaker, the Majority and Minority Leaders and their deputies, the Chief Whips of the Majority and Minority parties and their deputies met behind the scenes to agree on a programme for Parliament. Based on that agreement, the Speaker would then give notice of a sitting in the *Government Gazette*.

Mr Djetror explained that the Majority Leader, designated by his/her party, was the overall political head and spokesperson for his party or parties, in a coalition government. Similarly, the Minority Leader played the same role for the opposition party or parties, if in partnership with other opposition parties. The Chief Whips, both the Majority and Minority, played the same role as chief whips in the Westminster system, which was to ensure the attendance of their members in the House, ensure discipline and determine the participation of members in the proceedings of the House.

Structure of the parliamentary programme

During the discussions, it became clear that the interactions on the programming of the business of Parliament took place informally and operated more as a convention or parliamentary practice. Mr Djetror acknowledged that the informal nature of the consultations created administrative hiccups for the management of the processes by the administrative staff. The situation sometimes created tensions between the Speakership and the leadership of political parties, especially the governing party.

The delegation informed Mr Djetror that in South Africa, there are formal structures such as the Chief Whips' Forum, which acts as a consultative body amongst political parties regarding the political management of the business of the National Assembly. In addition,

the National Assembly Programme Committee made decisions regarding the programming of the business of the House.

The delegation was informed that in Ghana, the Business Committee, which was chaired by the Majority Leader, determined the business of each sitting of Parliament, and the order in which it must be taken without prejudice to the power of the Speaker to determine which matters may properly be introduced in the House at any time. The Business Committee was established in terms of Standing Order 160, and has twenty-one members, including the Majority Leader and his/her deputy, the Minority Leader and his/her deputy, the Chief Whips and their deputies, and other members.

Mr Djetror indicated that there was a process to review the rules of Parliament, and the status of this informal arrangement in respect of the parliamentary programme might be addressed by the rules.

Voting

In relation to voting, the Constitution provides that matters must be decided upon by an open vote except where Parliament is considering a bill amending the Constitution. Where voting is in relation to the election or removal of a person from office as provided for in the Constitution or any other law, voting is done through secret ballot.

Although there are facilities for electronic voting, they were not being used. The reasons were largely political.

Oversight over the Budget

In relation to the budget, Parliament exercised its power over the purse with regard to the budget of the state, including that of the Presidency, the Judiciary and Parliament. Oversight over the national budget was done through the portfolio committees of Parliament, including the Portfolio Committee on Finance. There is no committee dedicated to exercise oversight over the budget of the Presidency.

Oversight over the Executive

Mr Djetror informed the delegation that Ministers of State were required to answer questions in the House. The Business Committee determined the date by which Ministers were to appear before the House. The Ministers were expected to transmit their replies to

questions, including questions for oral reply, before they appear in the House. If a Minister failed to appear on the date on which he/she was supposed to answer questions, the Constitution provided the House with the power to pass a vote of censure in the Minister. However, matters have not reached a stage yet where the House had to use this mechanism. The requirement was that the motion of censure in the Minister had to be supported by no less than two-thirds of the members present in the House.

Removal of President

Although the voters directly elected the President, he/she may be removed or impeached by Parliament. Article 69(1) of the Constitution regulates such a removal or impeachment process. It provides that the President may be removed from office if he/she:

- wilfully violated the oath of allegiance and the presidential oath or any other provision of the Constitution;
- conducted himself/herself in a manner which brings or is likely to bring the office of the President into disrepute, ridicule or contempt; or
- conducted himself/herself in a manner prejudicial or inimical to the economy or the security of the State.

It further provides for the removal of the President on the grounds of being incapable of performing the functions of his/her office because of infirmity of body or mind.

In order to trigger the process of removing a President, a written notice must be signed by no less than one-third of all the members of Parliament stating that the conduct or mental capacity of the President should be investigated on any of the grounds listed in clause (1) of Article 69, and it must be given to the Speaker. If the notice complied with the provisions of the Constitution, the Speaker must immediately inform the Chief Justice and deliver to him/her the written notice, copied to the President.

The Chief Justice has, after receipt of the written notice, to immediately convene a tribunal consisting of the Chief Justice as Chairperson, and the most senior Justices of the Supreme Court. The tribunal has to inquire, in camera, whether a prima facie case for the removal of the President has been made. The President is entitled during the proceedings of the tribunal to be heard in his/her defence by himself/herself or a lawyer of his/her own choice.

Where the tribunal has determined that a prima facie case for the removal of the President has been made, the findings must immediately be submitted to the Speaker and copied to the President. Parliament must, within fourteen days after the date of the findings of the tribunal, move a resolution whether or not the President must be removed from office. The resolution must be taken by secret ballot and must be supported by not less than two-thirds majority of all the members present in the House.

Furthermore, the Constitution provides for the investigation of the conduct of the President and other public officer-bearers by the Human Rights Commission of Ghana.

The other route, which the Constitution provides for the impeachment of a President, is by way of a commission of inquiry.

Mr Djetror informed the delegation that no President has ever been removed through these means.

In terms of the Constitution, a sitting President may not be prosecuted while in office, and may only be prosecuted three years after they had left office.

Meeting with the First Deputy Chief Whip of the Minority: Mr Ibrahim Ahmed

The delegation met with Mr Ibrahim Ahmed, the First Deputy Chief Whip of the Minority, on 17 January 2018. In the previous Parliament, whose term ended at the end of 2017, Mr Ahmed was the Second Deputy Chief Whip of the Majority, i.e. the governing party. He informed the delegation that he had been in Parliament for 10 years.

Leadership structure of Parliament

The Parliament of Ghana had 275 members, who were elected for a parliamentary term of 4 years. The Fourth Republic was now in its 25th year, and it has been running uninterrupted since 1993.

The leadership structure of the Ghanaian Parliament was as follows:

- Speaker;
- First Deputy Speaker, from the Majority;
- Second Deputy Speaker, from the Minority;
- Majority Leader;

- Deputy Majority Leader;
- Minority Leader;
- Deputy Minority Leader;
- Chief Whip of the Majority;
- First Deputy Chief Whip of the Majority;
- Second Deputy Chief Whip of the Majority;
- Chief Whip of the Minority;
- First Deputy Chief Whip of the Minority; and
- Second Deputy Chief Whip of the Minority.

The Speakership was made up of the Speaker and two deputies. As indicated above, the Speaker relinquished his/her seat in Parliament, if he/she was a member.

The Speaker presides over Parliament and enforces the observance of the Standing Orders. He or she does not have a deliberative or casting vote, and is required to be non-partisan. A decision of the Speaker was not appealable on any point and was not reviewable by the House, except upon a substantive motion made after notice.

The First Deputy Speaker was elected from the governing party, while the Second Deputy Speaker was elected from the opposition. The Deputy Speakers do not relinquish their parliamentary seats, like the Speaker, after their election and continue to hold whatever offices they held in their parties.

The Majority Leader is elected from the political party that holds the majority of seats in the House. A Deputy Majority Leader assists the Majority Leader in the performance of his/her duties. The Speaker is required to consult the Majority and Minority Leaders on the business of the House and other important issues.

The Minority Leader was elected from the second largest political party in Parliament. Like the Majority Leader, a Deputy Minority Leader assisted the Minority Leader in the performance of his/her duties.

The governing party and the opposition designate the Chief Whips and their deputies for appointment by the Speaker, and they are the only whips in Parliament. In the parliamentary hierarchy, the Chief Whip is third in line after the Party Leader. He/she has two deputies. This applies to both sides of the House.

Excluding the Speaker, the leadership of the institution is equally split between the governing party/parties and the opposition.

Role of Chief Whips

The overall role of a Chief Whip was to manage his or her party's participation in the business of Parliament, and to perform certain duties in relation to the proceedings of the House.

The Chief Whips also performed, amongst others, the following specific functions:

- arranging the business to be transacted by Parliament;
- moving major formal procedural motions in Parliament;
- ensuring the presence of their members in the House and their participation in debates;
- maintaining good working relations with the whips of other political parties;
- allocating seating places to members and members of the Executive in the House;
- monitoring the performance of members; and
- ensuring party discipline with regard to quorums in the House and committees.

To ensure discipline, the Chief Whips use the power to withdraw benefits. The benefits include being allocated to popular parliamentary committees or refusing to use a member's specialised skill in Parliament.

The duty of the Chief Whip of the Majority is to ensure that government business is carried out, whilst the role of the Chief Whip of the Minority is to counter the government business or have their say on the matter.

It was the duty of the Chief Whip of the Majority to monitor the performance of members of the Executive on the floor. If a member of the Executive performed consistently poorly, the Chief Whip might inform the party leadership about his or her performance.

Mr Ahmed informed the delegation that the salary of the Chief Whip is higher than the salary of a Minister of the State.

With respect to capacitation, he said that there was a standing order, which provided that Chief Whips must undertake study tours to upgrade their law-making abilities and political management skills.

The office of the Chief Whip was allocated a budget which ranged between $30 000 to $35 000. Every Member of Parliament was allocated a research assistant, and the leadership was further allocated a secretariat.

Parliament made no provision for constituencies.

Language of proceedings

In relation to the language of proceedings, the Standing Orders provided that the proceedings of Parliament must ordinarily be conducted in English, except that a member may exercise the option of addressing the House in any of the nine local Ghanaian languages provided facilities exist in the House for its interpretation. As for now, the facilities do not exist. It is therefore incumbent on the speaker to provide the translation himself or herself, but there was a process to review the Standing Orders.

Electoral system and members' dress code

Ghana does not operate on a proportional electoral system, and therefore time is allocated equally to both sides of the House.

In relation to dress code, a member could wear traditional attire or formal wear. Formal wear would be worn with a tie, and the objective was to promote traditional attire.

Visit to the Kwame Nkrumah Memorial Park and Mausoleum

The delegation also visited the Kwame Nkrumah Mausoleum and Memorial Park on 17 January 2018, both of which are located in Accra, the capital of Ghana.

The Park is built on a former British polo field, and is the place where President Nkrumah declared Ghana's independence in 1957. It consists of five acres of land and houses a museum tracing the life of President Nkrumah. There are personal items on display, but the centrepiece is the Mausoleum. It is the final resting place for President Nkrumah and his wife.

President Nkrumah died of skin cancer in April 1972 at the age of 62 in Bucharest, Romania, where he had gone for medical treatment in August 1971.

He was buried in a tomb in the village of his birth, Nkroful, Ghana. While the tomb remains in Nkroful, his remains were transferred to a large national memorial tomb and park in Accra.

The Mausoleum is meant to represent an upside down sword, which in Akan culture is a symbol of peace. It is clad from top to bottom with Italian marble, with a black star at its apex to symbolise unity. The interior of the Mausoleum boasts marble flooring and a mini mastaba looking marble grave marker surrounded by river washed rocks.

The Mausoleum is surrounded by water that is a symbol of life. Its presence conveys a sense of immortality in respect of the name of President Nkrumah.

Meeting with the First Deputy Speaker of Parliament: Mr Joseph Osei-Owusu

On Saturday, 18 January 2018, the delegation met with the First Deputy Speaker of the Parliament of Ghana, Mr Joseph Osei-Owusu.

Decolonisation and independence

The Gold Coast, now Ghana, became a colony of Britain in 1867. President Kwame Nkrumah led the anti-colonial struggle of the Gold Coast for independence from Britain.

In 1950, President Nkrumah began a campaign of civil obedience that involved non-violent protests, boycotts, strikes and non-cooperation with the British colonial authorities. The colonial police often responded with violence. He was arrested and imprisoned, and while in jail, he smuggled letters out to his supporters giving them direction on the struggle.

In 1957, the Gold Coast obtained its independence and became the state now called Ghana, the first country in sub-Saharan Africa to shake off colonial rule, inspiring liberation struggles in the continent. Kwame Nkrumah became its prime minister. It became a republic in 1960, and Nkrumah its first President.

Ghana became a one-party state in 1964. In 1966, President Nkrumah was overthrown in a military coup.

Between 1966 and 1992, military rule was interspersed with civilian rule. There were five military coups in this period, which together amounts to 18 years of military rule. There were two periods of civilian rule in the same period, which add up to five years.

Since 1992, Ghana has been under civilian rule without interruption.

From military rule to democratic government

The First Deputy Speaker informed the delegation that after 11 years of military rule a new Constitution was approved in a referendum in April 1992. Presidential elections were held in November 1992 that resulted in the election of Mr Jerry Rawlings, leader of the National Democratic Congress (NDC), as President. The opposition contested the results and boycotted the parliamentary elections that were held in December 1992. The Fourth Republic was inaugurated on 7 January 1993. The relationships between the parties were very acrimonious at the time.

Improving relations among political parties

Since those acrimonious years, Parliament has sought to pursue consensus as a means of nation building. As a result, the House does not recognise parties. It simply refers to the party with the largest amount of seats in Parliament as the majority, and those in the opposition as simply the minority. The acrimony has noticeably changed over time.

Election of Speaker and Deputy Speakers

He also reiterated that the House elected the Speaker, and on his/her election, he/she vacated his/her seat. Then two deputy Speakers were elected by Parliament. One was elected from the majority and the other from the minority.

Freedom of speech

The Constitution and the Standing Orders provide absolute freedom of speech in debates and proceedings in Parliament. Freedom of speech may not be impeached or questioned in any court or place outside of Parliament. Article 116 provides members with immunity from proceeding for acts done by members in Parliament. The Constitution provides that no civil or criminal proceedings may be instituted against a Member of Parliament in any court or place

outside of Parliament for any matter or thing brought by him before Parliament in the form of a petition, bill or motion or otherwise.

A member was also protected from civil or criminal processes from any court or place outside of Parliament while on his/her way to, attending at, or returning from, any proceedings of Parliament.

Convening sittings of the House, party funding and oversight over the President

He informed the delegation that the Parliament usually had about 120 sittings a year. It was relatively easy for members to cause a sitting of Parliament to be convened. The Constitution only requires that 15 percent of members should sign a petition calling the Speaker to convene a sitting. The Speaker was obliged to convene a sitting within seven days from the date of receipt of the petition.

According to the First Deputy Speaker, a member who was elected on a party ticket, but who left his/her party must resign his/her seat and get a fresh mandate from his/her constituency.

With regard to party funding, the First Deputy Speaker indicated that there was no public funding of parties and there appeared to be no public support for such a move in Ghana.

The President does not appear before the House to answer questions. He accounted for the allocations made to his/her office through his/her Ministers. He noted that Parliament had the power to censure Ministers.

Visit to the Cape Coast of Ghana

On Friday, 19 January 2018, the delegation visited the Cape Coast Castle, which is one of about forty slave castles built on the 500 kilometre long coastline of Ghana between Keta in the East and Beyin in the West, by European traders. It was initially built by the Swedes for trade in timber and gold, but later used in the trans-Atlantic slave trade. Other Ghanaian slave castles include Elmina Castle and Fort Christiansburg. These were used to hold slaves before they were loaded onto ships and sold in the Americas. The "gate of no return" was the last stop before crossing the Atlantic Ocean.

When trade in slaves became the principal item traded in Cape Coast, changes were made to the Cape Coast Castle, which included the building of underground dungeons that could hold as many as a thousand slaves awaiting export. Many European nations flocked to the Cape Coast in order to get a foothold in the slave trade. Business was very competitive and often resulted in conflicts. For this reason, the Cape Coast Castle changed hands many times during the course of its commercial history.

The underground dungeons were places of terror, death and blackness. Their conditions stood in direct juxtaposition to the European living quarters which epitomised relative luxury.

The Castle's involvement with slavery eventually stopped when Britain banned slave trade.

When Ghana gained independence in 1957, the ownership of the Cape Coast Castle was transferred to the new government and subsequently to the Ghana Museums and Monuments Board. The Castle underwent considerable restoration work in the early 1990s, and is currently a well visited museum and historical site.

STUDY TOUR TO HOUSE OF COMMONS IN ENGLAND

Courtesy Visit to the South African High Commission in London

On 22 January 2018, the delegation paid a courtesy visit to the Office of the South African High Commission in London. The Acting High Commissioner, Mr G A Neswiswi, welcomed the delegation at South Africa House. He indicated that the office of the High Commission is responsible for the development, coordination and maintenance of South Africa's bilateral relations with the United Kingdom of Great Britain and Ireland. At the time of the courtesy visit to the High Commission, the position of the High Commissioner was vacant.

He briefed the delegation on recent political developments in the UK. The UK continues to face a period of uncertainty and complexity as they come to terms with the consequences of Britain's vote five months ago to leave the European Union. The process of how and when the UK leaves and the nature of the post-Brexit UK-EU relationship remains significant unknowns.

The referendum was immediately followed by a snap election, which produced a hung Parliament. The Conservative Party negotiated a deal with the Democratic Unionist Party of Northern Ireland to form a coalition government.

In December 2017, the government suffered a defeat in the House of Commons after members of Parliament voted for an amendment to the "Withdrawal Bill", which, if passed, would give Parliament more say in the final decision to withdraw from the EU.

The United Kingdom and South Africa have had a long history, which includes a shared language (English) and cultural links, similar system of law and finance and a shared interest in promoting trade and a rules-based international system. There are also large numbers of South Africans living in the UK as there are large numbers of British citizens and people of British descent living in South Africa.

In 1997, the South African – United Kingdom Bilateral Forum was founded to promote South Africa - UK relations by serving as a forum for the two countries to meet on a bi-annual basis to enhance economic and political relations. Top government officials from both countries often meet through this forum to discuss matters of mutual concern. The last meeting of the Bilateral Forum was in 2015, and the next one is scheduled to take place in 2018.

The High Commission provides diplomatic services, including immigration services. It does not provide civic services. One of the problems faced by the High Commission relates to staff attrition due to posts being frozen. The unintended consequence of the freezing of posts has been the impact on the turn-around time for provision of consular services.

The delegation decided that it would visit the offices of the Department of Home Affairs to satisfy itself on the nature and quality of services it provided.

Meeting with Head of the Overseas Office: Mr Mathew Hamlyn

The first meeting of the delegation at the House of Commons, (the Commons) was with Mr M Hamlyn, Head of the Overseas Office, on 22 January 2018. Mr Hamlyn gave an overview of the Westminster Parliamentary System.

Overview of Westminster Parliamentary System

The House of Commons was the lower House of the Parliament of the United Kingdom. Like the upper House, the House of Lords, it meets in the Palace of the Westminster.

The major functions of the House of Commons were to scrutinise government business and pass budgets – functions also carried out by the House of Lords.

The Commons was an elected body consisting of 650 members, who were elected by constituencies in terms of the first-past-the-post electoral system and held their seats until Parliament was dissolved. The House of Lords is not elected.

The Speaker

The Speaker was the chief officer and the highest authority of the House of Commons and is required to be politically impartial at all times. On his or her election, the new Speaker was required to resign from their political party and remain separate from political issues even in retirement. However, he/she dealt with his/her constituent's problems like a normal member. Speakers still stood in general elections. They were generally unopposed by the major political parties, who did not field a candidate in the Speaker's constituency, this included the original constituency they were a member of. During a general election, a Speaker did not campaign on any political issues but simply stood as "the Speaker seeking re-election."

The current Speaker was John Bercow, who was initially elected in June 2009. The Speaker represents the Commons at meetings with the Monarch, the Lords and other authorities. He/she chairs debates in the Commons Chamber, and has authority to make sure members follow the rules of the House during debates. This can include:

- Directing an MP to withdraw remarks if, for example, they use abusive language;
- Suspending the sitting of the House due to serious disorder;
- Suspending MPs who are deliberately disobedient – known as naming; and
- Asking MPs to be quiet so Members can be heard.

Management of the House of Commons

The House of Commons Commission governs and manages the House of Commons. It was made up of MPs, and was chaired by the Speaker. The Commission was responsible for the non-executive governance of the House, whilst the day-to-day management of the Commons was delegated to the Commons Executive Board.

In the last elections, in June 2017, the Conservative Party was returned to office as the largest party with 317 seats, but failed to achieve a working majority in the Commons. The Labour Party received 262 seats, the Scottish National Party 35, the Liberal Democrats 12 and other 24. There were 8 parties represented in the Commons, and one Independent MP. There were currently 208 women MPs, which represents 31% of the total number of members in the Commons.

Hung Parliament

The 2017 election resulted, therefore, in a hung Parliament. The Conservative Party and the Democratic Unionist Party reached an agreement, which allowed the Conservative Party to form a minority government.

Although Parliament does not formally elect the Prime Minister, the position of the parties in the Commons was of overriding importance when it came to constituting a new government. By convention, the Prime Minister is answerable to, and must retain the support, of the Commons. Thus, whenever the office of the Prime Minister was vacant, the Queen appoints the person who has the support of the Commons, or who is likely to command the support of the Commons. Normally, the leader of the largest party in the Commons was appointed the Prime Minister, while the leader of the second largest party became the Leader of the Opposition.

The Commons may indicate its lack of support for the government by rejecting a motion of confidence or by passing a motion of no confidence. When a government has lost the confidence of the Commons, the Prime Minister resigned, making way for another member who could command confidence, or request the Queen to dissolve Parliament, thereby precipitating a general election.

By convention, all ministers must be members of the House of Commons or of the House of Lords. The vast majority of ministers however belong to the Commons rather than the Lords.

Holding the Executive accountable

The Commons holds the Executive accountable through questions to members of the Executive, including the Prime Minister. Other mechanisms used to hold the Executive accountable were debates and votes. The Prime Minister's Questions Time took place once a week, normally for half an hour each Wednesday.

There were opportunities to question other members of the Cabinet. Questions should relate to the responding minister's official government activities, not to his or her activities as a party leader or as a private Member of Parliament. Customarily, members of the governing party and members of the opposition alternated when asking questions. In addition to questions asked orally during Question Time, Members may also make inquiries from Ministers in writing.

Question time (on a rotating basis is to different government departments) has a fixed slot at the start of the sitting on Mondays to Thursdays.

Legislative matters, sittings of the House and time limits

With regard to the passing of legislation, bills may be introduced in either House, though bills of importance are generally introduced in the House of Commons. The Parliament Act ensures the supremacy of the Commons in legislative matters, under which certain types of bills may be presented to the Queen for Royal Assent without the consent of the House of Lords. Concerning money bills, the Lords may not delay a money bill for more than one month.

The sittings of the Commons were open to the public, but the House may at any time vote to sit in a closed session, which has occurred only twice since 1950. In general, the Commons sit for around 150 days a year as follows:

Monday	02:30pm – 10:30pm
Tuesday/ Wednesday	11:30am - 07:30pm
Thursday	09:30am – 05:30pm
[Some Fridays	09:30am – 02:30pm]

The Standing Orders of the Commons do not establish any formal time limits for debates. The time set for a debate on a particular motion is, however, often limited by informal agreements between

parties. In the past, a debate used to be restricted by the passage of "Allocation of Time Motions", which are more commonly known as "Guillotine Motions". Alternatively, the House may put an immediate end to a debate by passing a motion to invoke "Closure". The Speaker would, however, deny the motion if he or she believes that it infringes upon the rights of the minority. Today, bills are scheduled according to a Timetable Motion, to which the whole House agrees in advance, negating the use of a guillotine.

Parliamentary Business

The House of Commons does not have a "Bureau, or Business" which arranges the parliamentary business. The business was usually arranged through what is termed "the usual channels". The key to arranging the timetable was Standing Order 14 on the "Arrangement and Timing of Public and Private Business", and particularly Standing Order 14(1), which states that "Save as provided in this order, government business shall have precedence at every sitting" subject to the scrutiny of the members of the House, especially the opposition. This enabled the government to ensure that its business can be dealt with in the House.

According to Erskine May, 'the usual channels" in the Commons comprise the government Chief Whip and the Chief Whip from the main opposition party. However, there were others who were involved in the behind-the-scenes negotiation of the timetable. A wider definition of the usual channels might include:

- Government Chief Whip (a cabinet member);
- Opposition Chief Whip;
- Private Secretary to the Government Chief Whip (a civil servant);
- Leader of the House (a cabinet member); and
- Opposition Leader of the House.

There were regular weekly meetings of the key figures to discuss arrangement of business, and daily contact to deal with ongoing issues, but all of these discussions tended to take place on a bilateral basis. At the start of the week, the proposed business for the subsequent fortnight is agreed by the government "business managers" (Leader of the House and Chief Whip). Once agreed this is discussed with the Opposition Chief Whip and separately with the other opposition parties and may occasionally be amended in the light of comments. It is then shown to the Shadow Cabinet and

announced to the government backbench members. Behind the scenes, the Private Secretary to the Government Chief Whip does much of the negotiation, and all discussions are bilateral. There is no forum where representatives of all the parties in the House discuss the business together, until it is formally announced.

Select Committees

Mr Hamlyn informed the delegation that there was a Select Committee for each government department, scrutinising three aspects:

- Spending;
- Policies; and
- Administration.

The Select Committees have a minimum of 11 members, who decide upon the line of inquiry and then gather written and oral evidence. They report their findings to the House, and the government usually has 60 days to reply to their recommendations.

The composition of select committees generally reflects the party balance in the House. The Committee on Selection has traditionally done the nomination of members to such committees. When there was a Government majority, the governing party would have a majority on all such committees. In September 2017, however, the House agreed to establish a new Committee, the Selection Committee. The House instructed the Selection Committee to give the Government a majority on public bills and delegated legislation committees that had an odd number of members. This was a consequence of the agreement reached between the Conservative Party and the Democratic Unionist Party in 2017.

Some Select Committees had a role that cut across departmental boundaries such as the Public Accounts or Environmental Audit Committees. Depending on the issue under consideration, they could look at any or all the government departments.

If a division was called in the House while select committees were meeting, the meetings were suspended for the duration of the division.

Chamber

Since 1999, the House of Commons has held debates in a parallel debating Chamber, known as "Westminster Hall". The Chamber was used for debates on issues raised by backbench members, on select committee reports and on subjects selected by the Backbench Business Committee and on e-petitions.

If a division was called in the House during a Westminster Hall sitting, the sitting was suspended for the duration of the division and "injury time" was added at the end of the debate.

A member of the Panel of Chairs presides over sittings at Westminster Hall. In exceptional circumstances, a Deputy Speaker may chair a sitting.

Meeting with the Chief Whip of the SNC: Mr Patrick Grady

On 22 January 2018, the delegation met with Mr Patrick Grady, the Chief Whip of the Scottish National Party (SNP) in the House of Commons. He was appointed to the position in June 2017. The SNP is the third largest party in the Commons, behind the Labour Party and the Conservative Party.

Scottish Parliament and the SNP

Scotland had a strong tradition of solidarity with the struggle against apartheid. One of the squares in Scotland was named after President Nelson Mandela.

With the establishment of the devolved Scottish Parliament in 1999, the SNP became the second largest party, serving two terms as the opposition. It gained political power at the 2007 Scottish Parliament election, forming a minority government. In 2011, it won a majority by 69 seats in the Scottish Parliament election, and went on to form its first majority government.

In the last election in 2015, the SNP won 63 seats out of 129 in the Scottish Parliament, but fell short by 2 seats from forming a second consecutive majority government. It remained the largest political party in Scotland, where it has the most seats in the Scottish Parliament. The party formed a minority government.

At the United Kingdom general election in 2017, the SNP underperformed compared to 2015 by losing 21 seats to bring their number of Westminster members down to 35. This has affected their representation in the select committees.

In the last referendum on Scottish Independence, the SNP campaigned for a yes vote in support of the independence of Scotland from the United Kingdom. It lost the vote by gaining 45 % of the vote in favour of independence.

Business of Parliament

He informed the delegation that most of the power in the House lies with the governing party, and therefore it drives the business of Parliament. The Labour Party, as the second largest party, has a significant say in the processing of the business of Parliament. As the Chief Whip of the third largest political party, his role is to ensure the participation of his party and members in the business of the House.

As the third largest party, he participates at the "usual channels", which are bilateral dialogues between the parties. The effect of that is that the system is more like a game of chess. As the smaller parties, they would be in favour of a more transparent and formal structure where decisions are made.

In June 2017, the House of Commons passed a resolution to give the Conservative Party a majority in the select committees. In this manoeuvre, it was supported by the DUP. The effect of that resolution was that the composition of committees no longer reflects the proportion of seats that the governing party has in the House.

As the third largest party in the Commons, they are guaranteed slots to ask questions during the Prime Minister's Question Time and Questions to the Ministers. The procedure is that if there are fifteen questions to be asked, the responsibility of the Speaker is to ensure that there was a fair spread across parties, but the slots are split equally between the government side and the opposition side.

During divisions, the role of the Chief Whip is to ensure that members are informed properly about how they should vote and to check that all party members have voted.

Meeting with the Chair and Members of the All-Party Parliamentary Group on South Africa: Chair Roger Godsiff

On 22 January 2018, the delegation met with the All-Party Parliamentary Group on South Africa (the Group), which was led by its chairperson, Mr Roger Godsiff. The membership of the Group is drawn from both Houses. The meeting was joined by Peter Hain, a member of the House of Lords.

Purpose of the Group and strengthening relations

He informed the delegation that the purpose of the Group was to improve links between the United Kingdom and South Africa, and to provide a forum for discussion of South Africa in the UK Parliament. The Group was keen to discuss with South Africans matters of mutual interests.

It was their view that South Africa would be of importance to the UK when it leaves the European Union.

In the past they used to meet with the South African High Commission in London, but the last meeting was three years ago, in July 2015. The challenge has been that each time they had scheduled a meeting; the SA High Commission has cancelled on the eve of the meeting.

It was the view of the delegation that South Africa would need to strengthen ties with those who were advocating stronger links between the UK and South Africa, especially in the light of Brexit.

Mr Hain informed the delegation that he was a visiting Professor at the Wits Business School. While in Johannesburg, he met a group of ANC veterans who put him in touch with whistle blowers. The whistle blowers are all South Africans. They provided him with information, which seemed to disclose money laundering. He forwarded the information to the UK regulatory bodies.

The Chief Whip of the Majority Party informed the Group that the Commission of Inquiry, which was recommended by the Public Protector, has, after a long delay, been announced by the President. The announcement of the appointment of the Commission comes after the recent changes in the leadership of the ANC following the elective conference held in December 2017. The changes have created an enabling environment for the law enforcement institutions

to do their work. He said that this would complement and strengthen the work done by the UK investigating bodies.

Mr Hain noted that a vibrant opposition and resurgent civil society would make sure that no government in power would be complacent.

Meeting with the Chairperson of the Petitions Committee: Ms Helen Jones

The delegation met the Chairperson of the Petitions Committee, Ms Helen Jones, on 23 January 2018. She was elected as Chair of the Committee in June 2017. She informed the delegation that the Petitions Committee was set up by the House of Commons to process e-petitions submitted to the website - petitions.parliament.uk. The Committee was made up of 11 backbench members from the Government and opposition parties.

Powers and functions of the Petitions Committee

The Petitions Committee can:

- Ask for more information in writing – from petitioners, the Government, or relevant people or organisations;
- Ask for more information in person – from petitioners, the Government, or relevant people or organisations (this might be in Parliament or somewhere else in the UK);
- Write to the Government or another public authority to press for action on a petition;
- Ask another parliamentary committee to look into the topic raised by a petition;
- Put forward petitions for debate in the House of Commons.

Rule requirements and processing of petitions

An e-petition has to ask for a specific action from the Government or the House of Commons and should be about something, which the Government or the Commons was responsible for. The mere submission of an e-petition did not mean that the Committee would be able to take action on every petition. It would use its judgement about which petitions to consider, and what action is appropriate for each e-petition. Petitions that did not comply with the requirements of the rules were not considered.

A petition needed to be supported by at least six people before it was published on the petitions site for other people to sign. An e-petition stays open on the e-petition website for six months.

If 10 000 petitioners signed an e-petition, the Government was required to give a response to the issue raised by the petitioners.

The Committee would consult the relevant select committee (formally or informally) before referring a petition, to find out whether the committee would be likely to take action because of the referral.

Debating petitions

The Committee has the power to schedule a petition or petitions for debate in Westminster Hall on Mondays from 4:30pm, for up to three hours. The Committee would take into account the following factors when deciding which petitions should be debated:

- The number of signatures, with a presumption that a petition with 100 000 signatures or more should be debated;
- The subject has recently been debated or is likely to be debated in the near future;
- The Committee (or another parliamentary or government body) has decided to pursue the issue in another way;
- The subject is unsuitable for debate in Parliament;
- Topicality, including the breadth of interest among members;
- Whether the subject is likely to be debated in Parliament by other means.

In practice, this meant that most petitions with over 100 000 signatures were debated, whether in the Committee's time at Westminster or otherwise. Other petitions, with fewer signatures, may be debated if they were topical and there was widespread support from members across the House for a debate.

The Committee would consider requesting time for debate in the main Chamber from the Backbench Business Committee in the following circumstances:

- A petition has reached a 100 000 signatures;
- There is evidence of interest from a large number of members, on a cross party basis;
- A clear point of debate has emerged, which would be suitable for a substantive motion; and
- The subject is not likely to be debated by other means.

In a case where a select committee was already inquiring into a subject matter of the petition, the Committee would refer the petition to the select committee.

Meeting with the Government Chief Whip: Mr Julian Smith

The Government Chief Whip, Mr Julian Smith, met the delegation on 22 January 2018. Mr Roy Stone CBE, Principal Private Secretary to the Government Chief Whip, accompanied him. He is a civil servant that acts as "the Usual Channels".

Role and function of Government Chief Whip

The Chief Whip was generally a senior government minister who, if not a member of the Cabinet, would attend Cabinet meetings. The Deputy Chief Whip and a team of other whips supported him/her.

The primary role of the Chief Whip was to get the Government's business through Parliament, and particularly to secure the Government's majority in votes on its legislative and policy programs. The duties of the Chief Whip included:

- Keeping members informed of the forthcoming parliamentary business;
- Maintaining the party's voting strength by ensuring members attend important debates and support their party in parliamentary divisions; and
- Passing on to the party leadership the opinions of backbench members.

The main tools of the Chief Whip to attain his/her goals were the management of the members' attendance and the persuasion of recalcitrant members to vote with the government. This required that whips be good personnel managers. There was certainly an important element of carrot as well as stick in the way the Chief Whip persuaded members, including offering positions on popular select committees in return for loyalty in the division lobbies.

In order to minimise the need to persuade backbench members to support the government, the Chief Whip also advised the Cabinet about the likely acceptability of its legislative proposal to the parliamentary caucus. The Chief Whip not only operates as an important link between the government and the parliamentary caucus, he/she also provided a link between the government and the opposition parties and other important figures within Parliament. These relationships were often referred to as the "usual channels".

According to Erskine May, the authoritative guide to parliamentary procedure, the Chief Whip:

> "… is concerned with mapping out the time of the session, for applying in detail the Government's programme for business, for estimating the time likely to be required for each item, and for arranging the business of the individual sitting. In drawing up the programme he is limited to a certain extent by the standing orders, which allot a modicum of time to private Members; and by statute law or standing orders, which require, or may require, certain business to be completed by specified dates; as well as by certain convention which make it obligatory upon him to consult the Whips of opposition parties, even to put down items for their selection. In carrying out his duties, he is directly responsible to the Prime Minister and the Leader of the House. It is also part of his duties to advise Government on parliamentary business and procedure, and to maintain a close liaison with the Ministers in regard to parliamentary business which affects their departments. He and the Chief Whip of the largest opposition party constitute the "usual channels", through which consultations are held with other parties and members about business arrangements and other matters of concern to the House".

The "usual channels" operated in some of the following ways:

- Regular weekly meeting of the key figures to discuss the arrangement of business in the House;
- Daily contact among the key figures to deal with ongoing matters, agenda and timetabling issues;
- During the passage of legislation and other government business, discussions between the whips on both sides, the minister in charge of the business, and his or her opposition "shadow" may take place to resolve any difficulties that may arise with the amendment or when a vote will take and, if possible, deals will be done;
- Contact between the whips over various matters, such as paring in the Commons, and filling intermittent vacancies on committees.

Role of the Principal Private Secretary to Government Chief Whip

The Principal Private Secretary to the Government Chief Whip has an important role in facilitating communication between the Government Chief Whip and the other office holders who make up the 'usual channels'. As a Civil Servant, the Principal Private

Secretary was a unique post within Parliament and the government. The holder acts as a non-partisan deal broker between the government and the opposition parties, although officially he works for the Government. The responsibilities of the post were:

- Provide support to the Chief Whip to enable him or her to fulfil her or his role of timetabling and securing the passage of Bills through the House of Commons and successfully completing the government's legislative programme;
- Offers support to the Chief Whip as a Government Minister, in his or her responsibilities to Parliament;
- Acts as channel between the government and opposition parties to arrange parliamentary business;
- Coordinates and monitors the proceedings in the House on a daily basis; and
- Provide advice and guidance to Ministers and Departments on the government's legislative programme and associated parliamentary procedures.

A notable feature of the post of Private Secretary to the Chief Whip is the length of service of previous office holders. Since the creation of the post in 1991, there have only been four Private Secretaries. The current incumbent, Mr Roy Stone, has held his position since 2000, i.e. he has been in the position for almost 18 years.

Meeting with the Chief Whip of the Opposition: Mr Nick Brown

The delegation met Mr Nick Brown, the Opposition Chief Whip, on 22 January 2018. Mr Brown was appointed the Government Chief Whip when Mr Tony Blair was elected Prime Minister in 1997, and when Mr Gordon Brown took over from Mr Blair. When the Labour Party was in opposition in the 1990s under Mr Brown, he was asked to be the Chief Whip. He has been the Chief Whip of the Labour Party since then. When Mr Jeremy Corbyn took over the leadership of the Labour Party, he was appointed the Chief Whip.

He has been either a Deputy Chief Whip or a Chief Whip for the last 30 years.

Role and function of Chief Whip of the Opposition

The primary role of the Chief Whip of the Opposition was to ensure that it has opportunities to have its say on the Government business. Otherwise, the duties are the same as that of the Government Chief Whip. It is to manage the participation of the party in the business of Parliament.

He is also a member of the "usual channels". That means that he was the Chief Whip to be consulted by the Chief Whip of the Government regarding the arrangement of the business of the House.

In terms of the rules of the House and parliamentary conventions, the composition of the committee of the House reflects the size of the party on the floor of the House. Where there is a government majority, the governing party would have a majority in the committees. However, because the governing party failed to get an absolute majority in the last elections, it and the Democratic Unionist Party (DUP) passed a resolution in the House that gives the Conservative Party a majority in the select committees. The Labour Party had done something similar when it formed a minority government.

The opposition has lesser leverage than the governing party to keep members of the caucus in line. The governing party could dispense patronage; threaten members with the possibility of fresh elections if government fails. However, as Chief Whip of the Opposition, he has to appeal to reason, reporting a rebellious member to the leadership of the party at the appropriate time.

In the House of Commons, the quorum is 40 members out of a membership of 650 for a decision to be taken. The calculation of the quorum includes the Speaker.

Visit to the London office of the Department of Home Affairs

The delegation visited the offices of the Department of Home Affairs in London to satisfy itself of the nature and quality of services it provided. The Counsellor for Immigration Services, Ms B Nkanyana, met the delegation and indicated that the services of the Department included receiving applications for immigration and civic services at the South African High Commission in London. The office services South Africans and foreign nationals who wish to visit or migrate to South Africa for various reasons.

In the South African national elections held in 2014, the United Kingdom processed 70% of South African citizens who had registered to vote outside of South Africa. The United Kingdom therefore processed amongst the highest number of South African voters outside of South Africa. There were more than 100 000 South Africans on the voters roll. Over the years, the number of South

Africans who have made the UK a permanent home has also increased. There has also been an increase in the number of UK citizens who wish to migrate to South Africa. Despite these changing trends in settlement patterns abroad, there has not been a review of the structure and personnel of this section of the DHA in order to assess its ability to meet current service delivery needs.

Year	Immigration Services	Civic Services	Total	Staff Complement
2014	5745	17 891	23 636	19
2015	7860	15 052	22 912	19
2016	7715	14 650	22 365	15
2017	7940	14 220	22 160	13 + (3)

The above figures reflect only applications that complied with the immigration requirements of the UK. Those applications that do not comply with the requirements are not included in the above figures as they are returned to the applicants. The 2017 staff complement reflects the current personnel employed at the office. Although there are 16 staff members in total, three locally recruited staff members have been on long sick leave for various reasons, which leaves them with 13 staff members to service the public consistently.

The official working hours are from 08:30 to 17H00, Monday to Friday. Members of the public are served from 08:45 to 12:45. In reality, the office serves the public up until 14:30 or 15:30, depending on the number of applicants in the queues at 12:45.

Often, officials work unpaid overtime in order to keep up with the demand. This can be attributed to the high rate of sick leave being taken by staff and mistakes being committed during the processing of applications.

In order to manage the annual and long leave, officials are requested to take leave in block periods. This arrangement has the effect of creating a crisis in the office if a staff member falls sick in this period. The consequences are unfinished projects such as the moving of files from 15 Whitehall (offices of DHA) to South Africa House in order to create space for 2018 files. The average files per year is 23 000 files.

Unmonitored backlog files

Some of the applications sent to the Head Office were returned based on further requirements that were needed. Officials usually contacted the applicants, but only once, and file the application until they receive correspondence from the applicant.

Follow-ups on such applications were not consistently done due to lack of capacity. This creates a challenge as applicants labour under the false impression that their applications are being processed. The consequence was that the image of the South African High Commission and that of the Republic were tainted.

There were requests that new staff be recruited to follow-up on previously opened files. Alternatively, consideration should be given to hiring contract workers to work during peak periods or based on projects, e.g. the disposal of documents.

Telephone not fully staffed

One of the challenges was that there were no locally recruited personnel dedicated to fully respond to telephone enquiries. The function is currently shared amongst five locally recruited personnel who have other primary responsibilities. They were also required to assist at the counters as and when there were shortages which reduced even further the capacity of those that were required to respond to telephone enquiries.

The office was still using a manual telephone system that was incapable of indicating to the caller that the line was still engaged. This is then misconstrued that no one was available to answer telephone enquiries.

To deal with this problem, they were proposing that consideration be given to outsourcing through a call centre and the installation of a system that could send text messages to the public to either emails or cellphones. The system could also allow the processing of applications online.

Disposal of files

She informed the delegation that old files have not been disposed of for many years, which has been identified as a security risk. Efforts to deal with the matter have been reported to both the Departments of International Relations and Cooperation, and Home Affairs.

Staff establishment

Sick leave applications were high and the assumption was that employees were using sick leave in order to rest from the work pressures, which leads to the office having to reprioritise functions and leave other important duties unattended, such as back office work and answering of emails and phones.

As a solution, it was proposed that two vacant funded posts be filled. They further proposed that work study be conducted in order to take an informed decision on the establishment that is required for DHA services in the UK.
