

Monday, 14 October 2019]

No 80 – 2019] FIRST SESSION, SIXTH PARLIAMENT

**PARLIAMENT
OF THE
REPUBLIC OF SOUTH AFRICA**

**ANNOUNCEMENTS, TABLINGS AND COMMITTEE
REPORTS**

MONDAY, 14 OCTOBER 2019

TABLE OF CONTENTS

ANNOUNCEMENTS

National Assembly

1. Introduction of Bills 1

COMMITTEE REPORTS

National Council of Provinces

1. Petitions and Executive Undertakings 2
2. Petitions and Executive Undertakings 20
3. Petitions and Executive Undertakings 31

ANNOUNCEMENTS

National Assembly

The Speaker

1. Introduction of Bills

(1) **The Minister of Justice and Correctional Services**

- (a) **Judicial Matters Amendment Bill** [B 13 - 2019] (National Assembly – proposed sec 76) [Explanatory summary of Bill and prior notice of its introduction published in *Government Gazette* No 42712 of 20 September 2019.]

Introduction and referral to the **Portfolio Committee on Justice and Correctional 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.

COMMITTEE REPORTS

National Council of Provinces

1. REPORT OF THE SELECT COMMITTEE ON PETITIONS AND EXECUTIVE UNDERTAKINGS ON THE HEARING OF THE NDLOVU PETITION, HELD ON 17 JULY 2019 AT PARLIAMENT AND A INSPECTION *IN LOCO* TO THOKOZA HOSTEL AND PALM RIDGE, IN EKURHULENI METROPOLITAN MUNICIPALITY ON 23 AUGUST 2019, DATED 09 OCTOBER 2019

1. BACKGROUND

The Select Committee on Petitions and Executive Undertakings (Committee), having considered the Ndlovu Petition, referred to the Committee by the Chairperson of the National Council of Provinces (NCOP) on 08 November 2018, for its consideration and resolution, reports as follows:

The Ndlovu Petition (petition) was submitted to the NCOP by Mr Gordon Ndlovu (petitioner). Firstly, the petitioner is lodging a claim in respect of the estate of his late mother, Maria Ndlovu over shop No1, also known as Thothos General Dealer, which was leased to his parents by the City of Ekurhuleni Metropolitan Municipality. The shop was situated within the Thokoza Hostel, Erf 8017.

The second part of the claim is reparation for the damage to their business due to the 1990 unrest-related violence in the Kathorus areas. The petitioner is claiming for reparation and the award of ownership rights (issue of a title deed), in terms of the Conversion of Certain Rights into Leasehold or Ownership Act, No. 81 of 1988 (herein the Conversion Act).

In short, the claim deals with the vandalism of the shop structure and the burning down of the shop during the 1992 political violence, where the Ndlovu family was forced to vacate the shop due to the violence and for safety reasons.

2. HEARING

On 17 July 2019, the Committee held a hearing on the petition at Parliament, where the petitioner and relevant stakeholders were invited. The purpose was to afford the petitioner and relevant stakeholders with an opportunity to make first-hand oral submissions in relation to the subject matter of the petition.

2.1 Committee Members and Officials

The following Committee Members were in attendance:

- 2.1.1 Hon Z V Ncitha, ANC, Eastern Cape (Chairperson);
- 2.1.2 Hon E M Mthethwa, ANC, Kwa-Zulu Natal;
- 2.1.3 Hon S Shaikh, ANC, Limpopo;
- 2.1.4 Hon A B Gxoyiya, ANC, Limpopo;
- 2.1.5 Hon T S C Dodovu, ANC Northern Cape;
- 2.1.6 Hon G Michalakos, DA, Free State; and
- 2.1.7 Hon S Zandamela, EFF, Mpumalanga

The following Committee officials were in attendance:

- 2.1.8 Mr N Mkhize, Committee Secretary;
- 2.1.9 Adv. T Sterris, Committee Researcher;
- 2.1.10 Mr. N Mangweni, Committee Assistant, and
- 2.1.11 Mr M Nkwali, Researcher, Office of the Chairperson of the National Council of Provinces.

2.2 Stakeholders

The following stakeholders were in attendance:

- 2.2.1 Mr G Ndlovu, Petitioner;
- 2.2.2 Representatives from the City of Ekurhuleni Metropolitan Municipality, Mr. M Motsapi (Head of Department, Corporate Legal Services) and Mr. M Mokoena (Manager, Strategic Advancement and Stakeholder Management);
- 2.2.3 Representatives from the Department of Human Settlement, Ms. Z Dhludhla (Chief Director).

3. SUBMISSIONS BY THE PETITIONER

In his submission to the Committee, the petitioner Mr G Ndlovu (Mr. Ndlovu), submitted that the intervention of the Committee will produce a long awaited solution to the problems that has been haunting the black business community in his region and probably the whole of South Africa. He indicated that it should first be able to deal with one matter to be enabled to understand in general how the black business community was also affected by the apartheid laws and political violence that engulfed the region during the political upheavals of the 90's, and all the challenges that persisted thereafter.

In his submission, Mr Ndlovu also informed the Committee that during the apartheid era the permit system influx control, as well as in common law, pre 1984, prohibited black ownership rights of properties in black urban arrears, townships and elsewhere. That various business entities would receive similar permits (1036 Regulations) and would then operate within one building, on one land, and so it was with his case which he indicated that he would like to relate to as it is a perfect example to use to enable everyone to understand exactly what he is referring to, a worst case scenario of the sinister laws of the past regime.

Further, Mr Ndlovu submitted that his mother Maria Thenjisiwe Ndlovu also leased a piece of land from the Municipality where she was supposed to have built a supermarket on Erf 8017 Thokoza, it was a tacit type of lease in that clause (3) of this standard agreement in cases of hostel leases stated that: *The lessee is desirous to erect a shopping unit (herein referred to as 'the building) on the site at her own cost and expense and the lessee undertook to donate the building on completion thereof the site and the building are hereinafter collectively referred to as the property .*

According to Mr Ndlovu, the terms of the duration of the lease as stated in the agreement which stated that: *The lease period shall be for a minimum of 10 (ten) years calculated from the date of signature of this agreement of lease after this agreement shall continue for an indefinite period provided that it might be terminated by either party giving 3 (three) months written notice of such termination to the other party.*

He then pointed out that the term of duration should be understood as to the way these leases were referred to as deed of sales since they were or/ and are equivalent to a title deed, except that the leases were drafted under the influence of apartheid laws. He further touched on the terms of rental, clause 4 (b) which stipulated as follows: *As rental for the property the lessee shall pay to the lessor for the period calculated from the first day of the month following either the month in which the building was completed or the month in which the lessee started to do business on the property, whichever events may first occur, the applicable rental shall consist of the elements:*

- I. *The site rental in respect of the property as promulgated by regulation from time to time, plus*
- II. *Such additional amount as determined by the lessor Director of Technical Services in terms of the following formula with reference to the maintenance fund, insurance and loss of rental, namely:*
 - a) *Maintenance Fund: which was approximately R 86, 46 c*
 - b) *Insurance: R 9, 68c*
 - c) *Reserve for loss of Rental R 80, 00*

Total Monthly premium or rental R 188,82 c monthly

He questioned what the insurance amount was paid for and where this money was allocated to if not in the coffers of the municipality or council. That the terms do not specify if it was also a donation of the apartheid administration. He further questioned the following:

- Does it make any logic if a person will erect a building with own funding and also pay rentals for the same building?
- Did the council claim on behalf of the lessees during the period of displacement as the principal owners of the so-called council owned shops?

- Are these shops still in the National Asset Register as they should be, considering the fact that they were predominantly owned by government prior to the adoption of land acts after 1994?
- Why is the government quiet about the financial institutions which were involved in insuring these properties?

He submitted that in 1990 a survey was done by Mutual and Federal and buildings were valued at R800 000.00, Plant and Machinery was sitting at R50 000 and stock was R60 000 totaling to the amount of R910 000. Further submitting that it is important to note that this kind of lease applied exceptionally to the hostels although the 1036 regularisation applied across all other various leases or shop rentals including shops that were built by the municipality which were let out by the council. In 1992, they were forced to vacate the premises as result of political violence, the building was completely vandalized and they were displaced, and at some point his mother tried to engage the municipality but was sent from pillar to post until she succumbed to stress and depression, and passed on in 2004 whilst they were displaced.

In 2006, they petitioned the municipality requesting reparations and titles deeds, submitting that the municipality and the Petitions Committee (Gauteng Provincial Legislature) did nothing to assist them despite the commitments made by the Department of Finance that all claimants will be considered if they are approved as displaces, the process of verification in this regards was never implemented. Thereafter they escalated their request to the Provincial Legislature but indicated that the administrative processes, resolutions and policies were grossly compromised by these two spheres of government. Informing that while the petition processes unfolded, the following concerns were raised, amongst others:

1. Some of the shops do not appear in the council's finance department accounts database including his 'Thothos General Dealer'. The findings by the Xayiya investigation Task Team Report found that Alberton Town Council's Billing System, at least as it relates to the displaces, to be ineffective and insufficient. Further stated the council does not have a special credit control policy for the displaces and recommendations made by the Task Team in this regard: *the council must work closely with the community of Thokoza and establish a transparent database of all people who were displaced including hostels dwellers as a result of political violence, such a database must accurately show a number of people who were displaced and as to whether they have returned*

or not, this can be done, inter alia by reconciling the statistic of the council with that of community structures, to date none of these resolution were implemented, that is why he strongly believe that the town council finance database was manipulated during the period of violence somewhere in between 1992 and 1996 or so.

2. That even the lease registry of the lease of council-owned shops, is nowhere to be found as it is law that it should be under the custody of the municipality.
3. That some of the shops are still illegally occupied.
4. That most of the shops are still operating under apartheid lease agreements in this day and age and thereby preventing rightful owners from occupying them.
5. That most shops that were vacated during the displacement were billed since and currently owe huge amounts and the municipality is inconsiderate of:
 - I. The Mandela De Klerk Agreement which resulted in the writing off municipal debts from 1984 to 31 January 1994.
 - II. The period of displacement as a result of political violence instead the municipality is handing over such debts to the attorneys
6. That some have already been sold by the municipality without proper procedure or/ and the knowledge of original lessees or first tenants.
7. That the Council seek the blessing of the provincial government to retain some of the so-called council owned shop for the city and not for the initial tenants or lessees.

As for erf 1134 and 1184 Palmridge, he submitted that after the municipality had indicated that the hostel will be refurbished and be converted to family units and that in their IDP they would not cater for independent shops. He informed that he was already residing in Palmridge in 2013 when he was served with an eviction notice. He reported that he responded not only to the municipality but also got the provincial government to intervene and he wrote a letter to the Presidency and the Premiers Office. In the said letter he revoked monetary claim of R1.2 billion and requested a land swap based on his vested rights for erf 8017 Khumalo Street, or that he be given the first option to purchase the property. He then went further and proposed that in

case the money he claimed will be paid to him the price of erf 1134 and 1184 as indicated in remittance advises can be deducted so that he can be paid the difference.

He further reported that he was certain that the said letter was circulated to the Provincial Finance Department as well as in the Local Government Finance Department hence the monthly statements were issued by the municipality with the provincial government as account holder, especially since the site belonged to the province when he resubmitted his claim in 2013. In 2014, he petitioned the Gauteng Provincial Legislature requesting reparations and title deeds. His two evictions were not pursued further and all municipal services were provided for him on site.

In 2016, the site was transferred to the municipality without consideration of his engagement with both the municipality and the province in 2013 and 2014. After the real estate department was established in 2017, in 2018 he was advised by Pieter Grobler to make an application via this new department so that the processes of issuing the title deed would be facilitated, of which he made his submission but instead he was served with an eviction notice in 2018 again and still the difference of the amount he claimed is shut down to date.

Mr Ndlovu pointed out that one of the downside of the municipality functioning is that there is no centralized communication within its departments in that when one department acknowledges progress the other departments would not know or be in direct contradiction with developments in other departments.

In 2017, he was assisted by the Community Development Enterprise or Economic Development which is a subdivision of EMM Finance Department they committed that once the title deed is accessed the department will assist him with invitation of investors to develop the site. Further in 2017, Ekurhuleni EMM Department of City Planning came on site and conducted a survey, further confirming his ownership of the property. And in 2018, the EMM real estate served him with a notice of eviction.

He believed such issues need to be addressed accordingly, if not addressed there will not be harmony within the departments, frustrations to communities will become the order of the day and service delivery will be retarded in general.

In concluding his submission, Mr Ndlovu, requested the Committee to assist in all these challenges he had mentioned and that the Memorandum issued by the Gauteng Human

Settlement in response to the petition he submitted in 2014 to the Committee be implemented accordingly.

Further he requested the Committee to appoint the Task Team that will be assigned to work with the foundation in addressing these challenges once and for all so that they can attain a lasting solution to the strife faced by the business community in their region. He outlined that the Task Team must develop a clear communication strategy with the foundation so that they cover all the aspects of the challenges he had put forward and to produce better results, the foundation can appoint a business community liaison officer who will liaise with the Task Team so that they avoid the appointment of consultants who always work in isolation without involving the affected community of which they seek to assist.

4. SUBMISSIONS BY THE EKURHULENI METROPOLITAN MUNICIPALITY

The oral submissions on behalf of the Ekurhuleni Metropolitan Municipality (Municipality) were led by the Mr M Motsapi (Mr Motsapi) and Mr M Mokoena (Mr Mokoena).

In his submission, Mr Motsapi informed that the municipality was not denying the business relationship with the petitioner and his family with regard to the shop at Thokoza hostel. With reference to the legislative regime operable at the time, the municipality's view with regard to reparations was that checking with the insurance division, the archiving and records management was a big challenge.

Mr Motsapi reporting on insurance, explained that their understanding of the kind of relationship they had with the previous municipality was that there was no property. It was the lessee who was going to construct whatever business that would exist, so it would not have made sense to charge insurance for a building not constructed by the municipality. The insurance seemed to be related to land, because the shop/structure was not necessarily that of the municipality. The ownership thereof should have devolved through the municipality only upon termination of the agreement or conclusion of the lease.

He then reported to the issue of shop ownership and explained that it was a known fact that the Convention Act, the authority to deal with a lease holder rested with the province. Indicating that a process had been undertaken by the department to advertise widely so that families that used to occupy council-owned shops could be facilitated in terms of ownership. Bringing to

the attention of the Committee that the main issue in this matter was the lack of sub-division of the structures on that piece of land. The shop itself was within the Thokoza hostel, and the land was not subdivided. Ownership of the shop could not be given to the petitioner and his family, as it fell outside the remit of the Convention Act. However, indicating that on the area of jurisdiction the municipality had a part to play in identifying council-owned shops, and the list submitted to the province.

In concluding his submission, Mr Motsapi indicated that the Ndlovu claim was evaluated and found to be in order but the only hindrance that had worked against the Ndlovu family was the sub-division of land. There was a complexity created in that the issue was based on how a piece of land could be wholly transferred to an individual when it was occupied by different individuals. However, he made the Committee aware that there is a sectional title ownership concept, which was a process that could be looked at, but at present the decision of the province and municipality was that for any property situated on that land to be transferred, it had to be sub-divided indicating the extent of each erf.

Mr Mokoena in his supplementary submission on behalf of the municipality, informed the Committee that on the issue of reparation, the city was governed by the Municipal Finance Management Act (MFMA) of 2000, and it did not provide for reparation. He further emphasised that due processes were explored to compensate for the damages and losses incurred by petitioners during the unrest of the 1990s. Indicating that one of such processes had been Mr Eric Xayiya's Report that had dealt with the displaced who had left their homes because of the violence, and then had people illegally occupying their properties. Submitting that over 714 people had been identified as displaced, and their homes were in total disrepair. And about 618 had been returned to their homes after they had been repaired and restored to a habitable condition as a consequence of that report. He informed that the municipality was unaware of whether the Ndlovu family took part in that process. The municipalities were not empowered to deal with issues of reparations. The municipality's position was that the Ndlovu claim fell outside its jurisdiction, and it would assist the family to escalate the matter to the relevant authority, which was the Gauteng Provincial Government.

In concluding his submission, Mr Mokoena submitted that the municipality had conducted an audit of the shops that were damaged and illegally occupied, and had been able to invite the original occupants and the numbers had been reconciled. Only those who came forward and took part in the exercise had been accounted for. The city had also taken guidance from the

Truth and Reconciliation Commission (TRC) Act to deal with matters relating to the unrest. Submitting that the municipality had taken the Act as the legal focal point of reference, even though other commissions had been established to deal with the same matter.

5. SUBMISSIONS BY THE DEPARTMENT OF HUMAN SETTLEMENT

Ms Zanale Ndludlu, (Ms Ndludlu) led submissions to the Committee on behalf of the Department of Human Settlement (DHS).

Ms Ndludlu briefly submitted to that the petition by Mr Ndlovu had been received previously from the Gauteng Petitions Committee, and the DHS had responded by indicating that it was guided by the Convention Act to facilitate transfers of business sites and places of worship with people who had lease agreements with the DHS by 1998. Indicating that the Act did not permit financial compensation, but rather addressed issues relating to the transfer of ownership. In following this process, the DHS liaises with the municipalities and demands a list of sites to transfer to individual beneficiaries.

In concluding her submissions Ms Ndludlu, further stipulated that the Act also requires the DHS to advertise such properties widely. Indicating that the Department had a list of about 300 from the municipality which also included residential properties, and business and church sites. The last advert was placed in 2018, but the property that was listed by Mr Ndlovu was not in the advert. Informing the Committee that the property leased to Mr Ndlovu may not have been listed because it was not sub-divided, so it could not be transferred to him. The DHS relied on the list provided to it by the municipalities, and the files included therein. Challenges were sometimes encountered when the files were very old, but even then, the municipality would commission a company to do physical verification of tenants occupying the shops.

6 INSPECTION IN LOCO

After the hearing on the petition on 17 July 2019, the Committee resolved that given the urgency of the situation in which the petitioner find himself, it had to carry out an *inspection in loco* at relevant sites within the Municipality. Accordingly, on 23 August 2019, the Committee conducted the *inspection in loco* within the Municipality and the following Committee Members conducted the *inspection in loco*:

- 6.1. Hon ZV Ncitha, ANC, Eastern Cape (Chairperson);
- 6.2 Hon S Shaikh, ANC, Limpopo;
- 6.3 Hon S Zandamela, EFF, Mpumalanga; and
- 6.4 Hon SE Mfayela, IFP, Kwa-Zulu Natal;

And the aforementioned Members were supported by the following officials:

- 6.5 Mr N Mkhize, Committee Secretary;
- 6.6 Adv. T Sterris-Jaffer, Committee Researcher;
- 6.7 Mr S Makeleni, Committee Assistant; and
- 6.8 Ms F Lombard, Parliamentary Communication Officer

In the company of Members and officials during the *inspection in loco*, the Committee was led by Mr M Mokoena (Strategic Advisor-City of Ekurhuleni) and Mr M Mbatha (Induna for the Thokoza Hostel). It is important to point out that the *inspection in loco* was also attended by Municipality officials and numerous community members.

During the *inspection in loco*, the Committee was led and guided to the following relevant sites:

- Stand 8017 Thokoza Hostel: In the Thokoza Hostel area, the Committee observed and confirmed the vandalism of the shop structure itself was within the Thokoza hostel, erf 8017.
- Illegal occupied sites erven 1184 and 1134 in Palm Ridge Extension 1: The Committee was informed by a gentleman occupying one of the sites that the matter relating to both sites is subjudice. The Committee also noted that erf 1184 was 1482 kilometres squared, while erf 1134 was 7280 kilometres squared.

Following the inspection *in loco*, the Committee proceeded to have a debriefing at the Thokoza Customer Care, in the of City Ekurhuleni Metropolitan Municipality, Gauteng Province.

7. DEBRIEFING

The purpose of debriefing was to allow the petitioner and the of City Ekurhuleni to present progress reports to the Committee on the issues raised during its first petition hearing on 17 July 2017, held at Parliament.

7.1. Stakeholders

The following stakeholders attended the hearing on the petition:

7.1.1 Mr G Ndlovu, Petitioner;

7.1.2 Representatives from the City of Ekurhuleni Metropolitan Municipality; Mr. M Mokoena (Manager, Strategic Advancement and Stakeholder Management); Ms M Dubazane (Senior Specialist Land Development Planning); Mrs. NP Mafadza-Tshifars (Legal Advisor), Ms MO Nkotsoe (Legal Advisor), Ms IJ Pillay (Acting Manager Real Estate); Mr ZM Nduma (Acting Divisional Head_ Real Estate); Ms N Ntswaki (Town Planner) and Mrs. B Motimone (Land Surveyor); and

7.1.3 Representatives from the Thokoza Hostel, Mr. M Mbatha (Induna for the Thokoza Hostel)

7.2. Submissions by the Petitioner

Mr G Ndlovu (Mr Ndlovu) briefly expanded on his previous submission made to the Committee. He commenced his submissions by informing that stand 8017 Thokoza hostel was operated by Thothos General Dealer through a lease agreement with the municipality. During the violence of the 90's they were forced to vacate the premises and the property was extensively vandalized, no further business operations have been undertaken on the said premises as a result of displacement.

According to Mr Ndlovu, in 1988 the Conversion Act was enacted in terms of which lessees in government owned properties in marginalized townships could be granted freehold right.

Mr Ndlovu further informed that upon attempting to lodge a claim for the transfer of erf 8017 Thokoza hostel it became apparent that the municipality had plans to refurbish the hostel into "family units" which plans did not include individually owned shops as a result Thothos General Dealer's vested rights were unfairly compromised.

Mr Ndlovu reported that during 2011, he occupied erf 1134 and 1184 Palm Ridge Extension 1 with a view of operating a “Multidisciplinary Centre” thereon, with the intervention of the provincial government erf 1134 was serviced with water and 1184 with water and electricity,

Mr Ndlovu further informed, that in 2017 Ekurhuleni Municipality Department of City Planning conducted a survey and thereby confirming his occupation and ownership of the property. He indicated, that he had requested to be granted a title deed as a substitute for erf 8017 which was as a result of the Council’s Integrated Development Plan’ was no longer available for business purposes, and he believes that this is an amicable outcome for all parties involved.

Mr Ndlovu further reported that based on the insurance paid directly to the municipality as per lease agreement, the issue of compensation for the building, equipment and loss of income as a result of political upheavals will be addressed separately.

In concluding his brief submissions, Mr Ndlovu cited *Chapter (2) section 25, subsection (5) read with (6), (7) and (8) of the Constitution of the Republic of South Africa*, stating that no one may be deprived of property except in terms of general application, and no law may permit arbitrary deprivation of property.

- *Subsection 5: The state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizen to gain access.*
- *Subsection 6: A person or community whose tenure of land is legally insecure as a result of past racially discriminatory laws or practices is entitled to the extent provided by an Act of Parliament either to tenure which is legally secured or to comparable redress.*
- *Subsection 7: A person or community dispossessed of property after June 1913 as a result of past racially discriminatory laws or practices is entitled, to the extent provided by an Act of Parliament, either to restitution of that property or equitable redress.*
- *Subsection 8: No provision of this section may impede the state from taking legislative and other measures to achieve land, water and related reform, in order to redress the results of past racial discrimination.*

7.3 Progress Report by the City of Ekurhuleni

Submissions on behalf of the City of Ekurhuleni (City) were led by its Legal Services and, the Town Planner officials. And in their brief submissions, they responded to the issues raised in the petition.

It was firstly submitted, that the City officials on the 31 July 2019 undertook a site inspection to qualify and confirm the whereabouts of the shops/ demolished building and assess the illegal occupied sites at erven 1184 and 1134 in Palm Ridge Extension 1.

The Committee was informed that the following City officials participated in the site inspection, City Planning, Real Estate, Human Settlement, Office of the City Manager and Corporate Legal Services. Following the site visit, they agreed on the following table to address the issues regarding the petition (Progress Report).

<p>Consolidation of the ervens/ stands</p>	<p>City Planning Dept.</p>	<p>To explore possibility of consolidating the two stands and made them avail for swop transaction.</p>	<ul style="list-style-type: none"> • The erven namely: Erven 1134 & 1184 proposed for consolidation are located at Palm Ridge Extension 1. Erf 1184 is zoned for Social Services; while Erf 1134 is zoned Business 2 respectively • Both Erven are owned by Council. However, for them to be consolidated Erf 1184 zoned for Social Services will first need to be rezoned to Business 2 so as to give it business rights as required by Mr Ndlovu. • The rezoning and consolidation of properties can only be attended once the Real Estate Department has resolved to proceed with the proposal for swop transaction
---	----------------------------	---	---

Proclamation of the township	City Planning Dept	To investigate whether the area where these stands are situated (Palm Ridge Ext) is proclaimed.	<ul style="list-style-type: none"> • The township has been proclaimed.
-------------------------------------	--------------------	---	---

In concluding its brief progress report, the Committee was informed that the following response was provided by the said Insurance and Risk Division on the 5th August 2019:

- *Pre Ekurhuleni Metropolitan Municipality being promulgated into existence. All former township councils were amalgamated with the nearest larger municipality. In this instance Thokoza was amalgamated with Alberton Municipality.*
- *If any claims were made at the time it would have been dealt with either the Thokoza or Alberton Municipalities.*
- *When Ekurhuleni Metropolitan Municipality came into existence in 2000, all the insurance portfolios were pooled into one but only active claims at the time were taken on and processed through settlement, rejection or prescription.*
- *The City does not have record of any claims relating to this petitioned matter.*

It was pointed out that should a claim be made at that moment; the Insurance Section would not be able to deal with such a claim for three reasons namely:

The claim would have prescribed in view of the notice of intent to institute claims against an organ of state and legislation which states that such notice has to be filed within three months from date of incident.

Secondly, if such notice was filed the claim would have prescribed since it was not made within three years from date of loss. Finally, if both the above conditions were not met the claim would not be entertained by any underwriter which has underwritten CoE since coming into existence because the retroactive date issued on liability claims is 2002.

8. OBSERVATIONS AND KEY FINDINGS

The Committee made the following observations and key findings in relation to the various submissions made in relation to the subject matter of the petition:

- 8.1 According to Mr Ndlovu, in 2006, the Department of Finance made a commitment that all claimants will be considered if they are approved as displaces, the process of verification in this regards were never implemented at all. In 2017, Ekurhuleni EMM Department of City Planning came on site and conducted a survey, confirming his ownership of the property.
- 8.2 Mr Ndlovu informed that upon attempting to lodge a claim for the transfer of erf 8017 Thokoza hostel it became apparent that the municipality had plans to refurbish the hostel into “family units” which plans did not include individually owned shops as a result Thothos General Dealer’s vested rights were unfairly compromised. However, it was indicated to him that procedurally the access of title deed was to be facilitated by the municipality.
- 8.3 Mr Ndlovu indicated that he had requested to be granted a title deed as a substitute for erf 8017 which was as a result of the Council’s Integrated Development Plan’ was no longer available for business purposes, Mr Ndlovu believe that this is an amicable outcome for all parties involved.
- 8.4 Mr Ndlovu requested the Committee to appoint the Task Team that will be assigned to work with the foundation in addressing these challenges once and for all so that they can attain a lasting solution to the strife faced by the business community in they region.
- 8.5 Mr Ndlovu informed that upon attempting to lodge a claim for the transfer of erf 8017 Thokoza hostel it became apparent that the municipality had plans to refurbish the hostel into “family units” which plans did not include individually owned shops as a result Thothos General Dealer’s vested rights were unfairly

compromised. However, it was indicated to him that procedurally the access of title deed was to be facilitated by the municipality.

- 8.3 Representatives of the City of Ekurhuleni Metropolitan Municipality submitted that the claim had been evaluated and found to be in order, and the only hindrance that had worked against the Ndlovu family was the sub-division of land.
- 8.4 The Municipality advised that there is a sectional title ownership concept, which was a process that could be looked at, but at present the decision of the province and municipality was that for any property situated on that land to be transferred, it had to be sub-divided indicating the extent of each erf.
- 8.5 The City of Ekurhuleni, submitted that on the issue of reparation, the city was governed by the Municipal Finance Management Act (MFMA) of 2000, and it did not provide for reparation.
- 8.6 The City has established a multi department team (Legal, City Planning and Real Estate) to look at all intricacies regarding possible swop. The City indicated that through the council make a decision on this land swop proposal as a way of concluding this petition.
- 8.7 Department of Human Settlements submitted that it mandated and rely on the list that they receive from the municipality. The Convention Act did not permit financial compensation, but rather addressed issues relating to the transfer of ownership.

9. **RECOMMENDATIONS**

- 9.1 The municipality to expedite settlement negotiations on the piece of land it promised to be transferred to the Ndlovu family by reaching an amicable outcome for all the parties involved. This is in terms of the proposal to consolidate and rezone the erven.

- 9.2 The Committee concluded that a time frame of four months be given within which the municipality should report back to the NCOP on the outcome of the settlement negotiations. This should be done by providing the NCOP with a progress report within 120 days of the tabling of this Report in the House.
- 9.3 In the process leading to the four-month period stipulated in recommendation 9.2, the municipality is requested to provide the NCOP with a monthly progress report indicating steps the municipality has taken to facilitate and action the proposed settlement negotiations with the Ndlovu family. This should include the following:
- Progress on engagement with the Department of Human Settlements in terms of the conversion of the erven; and
 - Progress on engagement with the Department of Real Estate on the proposed process for the swop transaction.
- 9.4 Municipality should also provide the Committee with time frames within which rezoning the erven would take place. Since it is estimated that the entire process of rezoning would take 4 months to finalise, the Municipality should provide the Committee with up to date monthly reports on rezoning the erven.

Report to be considered

2. REPORT OF THE SELECT COMMITTEE ON PETITIONS AND EXECUTIVE UNDERTAKINGS ON THE EXECUTIVE UNDERTAKINGS MADE BY THE MINISTER OF HUMAN SETTLEMENTS DURING THE HOUSE SITTING OF 6 JUNE 2017, DATED 9 OCTOBER 2019

1. BACKGROUND

On 6 June 2017, the Honourable Minister of Human Settlements (Minister) made the following executive undertakings during the Policy Debate on Budget Vote: Human Settlement held on 6 June 2017 in the National Council of Provinces (House):

- 1.1 Executive Undertaking 1: **“Working together with the Departments of Rural Development and Land Affairs and Public Works we will establish in collaboration with municipalities, land that will be serviced and this will be a priority for our municipalities to ensure that it is serviced and there is sufficient infrastructure.”**
- 1.2 Executive Undertaking 2: **“In a situation where people live in dire circumstances, we’ll have a phased approach, very similar to the once that we have and lessons learnt on the N2 Gateway Project.”**
- 1.3 Executive Undertaking 3: **“We would make sure that we have preferred material suppliers-we will list the material required and ensure that this is closely monitored so that we can transform that sector as well. At the moment we are held hostage by a monopoly over our material suppliers.”**
- 1.4 Executive Undertaking 4: **“We would also like to make sure that we insist on innovative material and technologies. This will form a greater part of our new approach because it faster, eco-friendly and cheaper in the long run.”**
- 1.5 Executive Undertakings 5: **“We will be conducting an audit of all blocked projects that you complained about last year and recall the contractors who left projects unfinished. Where necessary, we’ll take legal action to force the contractors to build and complete those projects.”**

- 1.6 Executive Undertakings 6: **“We have taken a decision to partner with the CSIR to ensure that we can provide solar panels for those houses where lack of electricity has stopped us from allocating houses.”**
- 1.7 Executive Undertakings 7: **“Our communications Team will ensure that the details of the visits to each area or village are announced ahead of time so that people know when the mobile unit will be in their area.”**
- 1.8 Executive Undertakings 8: **“The second phase of prioritization of investment will be social housing and the third phase will be informal settlement upgrading and using the municipalities, particularly the USDG.”**
- 1.9 Executive Undertakings 9: **“Chairperson, we come back to the thorny issue of title deeds, when I had the occasion here before you I explained that I have established a Ministerial task team that has taken over the responsibility that we had given to the EAAB to clear the backlog.”**
- 1.10 Executive Undertakings 10: **“We have now decided that we will have a proper monitoring device to ensure that the money that is given to the Metros for the USDG does the work that it is supposed to do.”**
- 1.11 Executive Undertakings 11: **“A Framework Agreement on the Establishment of a Government Employees Housing Scheme is welcome news, and was signed with the Public Service Co-ordinating Bargaining Council in 2015. We have now taken it over back to human settlements and the ultimate goal is to make sure that we can assist all government employees to own homes.”**

2. PROCEDURE OF THE COMMITTEE

The concerned executive undertakings were referred to the Select Committee on Petitions and Executive Undertakings (Committee) by the Chairperson of the National Council of Provinces, on 12 June 2017, for it to scrutinise and subsequently report to the House on their implementation.

After their referral to the Committee, proceeded to extend an invitation to the Minister to appear before it and report on the progress made by the Department of Human Settlement (Department) in implementing the concerned executive undertakings, which falls under its respective portfolio.

3. MEETING OF THE COMMITTEE

On 5 September 2019, relevant officials of the Department appeared before the Committee to report on the progress made in implementing the executive undertakings under consideration.

The following Committee Members were present at the meeting with the relevant officials of the Department:

- 3.1 Hon Z V, ANC, Eastern Cape (Chairperson);
- 3.2 Hon S Shaikh, ANC, Limpopo;
- 3.3 Hon M P Mmola, ANC, Mpumalanga;
- 3.4 Hon A B Gxoyiya, ANC, Northern Cape;
- 3.5 Hon S Zandamela, EFF, Mpumalanga; and
- 3.6 Hon S E Mfayela, IFP, KwaZulu-Natal

The Committee Members present, at the meeting, were supported by the following Committee officials:

- 3.7 Mr N Mkhize, Committee Secretary;
- 3.8 Adv. T Sterris; Committee Research;
- 3.9 Mrs N Fakier; Executive Secretary;
- 3.10 Ms F Lombard; Communication Services; and
- 3.11 Mr M Nkwali, Researcher, Office of the Chairperson of the National Council of Provinces.

The following representatives of the Department of Human Settlements appeared before the Committee during the meeting:

- 3.12 Mr. M Tshangana, Director General,
- 3.13 Mr W Jiyana, Chief Director, Stakeholder and Intergovernmental Relations

3.14 Ms S Taitai, Parliamentary Officer;

4. PROGRESS REPORT BY THE DEPARTMENT OF HUMAN SETTLEMENTS

In their progress report to the Committee, the relevant Officials reported as follows:

4.1 Executive Undertaking 1:

Submissions by the Department of Human Settlements (Department) were led by Mr M Mbulelo (Mr Mbulelo) and Mr W Jiyana (Jiyana). In his oral submissions, Mr Jiyana commenced by informing, that there was a Land Task Team, chaired by the Deputy President, supported by officials from the Department of Public Works and the Department of Land Reform (DRDALR). He reported that a decision was taken on which parcels of land should be transferred to the Department Human Settlement and Land Reform. Reporting that a comprehensive land audit has also been undertaken by DRDALR which will allow for property assessment and release of state land and property at the National sphere The challenge the Department had to consider was to avoid to publish this information to the public since there was the issue of land grabs.

The presentation tabled before the Committee outlined the current status, indicating that a Joint Coordinating Committee on Land has been established which includes Departments of Public Works, Rural Development, Agriculture and Land Reform, Public Enterprises, Transport and Co-operative Governance and Traditional Affairs. All applications for release of land is assessed and recommended for release by the custodian department for Department development. Further informing that the relevant Provinces and Municipalities have also been directed to undertake such processes, with limited success. The Gauteng Department of Human Settlements has however undertaken a process for release of state land and properties for release. To date, 11 743 hectares of public (national and provincial) including municipal land has been identified to support the programme. The identified land can yield 121 898 units.

4.2 Executive Undertaking 2:

Mr Jiyana then took the Committee through the progress made with the N2 Gateway Project in Cape Town, informing that the Department has now also started in Cosmo City and Durban. Informing that the recommendations of the evaluations have been applied in order to improve project outcomes and this includes transformation of current spatial status. Indicating that this

has now resulted in more intensive and focused implementation of the Catalytic Projects Programme and that 48 projects are currently in various stages of planning or implementation. In addition, focused grants have and are being introduced to ensure households living in informal settlements and more dire precarious circumstances are prioritised.

In its presentation, regarding the next step, the Department indicated that the Provinces and Municipalities are being monitored to ensure that ISUG and Emergency Grant applications are able to achieve required outcomes and this includes required business plans.

In respect of the IRDP, the Provinces have been directed to ensure that priority is given to ensuring implementation of the Catalytic and Mega Projects.

4.3 Executive Undertaking 3:

Mr Jiyana then touched on the issue of material supply, indicating it been a challenge since manufacturers preferred to supply the bigger chain stores, which had the advantage of buying in bulk. Suggesting that the Department will consider looking to smaller manufacturers for better offers as well use alternative building materials. Further indicating, that this has been done in the Eastern Cape, and it been successful in the Nelson Mandela Metro and Delft (Cape Town) where about 2 000 units had been built through the CSIR. And the Department was now looking at doing this on a more expansive scale. Thus an Emergency Housing Grant and Informal Settlements Upgrading Grant has been established and implemented and in the case of the ISUG it is in its window period.

According to the Department presentation, it has commenced with a process to evaluate the procurement processes being applied in the Provinces and Municipalities. This is to ensure that there is compliance with the provisions of required socio-economic directives focused on empowerment and eradication of cartels and monopolies in the delivery chain. It further stated that the Chief Procurement Office will be enlist to provide guidance, advice and support in the monitoring of Provincial and Municipal procurement in the human settlements delivery chain.

The presentation further stated that a required and feasible process are envisaged to include the designation of material supply. Further indicating, that the Minister has already issued directives that all Provinces and Municipalities utilising Departmental grants ensure that a minimum of 30% is allocated to women enterprises and 10% to youth enterprises, across the

delivery chain. Provinces and Municipalities required to submit monthly reports to both the DG and Minister.

It was then reported that once complete the evaluation is expected to allow for the Minister to issue further directives to transform the economic aspects of the sector. This is expected to be completed in the 2020/21 financial year

4.4 Executive Undertaking 4:

It was reported to the Committee, that the Department had a bilateral agreement with the Department of Science and Technology and other Departments, like the Department of Environmental Affairs through the Council for Scientific and Industrial Research (CSIR), in attempt to secure better building materials.

The presentation indicating, that the CSIR in partnership with the Department and the NHBRC has undertaken research on the general priorities, barriers in the utilisation of alternative technologies, built a database, identified shortages on areas that need immediate intervention in each Province as, benefits and impact as well as how to scale up and implement alternative technologies. The research also advises on the regulations and approval methods for any innovative technology in the Human Settlement Sector. The Department, NHBRC and Department of Environmental Affairs have started engagements on the green house building as well as implementation of flagship projects that aims for a transition into a low carbon and climate resilient economy and society that can be achieved through the Climate Change Flagship Programme which aims to respond to these issues at a national scale.

It was further submitted that the Department had to compare the current systems, like geysers on roof tops, where the Department was not sure if they were the right weight for the building structures that they were on top of. The agreement was meant to look into these kinds of issues. The Department informed that it will also be rolling out a community education programme on these changes for the next two months, which would be presented to Parliament for adoption.

The Department then indicated a way forward, informing that a roadmap is almost complete, the draft document is to be presented to both the DST and NDHS/ WS management for endorsement and incorporation in the Policies of the Department to ensure implementation and inclusion in the MTSF (deadline for the presentation is 30 September 2019).Further indicating, that the MinMec has to approve the Guidelines for the implementation of already approved

technologies for the building of a house and other alternative technologies that may be considered to reduce greenhouse gas emissions in respond to climate change in collaboration with DEA (deadline for approval is 2nd date of the next MinMec).

The Department progress report informed, that it held discussions with the DEA, KZN Provincial Department of Human Settlements and its Municipalities to start implementing flagship programme on new projects to ensure compliance with the DEA regulations on climate change. The Province and Municipalities had agreed to develop new guidelines that will inform all future projects and draft proposals that DEA may apply for external donor funding to ensure that the proposals are approved. Further, it was agreed that Greater emphasis needs to be placed on Environmental Impact Assessment protocols. Climate Change and environmental issues need to be dealt with at TEC level in which there will have to be climate control and compliance. From the roundtable discussion with the sector, the Department has to propose for approval by a management an implementation plan taking into account the responses from the roundtable. The deadline for the approval is 30 September 2019.

4.5 Executive Undertaking 5:

According to the Department presentation, a desktop audit on blocked projects has been concluded. The individual Provinces and Municipalities have been consulted and they confirmed that various audits have been undertaken and that they will do the categorization of blocked projects, which includes Eastern Cape in the Nelson Mandela Metropolitan Municipality (Rectification), the Gauteng Province (Hostel Redevelopment and CRU) (Transit Camps) and EThekwin Metropolitan Municipality.

The Department presentation then informed, that it is currently considering converting all blocked projects, based on categorization, into a national programme, then undertake a recon between the HSS and project based information, undertake a costing it and then enforce its implementation through a directive. The timeframe for activating outstanding project categories is 2020/21.

4.6 Executive Undertaking 6:

In its presentation, the Department informs that a formal agreement with the Department of Energy has been entered into. And Work is being conducted to ensure solar panels used are right for the roof structure. NHBRC is looking into compliance matters that should not adversely affect the structure.

Further informing, that solar lighting is being pursued as discussed in the Green House concept with Department of Environment.

4.7 Executive Undertaking 7:

According to the Department progress report, it has established an IGR Communications Task Team which manages the process of both Ministerial and Entity outreach coordination. The NHBRC has been requested to consider the procurement of an additional mobile unit in order to ensure more regular and frequent visits. The mobile unit currently in place allows communities where it visits to be provided with information and assistance on all of the Department and Entity programmes.

The presentation further informs, that Director-General has issued a directive to entities that there is a process of streamlining transversal services and this includes communication, outreach and training and empowerment initiatives through the use and application of mobile services. Reporting, that currently the Department, Provinces, Municipalities and Entities have wide variety of programmes to provide communities with information and in instances training.

4.8 Executive Undertaking 8:

It was reported to the Committee, that based on a revision of the Departmental capital funding architecture, a dedicated fund for the provision of affordable rental housing. This is the Consolidated Capital Grant, managed and implemented by the SHRA with Provinces and Municipalities. In addition an Informal Settlements Upgrading Grant will come into effect in 2020/21, to upgrade and provide basic services, infrastructure and housing-This grant has been incubated and created out of the HSDG and USDG

The establishment of the Human Settlements Development Bank will ensure that top-up funding for projects is accessed. An impact evaluation will be undertaken in order to remove weaknesses and capitalize on the strengths of the funding of the programmes

4.9 Executive Undertaking 9:

It was reported, that the challenge with title deeds faced by the Department, lay in the processes. Citing a slow/no coding been done leading to non-formal registration of some properties in the townships, some going as far back as 1997. It was submitted that a Ministerial Task Team was

established in order to assist Provinces and Municipalities in removing legal, administrative, regulatory and compliance backlogs.

The Department further reported that it is in consultation with National Treasury to extend the term of the Title Deeds Restoration Grant. In doing so more stringent accountability and responsibility will be assigned to Executive and Accounting Officers. And an operational provision has also been put in place to allow for a supplementation of capacity in the National, Provincial and Municipal spheres to ensure required performances.

4.10 Executive Undertaking 10:

The Department has indicated that it had set itself target for streamlining a portion of its grants to specific grants. One was for title deeds, and another was for informal settlements' upgrading. These grants were meant to target specific spaces, and would force provinces that tended to divert grants to other areas instead of the specified areas to act according to what they were expected to do. Indicating in the presentation, that these will be achieved by following proper monitoring device that will ensure the following:

- USDG grant framework be more clearly defined outputs
- USDG performance measurement indicators should outline in the Monitoring, Evaluation and Impact Assessment (MEIA) framework.
- The implementation guidelines for the 2020/24 MTSF period
- USDG indicators available in the MEIA system for reporting
- Quarterly performance review sessions be held with the Metros
- Bi-annual project level monitoring exercises conducted in Metros
- Bi-annual round table discussions held with Metros

Further indicating, to undertake an evaluation to determine effectiveness of the measures in order to achieve the required targets, outputs and outcomes. The Department's solution had been to place these grants under Division of Revenue Act (DORA) in order to ensure that there was compliance with how the grants were spent. And further meant that they were within the scope of the Auditor General.

4.11 Executive Undertakings 11:

The presentation informed, that an institutional arrangement to implement are still to be finalised. In the interim, DPSA is coordinating the GEHS. At end of March 2019, 11 630 housing loans worth R7 129 713 294 (R7.1bn) were granted, with Individual Link Saving Facility (ILSF) has a balance of R7,3 billion and 7, 960 government employees have benefitted. There are 288 968 (45, 12%) of government employees are renting while 600 645 employees are registered as home owners and as a result are receiving a housing allowance.

The presentation further informed, that the implementation arrangement to be finalised between National Treasury, Department of Public Service Administration and National Department of Human Settlements.

5. OBSERVATIONS AND KEY FINDINGS

In noting the progress report given by the officials in relation to the implementation of the executive undertakings under review, the Committee made the following observations and key findings:

- 5.1 The Committee resolved, that the Department had to look into time frames regarding it outcomes of it projects.
- 5.2 The Committee observed that it preferable if the Department made presentations that had information specific to all provinces.
- 5.3 The Department had undertaken the task of doing a cost analysis of building materials. There had not been an advocacy campaign to educate people on the availability of Government Employee Housing Scheme, so many governments employees did not know that this was a viable option that they could exploit.
- 5.4 The problem with title deeds that faced the Department, lay in the processes, meaning that no coding had been done and for this to be done, the area had to be retrofitted.

6. RECOMMENDATIONS

- 6.1 The Department to expedite the process of attending to the following projects:
- The implementation of housing loans/human settlement funds to government employees who do not qualify for RDP housing.
 - That a Ministerial Task Team be established to assist provinces and municipalities to expedite the processes of the registration of title deeds by removing excessive bureaucracy compliance.
- 6.2 The Municipality is to ensure there is greater transparency and openness in relation to the allocation of RDP houses, by developing and implementing a mechanism that is aimed at addressing the maladministration and inefficiencies plaguing the allocation of RDP houses.
- 6.3 The Department is to ensure local beneficiation, in the local procurement of building material in recommendation 6.2 and community development in its building projects. To provide assistance and support to local suppliers in relation to the registering of the Centralised Supplier Database and ensure there is greater transparency and communication in relation to its procurement processes.

Report to be considered.

3. REPORT OF THE SELECT COMMITTEE ON PETITIONS AND EXECUTIVE UNDERTAKINGS ON THE EXECUTIVE UNDERTAKINGS MADE BY THE MINISTER OF SOCIAL DEVELOPMENT DURING THE HOUSE SITTING OF 7 JUNE 2017, DATED 9 OCTOBER 2019

1. BACKGROUND

On 7 June 2017, the Honourable Minister of Social Development (Minister) made the following executive undertakings during the Policy Debate on Budget Vote: Social Development held on 12 June 2017 in the National Council of Provinces (House):

- 1.1 Executive Undertaking 1: **“Through this budget, we will continue to invest in the improvement of pay point infrastructure. We intend to use this investment to stimulate further local economic development, by way of introducing alternative pay points and local health shops.”**
- 1.2 Executive Undertaking 2: **“Our long term goal is to ensure that we render services to our people in better conditions, which uphold human dignity. In this regard, we will continue to work hard to ensure that long queues, dilapidated and inaccessible buildings, particularly for persons with disabilities are thing of the past.”**
- 1.3 Executive Undertaking 3: **“We will during the course of this financial year and over the *Medium Term Expenditure Framework*, MTEF, period focus on deepening comprehensive social security as part of implementing outcome 13.”**
- 1.4 Executive Undertakings 4: **“On a related matter, I would like to inform this House that we have been allocated a conditional grant of R181 million to absorb 556 social work graduates in this financial year. We will sustain this number over the MTEF period. We have requested all MECs and heads of departments to move with sense of urgency on this matter.”**

- 1.5 Executive Undertakings 5: “We will implement the recommendations of the Ministerial Committee on Foster Care. These include strengthening parental support for foster parents, prevention and early interventions, as well as exploring the feasibility of specialized foster care services.”
- 1.6 Executive Undertakings 6: “Over the MTEF period, a conditional grant to the value of R812 million has been allocated for the expansion of ECD services, focusing on rural and informal settlements. The allocation for this financial year is more than R317 million.”
- 1.7 Executive Undertakings 7: “To this end, we will introduce the Social Service Practitioners Bill to Parliament. The Bill seeks to regulate all social service practitioners, and includes measures to support emerging professionals in the sector.”

2. **PROCEDURE OF THE COMMITTEE**

The concerned executive undertakings were referred to the Select Committee on Petitions and Executive Undertakings (Committee) by the Chairperson of the National Council of Provinces, on 12 June 2017, for it to scrutinise and subsequently report to the House on their implementation.

After their referral to the Committee, proceeded to extend an invitation to the Minister to appear before it and report on the progress made by the Department of Social Development (Department) in implementing the concerned executive undertakings, which falls under its respective portfolio.

3. **MEETING OF THE COMMITTEE**

On 5 September 2019, relevant officials of the Department appeared before the Committee to report on the progress made in implementing the executive undertakings under consideration.

The following Committee Members were present at the meeting with the relevant officials of the Department:

- 3.1 Hon Z V, ANC, Eastern Cape (Chairperson);
- 3.2 Hon S Shaikh, ANC, Limpopo;
- 3.3 Hon M P Mmola, ANC, Mpumalanga;
- 3.4 Hon A B Gxoyiya, ANC, Northern Cape;
- 3.5 Hon S Zandamela, EFF, Mpumalanga; and
- 3.6 Hon S E Mfayela, IFP, KwaZulu-Natal

The Committee Members present, at the meeting, were supported by the following Committee officials:

- 3.7 Mr N Mkhize, Committee Secretary;
- 3.8 Adv. T Sterris; Committee Research;
- 3.9 Mrs N Fakier; Executive Secretary;
- 3.10 Ms F Lombard; Communication Services; and
- 3.11 Mr M Nkwali, Researcher, Office of the Chairperson of the National Council of Provinces.

The following representatives of the Department of Social Development appeared before the Committee during the meeting:

- 3.12 Mr. M Ton, Director General,
- 3.13 Ms C Nxumalo, Deputy Director-General, Welfare Services,
- 3.14 Ms D Dunkerley; Executive Manager for Grants Administration; South African Social Services Agency (SASSA),
- 3.15 Ms B Sibeko, Deputy Director General, Comprehensive Social Security;

4. PROGRESS REPORT BY THE DEPARTMENT OF SOCIAL SETTLEMENTS

In their progress report to the Committee, the relevant Officials reported as follows:

- 4.1 Executive Undertakings 1:

Ms Dianne Dunkerley (Ms Dunkerley), commenced her submissions, stating that there have been interventions put in place in an effort to address the challenges that had happened at SASSA pay points. Reporting that the Agency had stopped its contract with CPS in September 2018. Indicating, that most South Africans used cash pay points, and CPS had been servicing around 10 000 of these cash points. Further indicating, that since the exiting contract, only around 2 000 of those cash points were being serviced. She then informed that part of new agreement with the post office was finding ways to reduce the risk that was associated with having cash pay points.

4.2 Executive Undertakings 2:

The Agency reported it had yet to find a plan that would adequately address the issue of long queues. The Agency was resolute that beneficiaries tended to withdraw all of their funds at once, hence the very long lines at the first of every month. And added that working with the post office will see gradual improvement in addressing the problem. But indicating, that one need to take into account that the further hindrance is the increase in population meant an increase in the number of applicants. Unfortunately, however, based on the SASSA budget, that did not mean an increase in the number of trained staff to help with the queues.

In November 2016, the Department tabled the Consolidated Government Paper on Comprehensive Social Security at the NEDLEC, paving way for consultation process among the social partners.

NEDLAC has since established a Task Team on Comprehensive Social Security, in which all the constituencies (Government, business, community and labour) are represented to engage on the challenges, gaps and recommendations contained in the government paper. The robust engagements with social partners are expected to result in positions that will shape and transform our social security system.

In April 2018, NEDLAC indicated “in principle” support for the proposal social security reforms, and proposals for refinement and confirmation of some of the fiscal and economic implications. The detailed report was submitted to the Minister of Social Development.

The Department submitted that to address suggested refinements, Government has partnered with the ILO to update and finalise the policy proposals, while NEDLAC has also commissioned various research to assess the fiscal and economic impacts of the proposals. The

research is expected to be completed during 2019/20, and the results incorporated into final policy proposals for Cabinet consideration.

Furthermore, on 06 December 2017 Cabinet approved the submission of the Social Assistance Amendment Bill, 2018 to Parliament for further processing.

The objects of the Social Assistance Amendment Bill, 2018 are as follows:

- *To empower the Minister, with the concurrence of the Minister of Finance, to make additional amounts available to social grants. This provision will enable the Minister to legally vary the amounts paid for social grants, e.g. the R20 extra paid on the Old Age Pension for those over 75 years of age. In addition, it will enable the Minister to implement an increased payment on the CSG for orphan children in the care of family members as well as children in the Child-Headed Households. This policy was approved by Cabinet in 2017, and will provide some relief to foster care system and orphans who can't access the higher value of foster care grant.*
- *To repeal the process of reconsideration within the South African Social Security Agency and provide for the direct appeal to the Independent Tribunal for Social Assistance Appeals by an applicant or beneficiary thereby expediting the process of recourse to administrative justice.*
- *To introduce the Inspectorate for Social Assistance as a Government Component as opposed to a Government Department as it currently is depicted and align it to the Public Service Act. The Inspectorate was created under the provisions of section 24 of the Social Assistance Act.*

4.3 Executive Undertaking 4:

The progress made in relation to the fulfilment of this particular executive undertaking can be summarised as follows:

During the 2017 Medium Term Strategic Framework a conditional grant to the value of R591 269 million was approved to be implemented over the three-year period commencing 2017/18 to 2019/20. Funds would therefore be spent as follows during the MTEF period

- 2017/18 = R181 million
- 2018/19 = R196 million

- 2019/20 = R212 million

The grant was as a result of the suspension of recruitment of new students in the scholarship programme over the same period, which resulted in funds being allocated towards employment of graduates. This grant prioritised social work graduates who benefitted from the departmental scholarship programme.

Provincial departments of Social Development commenced with implementation of the grant and therefore had the responsibility to recruit and place graduates based on their needs assessment. All graduates were employed during the 2017/18 financial year with full entry level salary packages. All other provinces appointed graduates on permanent basis Only Western Cape employed graduates on contract (due to the unavailability of vacant funded posts in the staff establishment). The same number of graduates employed in 2017 were carried over, implying that no other graduates were employed in 2018/19.

As at end March 2019, a total of 746 social work graduates were employed through the grant, an increase of 82 more graduates from the initially targeted number of 566. Limpopo province was able to increase its target to 209 due to savings accrued from the implementation in 2017/18. The savings were as a result of some graduates not taking all benefits in their salary packages. The financial year 2019/20 is the last year of the three-year cycle of implementation of this grant. Approval was therefore granted that the grant been transferred to provincial departments as part of the baseline budget for compensation of employees. This implies that funds are included in provincial departments' personnel expenditure.

4.4 Executive Undertaking 4:

The progress made in relation to the fulfilment of this particular executive undertaking can be summarised as follows:

1. Strengthening parental support for foster parents:

- i) The Department began to strengthen parental support for foster parents through the engagement of foster parents through intergenerational dialogues. The foster parents are being trained on parenting programmes to support them in their parenting roles and responsibilities. Parental programmes includes, parenting for teenagers and families matter programme amongst others.

2. Strengthening prevention and early intervention:

- ii) The Department is engaged in processes that contribute toward strengthening the prevention and early intervention services and has increased access to social welfare support programmes that include parenting, Community Based Prevention and Early Intervention Programme, Yolo, Ezabasha programmes.
- iii) The provinces are encouraged to elevate the Committee's recommendation to establish child care and protection units;
- iv) Inputs made to the Children's Amendment Bill to make provision for the establishment of well-resourced child care and protection units with quality assurance units;
- v) A 365 days programme of action is being implemented in the provinces.

3. In relation to exploring the feasibility of establishing specialized foster care services:

National DSD encourages provinces to elevate the Committee's recommendation to establish child care and protection units. Processes in provinces are at various stages in relation to the implementation of this recommendation, these include:

- Proposal for establishing specialized unit tabled at a Provincial Branch Strategic Planning Meetings.
- Provinces provided recommendations to Human Resources Units for revised human resource plans to incorporate the specialized units.
- Some provinces are testing the implementation of specialized Unit, particularly with Statutory Services Unit that quality assures recommendations for placement of children in alternative care and issuing of statutory administrative orders including foster care.
- Fully implemented Unit with social workers specializing on Foster Care is in at least one province, Mpumalanga.

4.5 Executive Undertaking 5:

The progress made in relation to the fulfilment of this particular executive undertaking can be summarised as follows:

The purpose of the grant is to:

- To increase the number of poor children accessing subsidised ECD services through partial care facilities
- To assist existing conditionally registered partial care facilities providing an ECD programme to meet basic requirements in order to attain full registration to increase the number of children accessing

The grant has two components which is a subsidy component and a maintenance component.

1. Budget Allocation

	2017/18	2018/19	2019/20
	<u>R' 000</u>	<u>R' 000</u>	<u>R' 000</u>
Early Childhood Development Grant	317 612	490 800	518 228
ECD subsidy expansion	248 892	412 055	435 101
ECD centre maintenance	68 720	78 746	83 127

The total budget allocation for the grant was R808 412 000 for the two financial years namely 2017/18 and 2018/19.

The grant is extending over the MTEF from 2019/20 to 21/22.

2. Performance on the grant

The grant started in the 2017/18 financial year which was the first year of implementation. The conditional grant framework was published in the Division of Revenue Act which set the conditions for implementation of the grant by Provinces.

2.1 Overall Financial Performance for 2017/18

2017/18 Financial Performance

Province	Allocation	Transfer	Spent	Percentage
Eastern Cape	56 365 000	56 365 000	27 238 000	48%
Free State	18 398 000	18 398 000	12 937 000	70%
Gauteng	34 489 000	34 489 000	35 938 000	93%
KwaZulu Natal	71 879 000	71 879 000	71 870 000	100%

Limpopo	41 085 000	41 085 000	36 034 000	88%
Mpumalanga	25 799 000	25 799 000	23 645 000	92%
Northern Cape	13 761 000	13 761 000	11 710 000	85%
North West	32 686 000	32 686 000	20 344 000	62%
Western Cape	19 150 000	19 150 000	18 770 000	98%
Total	317 612 000	317 612 000	258 446 000	81%

4.2 Overall Financial Performance 2018/19

2018/19 Financial Performance

Province	Allocation	Transfer	Spent	Percentage
Eastern Cape	78 715 000	78 715 000	76 556 024	97%
Free State	21 656 000	21 656 000	26 115 733	121%
Gauteng	62 777 000	62 777 000	44 336 397	71%
KwaZulu Natal	109 519 000	109 519 000	109 519 000	100%
Limpopo	68 561 000	68 561 000	67 216 987	98%
Mpumalanga	41 998 000	41 998 000	41 094 837	98%
Northern Cape	16 496 000	16 496 000	14 028 425	85%
North West	52 185 000	52 185 000	61 214 239	117%
Western Cape	38 893 000	38 893 000	38 312 214	99%
Total	490 800 000	490 800 000	478 393 856	97%

1.1 Achievement of targets for 2017/18 and 2018/19

1.1.1 Overall Achievement of the Subsidy Component (2017/18 and 2018/19)

Years	Target	Actual performance
2017/18	72 388	62870
2018/19	103 078	107 153

Province	Target	Number of Children Benefiting
Eastern Cape	14 035	8 420
Free State	2 085	2 084
Gauteng	8 135	9 079
KwaZulu-Natal	14 615	14 615

Limpopo	12 785	9 414
Mpumalanga	4 625	4 625
Northern Cape	1 221	1 221
North West	6 592	9 147
Western Cape	8 295	4 265
TOTALS	72 388	62 870

1.1.2 Subsidy Component performance (2017/18) per province

The target achieved was 87% and there was an under-achievement of the target given that it was the first year of implementation and there was a lack of capacity to implement the grant.

1.1.3 Subsidy Component performance (2018/19) per province

Province	Target	Number of Children Benefiting
Eastern Cape	20 472	20 429
Free State	3 610	3 560
Gauteng	14 570	11 543
KwaZulu-Natal	24 622	24 622
Limpopo	11 756	12 029
Mpumalanga	8 425	8 440
Northern Cape	1 640	1 640
North West	10 983	17 616
Western Cape	7 000	7 274
TOTALS	103 078	107 153

There was a roller of funds of funds that was not spent in the 2017/18 financial year which allowed more children to be reached.

Maintenance Component

1.1.4 Overall achievement for the maintenance component for the period (2017/18 and 2018/19)

Years	Target	Actual performance
2017/18	593	459
2018/19	369	539

1.1.5 Maintenance Component performance (2017/18) per province

Province	Target	Achieved
EC	96	0
FS	79	79
GT	15	15
KZN	117	117
LP	98	98
MP	62	62
NC	65	65
NW	48	10
WC	13	13
Total	593	459

The target achieved was 77% because Provinces experienced challenges given that it was the first year of implementation with procurement processes and delays in appointing the required capacity to manage the grant.

3.4.2 Maintenance Component performance (2018/19) per province

Province	Target	Achieved
EC	19	15
FS	25	32
GT	20	15
KZN	52	63
LP	99	184
MP	35	35
NC	40	38

NW	33	38
WC	46	119
Total	369	539

There was an over-achievement of the target because there was a saving on the costing of each centre for maintenance which resulted in more centres being assisted. Furthermore, some centres in Limpopo only benefited from early learning material which allowed the province to assist more centres than planned.

4.6 Executive Undertaking 6:

The Social Service Practitioners Draft Bill (Bill), is envisaged to create an intermediary grant for children who stayed with guardians, who qualified for foster care but could not wait for the long period it took to have a foster care grant executed. Reduce the times it took to appeal a decision by SASSA. And this would be done by having an appeals tribunal directly within the DSD.

The Bill was not introduced to parliament due to cabinet changes and the fact that it was an election year, which resulted in most cabinet matters set aside. The Bill is ready for cabinet consideration, therefore will be submitted to cabinet for consideration in order to gazette for public comments. This Bill will only be introduced to parliament in 2020/2021 financial year due to delays of processing it in 2018/19.

Draft input for commitments made at NCOP

1. Utilisation of savings to promote local economic development through alternative pay points and local health shops

Since the period in which this commitment was made, the payment environment for social grant beneficiaries to access their money has changed significantly. The contract with CPS for social grant payments ended on 30 September 2018. This change brought with it the reduction in cash pay points – from approximately 10 000 in 2017/18, SASSA currently has 1 740 approved pay points. Work is underway to reduce this further as the number of citizens who continue to utilise this channel has reduced from over 3 million

to less than 300 000 per month. The cash payment channel is also both expensive and inefficient, while at the same time being prone to serious security risks.

The changed environment resulted in SASSA abandoning its project to establish alternative pay points in locally owned shops. However, work is underway, together with SAPO, to identify alternative channels. This will include aspects such as mobile money; working with community based and South African owned spaza shops for them to become part of the network while not increasing their risk by having them handle large amounts of cash (looking at increasing the acceptance of electronic transactions); expanding the network of SAPO ATMs and other options which will be driven by technology. This will require an investment into local communities, but should also see social grant money remaining in local communities rather than taking flight to the large towns and cities.

The above innovations are aimed at reducing the dependence on cash, while at the same time improving security and convenience for the clients we serve.

2. Addressing long queues, dilapidated buildings and promoting dignity

As explained above, SASSA, through the partnership with SAPO, currently services less than 300 000 social grant beneficiaries through the historic cash payment channels. There is a commitment to further reduce the number of cash pay points, while providing safe and convenient options to those beneficiaries who reside long distances from any national payment infrastructure.

Many of the pay points which were in the open have been discontinued. However, even within the remaining 1 740 approved pay points, there are still some which operate from less than ideal buildings and some which are still in the open. The intention is to move the beneficiaries who are serviced at these points to alternative channels, where these are within easy reach, or to look at other options, such as empowering the local spaza shop to become an alternative, where social grant beneficiaries can transact electronically.

Continuous beneficiary education is required, to strengthen the beneficiaries' trust in electronic payments, and also to empower them to use the power of the debit card they now have, rather than withdrawing the total grant in cash and then transacting with cash.

SAPO, as part of their commitment to the contract for the payment of social grants, also has a medium to long term plan to upgrade post office outlets, to ensure that these meet minimum

standards for dignified grant payment services. This will also encourage grant beneficiaries to voluntarily go to post offices to access cash, when cash is required.

5. OBSERVATIONS AND KEY FINDINGS

In noting the progress report given by the officials in relation to the implementation of the executive undertakings under review, the Committee made the following observations and key findings:

- 5.1 There were many issues that were hindering the success of graduate programme. Some provinces were not hiring social workers as they should, and this was defeating the objectives that the Department wanted to achieve (e.g. Western Cape had employed social workers on contracts, when other provinces had employed them on permanent).
- 5.2 The Ministerial Committee on Social Welfare brought critical recommendations that the Department would have to implement to strengthen the fostering programme.
- 5.3 The DSD wanted to have a specialised unit that would monitor the success of these programmes, namely, “You Only Live Once” (YOLO), programme, which teaches sexual and reproductive rights to children, Ezabasha (“Of the youth”) programme
- 5.4 The proposal of a culmination of inter-departmental task team between the DSD, the Department of Transport, the National Treasury and the Department of Labour, all of which had a form of social security responsibility, to make sure that no one fell through the cracks.
- 5.5 Approval in principle the idea of creating a social security retirement fund for everyone who is working. And a proposal for a comprehensive institutional framework to ensure not only that no one fell through the cracks, but also to make sure that there was no “double dipping” of benefits.

- 5.6 The introduction of the Social Assistance Bill, which is meant to address the current backlogs in foster care. The bill will create an intermediary grant for children who stayed with guardians, who qualified for foster care but could not wait for the long period it took to have a foster care grant executed.

6. RECOMMENDATIONS

- 6.1 The Committee concluded that a time frame of three months within for the Department to report back to the NCOP on the implementation of pay point infrastructure by providing the NCOP with a progress report in this regard.
- 6.2 The Department to provide the NCOP with the exact provincial figures in relation to the Early Childhood Development (ECD) grant from 2017/18, 2018/19 and 2019/20 financial year and the conditions for implementation of the grant by Provinces.
- 6.3 All provinces are requested to apply and align a uniform approach regarding the employment of social workers. In this regard, the Committee recommends engagement between the Department and Provinces to create uniformity in the appointment, retention and conditions of services of social workers.
- 6.4 The Department of Basic Education and the Department of Social Development are to provide the NCOP with a report indicating who the custodian of the ECD programme is. The report should outline the role and responsibility of both the Department of Basic Education and the Department of Social Development in the ECD programme.

Report to be considered.