

Wednesday, 15 November 2023]

No 159—2023] FIFTH SESSION, SIXTH PARLIAMENT

PARLIAMENT
OF THE
REPUBLIC OF SOUTH AFRICA

**ANNOUNCEMENTS,
 TABLINGS AND
 COMMITTEE REPORTS**

WEDNESDAY, 15 NOVEMBER 2023

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ANNOUNCEMENTS

National Assembly

The Speaker

1. Referral to Committees of Bills introduced

- (1) The following Bills are referred to the **Standing Committee on Appropriations** for consideration and report in terms of the Money Bills and Related Matters Act, 2009 (Act No. 9 of 2009):
- (a) **Division of Revenue Amendment Bill** [B33–2023] (National Assembly – sec 76).
 - (b) **Adjustments Appropriation Bill** [B34–2023] (National Assembly – sec 77).

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

- (1) Bill, subject to proposed amendments, passed by Council on 15 November 2023 and returned for consideration of Council’s proposed amendments:
- (a) **Prevention and Combating of Hate Crimes and Hate Speech Bill** [B9B–2018] (National Assembly – sec 75) (for proposed amendments, see Announcements, Tablings and Committee Reports, 8 November 2023, p 7).

Bill and proposed amendments referred to the **Portfolio Committee on Justice and Correctional Services** of the National Assembly.

TABLINGS

National Assembly

1. The Speaker

- (a) Letter dated 13 November 2023, from the Minister of Finance – Land and Agriculture Bank of South Africa: Report to the National Assembly, in terms of section 70(4) of the Public Finance Management Act, on Guarantee Payments made:



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REPUBLIC OF SOUTH AFRICA**

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Ref: M3/4/2/2(1518/2023)

Ms N Mapisa-Nqakula, MP
Speaker of the National Assembly
Parliament of the Republic of South Africa
PO Box 15
CAPE TOWN
8000

Dear Honourable Speaker

LAND AND AGRICULTURAL DEVELOPMENT BANK OF SOUTH AFRICA: REPORT TO THE NATIONAL ASSEMBLY, IN TERMS OF SECTION 70(4) OF THE PUBLIC FINANCE MANAGEMENT ACT, ON GUARANTEE PAYMENTS MADE

Reference is made to the above-mentioned matter.

Section 70(4) of the Public Finance Management Act (PFMA), Act No. 1 of 1999, requires the responsible Cabinet member to report the circumstances relating to any payments under a guarantee issued in terms of Section 66(2)(a) and Section 70(1)(b) to the National Assembly for tabling in the National Assembly.

In the beginning of the 2022/23 financial year, the Land Bank had guarantees approved amounting to R9.5 billion, with an outstanding exposure of approximately R2 billion. Following the default by the Land Bank on its debt obligations on 01 April 2020, Government provided fiscal funding to support the Land Bank. R3 billion was made available during the June 2020 Adjustment's Budget, with a further R7 billion announced in the 2021 National Budget. This allocation was to support the Land Bank to cure the default position and support the re-establishment of its developmental mandate. A portion of the R7 billion allocation was to repay the guaranteed lenders of the Land Bank, thereby eliminating any guarantee exposure government has to the Land Bank.

Based on the above, I provided approval on 24 October 2022 that the guaranteed lenders of the Land Bank may claim their respective outstanding debt directly from the National Revenue Fund over the 2022/23 and 2023/24 financial years. My approval also stated that the guarantee payments would be deducted from the R1 billion fiscal allocation made in each of the 2022/23 and 2023/24 financials years. A total of R 1 391 208 226.59 was repaid to all guaranteed lenders of the Land Bank in the 2022/23 and 2023/24 financial year.

Kindly find below the details pertaining to the Guarantee Calls and Payments made:

1. The following guarantee payments were made during the 2022/23 financial year:
 - World Bank Group as follows:

- R100 000 000 (The Speaker of Parliament has already been informed about this payment) - (July 2022)
- R1 557 000 - (October 2022)
- R1 584 000 - (March 2023)
- Stanlib Asset Management (Pty) Ltd - R771 459 876 (March 2023)
- Thyme Wealth (Pty) Ltd - R14 286 294 (March 2023)
- Visio Fund Management (Pty) Ltd - R242 783.20 - (March 2023)

A total of R889 million was paid payments during the 2022/23 financial year.

2. The following payments were paid during the 2023/24 financial year:
- Visio Fund Management (Pty) Ltd - R14 043 510.80 (July 2023).
 - World Bank Group- R119 860 398.90 plus USD 240.960 for prepayment fees and costs (August 2023).
 - African Development Bank – R363 636 363.69 (August 2023).

Please note that National Treasury is expecting a refund from the World Bank on the USD payment. The World Bank is in the process of finalising this refund payment. The remainder of the R1 billion after repaying the three guaranteed lenders, together with the repayment from the World Bank will be transferred to the Land Bank during the course of the 2023/24 financial year.

I need to emphasise to the National Assembly that the National Treasury and I remain committed to finding sustainable solutions to the difficulties faced by the Land Bank. I will continue to update the National Assembly as and when required. Due to the repayments made to the guaranteed lenders, Government's guarantee exposure to the Lank reduced to R0.

I trust that you will find the above to be in order.

Your sincerely,



ENOCH GODONGWANA, MP
MINISTER OF FINANCE
DATE:13/11/2023

National Council of Provinces

1. The Chairperson

- (a) Provincial Week Report: 11 – 15 September 2023.

NATIONAL COUNCIL OF PROVINCES PROVINCIAL WEEK

11 – 15 September 2023

**Theme: Building Viable Provincial
and Municipal Infrastructure for Effective
Delivery of Services to Communities**



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KEY ACCRONYMS

AFS	Annual Financial Statement
BFI	Budget Facility Infrastructure
CoGTA	Cooperative Governance and Traditional Affairs
DBSA	Development Bank of South Africa
DDM	District Development Model
DM	District Municipality
DoHS	Department of Human Settlements
DoPW	Department of Public Works
DoT	Department of Transport
DoWS	Department of Water and Sanitation
EPWP	Expanded Public Works Programme
GDP	Gross Domestic Product
HDA	Housing Development Agency
NHBRC	National Home Builders Registration Council
HSDG	Human Settlements Development Grant
IDZ	Industrial Development Zones
ISUG	Informal Settlements Upgrading Grant
ISUPG	Informal Settlement Upgrading Partnership Grant
LM	Local Municipality
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Agency
ML/d	Megalitres per day
MOU	Memorandum of Understanding
NPA	National Prosecuting Authority
NCOP	National Council of Provinces
PIE Act	Prevention of Illegal Eviction and Unlawful Occupation Act 19 of 1998
PRMG	Provincial Roads Maintenance Grant
RAL	Road Agency Limpopo
RBIG	Regional Bulk Infrastructure Grant
SALGA	South African Local Government Association
SAPS	South African Police Services
SANRAL	South African National Road Agency
SCM	Supply Chain Management
SETA	Sector Education and Training Authority
SEZ	Special Economic Zones
SIU	Special Investigations Unit
SMME	Small, Micro and Medium Enterprises
USDG	Urban Settlement Development Grant
WSIG	Water Supply Infrastructure Grant
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works

EXECUTIVE SUMMARY

Introduction

The National Council of Provinces (NCOP) Provincial Week took place from 12 to 15 September 2023 under the theme “Building Viable Provincial and Municipal Infrastructure for Effective Delivery of Services to Communities”. At the commencement of the Provincial Week, the NCOP delegation introduced the purpose of the programme for the week and indicated that the intention was to conduct oversight in respect of executive undertakings made during previous engagements and to hear first-hand reports on the progress and challenges in relation to infrastructure delivery in Provinces. This report documents the key observations, recommendations, and further executive undertakings. The engagements took place with National, Provincial and Municipal Government and entities as well as with Water Boards and Local Traditional Leaders. In the Limpopo Province the delegation also undertook site visits to tribal offices. At one of the tribal offices visited, the lack of water and electricity connections, and that an occupational certificate is yet to be issued, was however pointed out.

The Provincial Week was preceded by a Three Sphere Planning Session during which the National Executive reported to the NCOP on the status of infrastructure delivery in the country. The Provincial Week provided opportunities to verify information received from the Executive. In this regard several recurring challenges and examples of good practice emerged during the engagements in the various provinces, as summarised below. Comprehensive, more detailed reports are contained in the various provincial sections of this Report. It is critical that some of these matters be referred to the relevant Select Committee/s of the NCOP and the Portfolio Committee/s of the National Assembly for further considerations and reporting progress and challenges to the respective House.

Demands from Local Business Forums

The reality of the disruptive and dangerous impact of the construction mafia, often in the guise of local business forums, on the finalisation of infrastructure projects was highlighted across Provinces. Estimates are that losses due to these disruptions amounted to R40.7 billion nationally in 2020. Committees have appealed to all stakeholders including the South African Police Service (SAPS), to ensure the prosecution of those involved in such criminal activities. Such efforts should complement measures such as the Critical Infrastructure Protection Act, 8 of 2019, which contain important provisions for the safeguarding of critical infrastructure. In the KwaZulu - Natal Province the delegation was informed that these forums demand no less than a 30% share in each infrastructure project. The Mpumalanga Province established the Provincial Infrastructure and Safety Committee, consisting of

law enforcement agencies, the South African Local Government Association (SALGA), security managers from the three district municipalities and the provincial Department of Community Safety, Security and Liaison amongst others, to collectively address criminals sabotaging government infrastructure.

The demands of local business forms are unwarranted, as various measures are in place to ensure that infrastructure projects benefit local communities. The Kumba Social Labour Plan in the Northern Cape Province was found to be corporate social responsibility best practice and the model should be shared with other municipalities that have large companies and industries within their geographic area. In the Eastern Cape Province, as part of a project on the maintenance of the N2 route between the Gamtoos River and Van Stadens River, 110 Small, Micro and Medium Enterprises (SMMEs) received training on tendering in the road construction sector.

Aging Municipal Infrastructure

Aging infrastructure and the lack of infrastructure and assets maintenance programmes in many municipalities was a pervasive challenge. . This results in environmental risks such as sewer spills, high percentages of non–revenue water losses and bulk infrastructure systems that do not have the capacity to unlock much needed development in communities. The re-introduction of Green, Blue and No Drop Certification Programmes has improved the identification of under-performing infrastructure. Seven municipalities in the Western Cape Province had systems scores below 31 (critical) in the Green Drop report findings. Similarly, in the Northern Cape Province it was reported that the Province is regressing in respect of its Green Drop status, with an increase (from 27 to 46) in the number of wastewater treatment facilities that are listed as critical risks. Water Treatment Works (WTW) are at severe risk to breakdowns due to load shedding. WTWs cannot function during loading shedding resulting in water supply disruptions to communities. To mitigate this risk, municipalities should explore alternative energy sources for current WTWs. Uninterrupted or alternative energy supply should also be included in specifications for all new WTW construction.

The aging infrastructure has also been attributed to Water Boards that do not have the necessary Operations and Maintenance (O&M) capacity. In the Eastern Cape Province The Amatola Water Board as an implementing agency has struggled to complete several projects due to a lack of critical technical and project management skills. In the Northern Cape Province, poor O&M of water infrastructure on the part of Bloem Water, negatively affected water reticulation and the provision of water to communities in 33 villages.

Lack of Technical and Planning Capacity

The NCOP Provincial Week further confirmed reports that municipalities lack the capacity for project planning, including spatial planning and grant management. A more stringent approach has to be taken on haphazard, unplanned informal settlements, as this jeopardises human safety, health and the environment, as well as plans for future developments. For example, in the Gauteng Province, the Mokaase informal settlement is built on top of Rand Water infrastructure.

The lack of technical and planning capacity results in municipalities being unable to apply for available funding streams. Examples of funding possibilities include the Regional Bulk Infrastructure Grant (RBIG), for the development, refurbishment and upgrade of bulk water services infrastructure, the Water Services Infrastructure Grant (WSIG), available to municipalities wanting to improve and refurbish internal infrastructure networks and associated infrastructure and the Urban Settlement Development Grant (USDG), for infrastructure projects linked to the promotion of equitable, integrated, productive, inclusive, and sustainable urban development.

Even where grant funding is made available, many municipalities do not have the capacity to successfully utilise such funds. In the North West Province, it was reported that eight local municipalities lost a portion of their Municipal Infrastructure Grant (MIG) allocation in the 2022/23 financial year, amounting to a total of R163 million, due to slow progress. In the Northern Cape, the Province was allocated a MIG of R501, 370,000 for the 2023/24 financial year. However, 15% of this MIG allocation is still not committed and it was acknowledged that this was due to a lack of planning by municipalities.

Growing Debt

Municipal debt to Eskom, Government Departments and Water Boards is ballooning. In its engagement with the Free State delegation, Bloem Water Board stated that its continued operation is threatened by the ongoing erratic payment of bulk water accounts whilst other municipalities have stopped honouring their debts. In the Gauteng Province, outstanding debt owed to Eskom is in excess of R3.5 billion. Eskom is commencing with electricity disconnections in parts of Sebokeng and Evaton. At the same time municipalities do not take up debt settlement plans when availed to them. The Minister of Cooperative Governance and Traditional Affairs (CoGTA) should intervene to ensure that municipalities enter into and honour debt settlement plans, as the decision to form part of the incentives schemes requires political leadership on the part of municipal office bearers.

Municipalities must explore alternative streams of investment within the Private Sector to supplement their own revenue generation. The Boegoe Bay Port and Rail Infrastructure Development is a catalytic project that will be launched by the end of the year, funded by several investors. It is a R16 Billion capital investment project to develop the 10th port in the Country. It will be the first natural deep-water port which allows for cargo of bigger sizes, which is ideal for the bulk commodities produced in the region. Part of this will include the development of 450 km of rail network from the Hotazel to Boegoe Bay. This will also assist with moving the transportation of commodities from the Province's road to rail.

Lack of Consequence Management

Lack of consequence management emerged as a matter of concern across all provinces. However, some good examples of consequence management were reported during the Provincial Week. In the Matjhabeng Local Municipality (LM) in the Free State Province, the Council has suspended three Executive Managers for allegations ranging from poor performance, conflict of interests and possible corruption. Some of the cases, where there are possible acts of corruption, have been reported to the Hawks. .. The Eastern Cape Province has embarked on the fight against corruption with some positive outcomes. The Special Investigating Unit (SIU) has reported 67 cases that were investigated and finalised with five referrals made to the National Prosecuting Authority (NPA).

There is similarly a need to ensure consequence management and proper contract management in respect of service providers and contractors who abandon contracts. The actions of such service providers and contractors amounted to allegations of fraud and misrepresentation in some provinces and municipalities must take the necessary steps to open criminal cases or pursue civil claims for damages. The Umzumbe Cluster "A" rural housing project in the Kwazulu - Natal commenced in August 2021, however, due to the failure of the initial contractor a new service provider was appointed on 14 June 2022.

Progress in Dysfunctional Municipalities

During the 2023 State of the National Address, the President reflected on the fact that 163 out of 257 municipalities in the Country are dysfunctional or in distress due to poor governance and ineffective and sometimes corrupt financial and administrative management. Such a state of affairs negatively affects the ability of municipalities to ensure viable infrastructure for effective service delivery. During the Provincial Week the delegations engaged with such municipalities and made recommendations,

as set out hereunder, to address the challenges identified. The delegations were however also encouraged to see progress in municipalities which faced historical challenges. The Northern Cape Province delegation commended the Ga–Segonyana Local Municipality for the steady improvement it has made in financial and administrative governance.

In the Free State Province, the delegation highlighted the significant increase in the number of Section 139¹ interventions over the recent past. Such interventions are intended to be a last resort mechanism and cannot be regarded as a shortcut for Provincial Governments who have not provided continuous and robust support to municipalities at risk of failing, as required by Section 154 of the Constitution.

¹ Constitution of the Republic of South Africa 1996

EASTERN CAPE PROVINCE

1. PROVINCIAL OVERVIEW

The Eastern Cape is the 3rd most populous Province in the country with a population of 6.6 million, being 13% of South Africans. It is the second largest province by land mass with 169, 580km² (13.9% of South Africa). Eastern Cape's Capital City is Bhisho, which lies 60km west of East London. Eastern Cape boasts two of the most successful Industrial Development Zones (IDZ's) in South Africa, the East London and Coega IDZ's. Both are ideally situated for exports to world markets. Social grants are the main source of household income in the Eastern Cape, at 42,0%. The percentage of households with access to an improved source of water increased from 84,4% to 88,7%. The percentage of households with access to improved sanitation increased by 58,3 percentage points to 91,7%.

2. BRIEFINGS BY NATIONAL AND PROVINCIAL GOVERNMENT

2.1. ACTING PREMIER, HON S MANI - LUSITHI

- a) The province is implementing the Medium - Term Strategic Framework underpinned by the seven (7) priorities as developed at the beginning of the 6th democratic process.
- b) The seven priorities are; a capable state, job creation, education and health, rural economy and local government, social cohesion and safe communities and building a better Africa and the world. These seven priorities have remained the Province's focal points throughout the 6th provincial term.
- c) The Province has embarked on the fight against corruption with some positive outcomes. The SIU has reported 67 cases that were investigated and finalised with five referrals made to the NPA. According to the State of the Province Address, the fight against corruption is ongoing and the Eastern Cape will no longer be regarded as a haven for corrupt practices.
- d) Through collaborations with national and provincial District Development Model (DDM) champions and stakeholder participation, the Province has been ramped up to improve municipal performance. The Province's intention is to streamline these DDM processes to ensure uniformity across different government spheres.

- e) The Province has also attracted eleven investors with an investment value of R49 billion, in the 2023/24 financial year. This is expected to have a significant impact on unemployment in the Province.
- f) The current unemployment rate is 39.7%. This is notably lower than the 47.9% recorded in the first quarter of 2020. Between the first quarter and second quarter of 2023 there were 23 000 jobs created. According to the Eastern Cape Acting Premier, the State Educational and Training Authority (SETA) has set aside R114.9 million for skills development programs, with a primary focus on youth beneficiaries.
- g) Access to clean water in the Province is at 71% and households that remain without water are mainly in rural areas. The Province is currently implementing infrastructure projects in the rural communities to achieve universal access to clean water and sanitation. In Tsomo the Provincial Government has launched a R500 million project that will bring water to households. In the first week of September 2023 the Provincial Government was in Xhora to launch a R576 million water project for villages under the Amathole District Municipality (DM).

2.2. MEC FOR TRANSPORT, HON MR X NQATA

- a) The Province is prone to disasters and most of the people in the Province are severely affected when these disasters occur. The heavy rainfalls and hailstorms have depleted the Province's transport budget. For example, the floods in January and February 2023 caused damages estimated at R3.4 billion including 19 bridges being washed away. The MEC for Transport expressed concern for the state of 41 000 km of road infrastructure .
- b) These roads carry significantly high volumes of traffic, owing to the rise in motor vehicle ownership and movements to new settlements. The Province has entered into service level agreements with certain municipalities to fix and maintain local and provincial roads that fall under their respective jurisdictions. During the current financial year , the Province has identified five municipalities that are set to benefit from the road infrastructure program.
- c) The condition of the road network, both graveled and paved, is in a poor state. The Province's surfaced road network has long reached the end of it's lifespan. The Eastern Cape Department of Transport (DoT) needs approximately R4 billion per financial year to adequately maintain its road network. Current financial allocations are not adequate to assist nor address the road network backlog. The challenge is that in terms of equitable share, the Eastern Cape Province

does not even receive 50% of what is being allocated through the Provincial Roads Maintenance Grant (PRMG).

2.3. BRIEFING BY MS S ZAHIDA, ON BEHALF OF THE MEC FOR FINANCE

- a) It is important to invest in infrastructure and the rationale for that stems from each country sustaining its economic growth trajectory. Investments in private and public capital projects have consistently been an underlying factor of a country's growth path. This is particularly true with investment in roads, bridges, electricity, railways and airports, an infrastructure network that easily connects markets, manufacturing and production. This includes water and sanitation, irrigation, schools and hospitals to improve peoples' lives.
- b) In 2022 the Eastern Cape recorded a Gross Capital Formation of 20%, which was as a result of the recovery from the Covid-19 pandemic. In addition to that the Province adopted a five-point plan, which includes infrastructure as a pillar.. However, the National Infrastructure Plan has focus areas that are not relevant to the Province in terms of needs assessment. The infrastructure projects the Eastern Cape is embarking on include the construction of the new dam with irrigation systems at Mzimvubu, the N2 Wild Coast Highway, with the construction of two bridges underway. Other projects include the municipal road maintenance program, the green energy initiatives as well as the ten-year plan to address the backlog of adequate water and sanitation that will be reticulated to households.
- c) The Eastern Cape Province has spent R2.1 billion on infrastructure projects of the total amount of R9.355 billion. To date there are only two projects that have been approved for the 2023/24 financial year through the Budget Facility Infrastructure (BFI). The criteria for the approval of projects are very stringent and includes a rigorous independent appraisal of the technical merits of the business plans. Most of the Eastern Cape Provincial Government (ECPG) BFI submissions were found wanting, based on these technicalities.
- d) Ms Zahida also reflected on specifics regarding infrastructure allocations to the Eastern Cape for the 2023/2024 financial year and pointed out that:
 - i. The bulk of the infrastructure allocations for the 2023/24 financial year are with the departments of Transport, Human Settlements, Education and Health
 - ii. The DoT is sharing R2.568 billion (27.5%), which was targeted to upgrade 46 kms of gravel roads to surfaced roads within the 2023/24 financial year.

- iii. The DoHS is allocated R2.089 billion which is targeted at, amongst others, the delivery of 7 638 low-cost housing units, 320 finance-linked individual subsidies, 38 individual subsidies and 5 350 service sites for the 2023/24 financial year. .
- iv. The Department of Education allocation for the 2023/24 financial year is R1.845 billion (19.7%). The allocation aims to deal with backlogs around sanitation and increasing the number of schools which meet the minimum infrastructure requirements (targeting 588 facilities) and for providing water infrastructure for 50 facilities.
- v. The Department of Health is sharing R1.613 billion for 2023/24 financial year. The main focus is on the maintenance of existing buildings rather than construction of new facilities.
- vi. As at 31 July 2023 the Province has spent an amount of R2.153 billion (23.01%) of the infrastructure budget of R9.355 billion as compared to a projected expenditure of R 2.215 billion (23.68 %). The Province has underspent by R164.077 million as at the end of July.
- e) The Province is experiencing recurring under performance and disinvestment on infrastructure as evidenced in the Gross Capital Formation of the Province.
- f) While the infrastructure budget has been allocated to departments, the recurring under performance on the provincial and municipal budgets points to the project implementation capacity constraints, inter alia, capacity to monitor projects to ensure value for money.
- g) Underperformance on infrastructure is caused, inter alia, by poor performance by Implementing Agents (IA) contracted by the departments to implement infrastructure projects on their behalf.
- h) Furthermore, poor performance is exacerbated by the appointment of contractors that do not have the required capacity to deliver on the projects.

2.4. SOUTH AFRICAN NATIONAL ROAD AGENCY LIMITED

- a) The South African National Road Agency Ltd (SANRAL) was established in terms of Act 7 of 1998. All road network designs, management and decision making is done within SANRAL. All Project Managers at SANRAL are a qualified engineers or technologists. The Agency carries out its mandate through outsourcing design and supervision to consulting engineering entities.

- b) SANRAL's philosophy for asset preservation is that preventative maintenance is key to a long lasting national road network. The Agency's preventative maintenance strategies include overload control, road safety, accessibility and mobility. The Agency has a number of projects underway on improvement, special maintenance and new road facilities, with total budgeted estimate of R25 billion over the next four years.

2.5. DEPARTMENT OF WATER AND SANITATION

- a) The Eastern Cape Province has more than 200 000 households with no access to water and sanitation. This has been compounded by the effects of drought although the recent rains have slightly improved the situation. The Province is developing a draft Master Plan for water and sanitation with cost estimations of approximately R100 billion. This includes R30 billion for OR Tambo District, R20 billion for Alfred Nzo District and others with less than R10 billion. Despite these estimations it will take more than ten (10) years to adequately address the water and sanitation backlog.
- b) In total there are 43 water and sanitation projects in the Province, twelve have been completed, eighteen are under construction and thirteen are at planning stages. The Amathole Water Board has a challenge of implementing projects as indicated by the Sarah Baartman DM Executive Mayor. However, some of the projects at Sarah Baartman DM were affected by irregularities. The Province is however revising the Water and Sanitation Master Plan to assess the scope of backlogs and high level engagements are taking place with the Minister of Water and Sanitation to address water and sanitation backlogs.

3. BRIEFING BY MUNICIPAL GOVERNMENT

3.1. EXECUTIVE MAYOR OF ALFRED NZO DISTRICT MUNICIPALITY, HON V MHLELEMBANA

The Executive Mayor's presentation focused on the status of the Greater Mbizana Bulk Water Scheme - Ludeke Dam. The status of the project stands as follows:

- i. The Greater Mbizana Regional Bulk Water Supply Scheme (GMRBWSS) is implemented under a two-phased approach. The approved Project budget is R900 million.

- ii. Phase One was completed at a cost of approximately R670 million and was completed in November 2016.
- iii. Amongst others, the Dam entailed the following components:
 - Ludeke Dam: 100% complete with defects arising post-construction;
 - Raw Water Pump Station: 100% complete with no defects;
 - Rising Main: 100% complete with no defects; and
 - More than 8 500 households served through reticulated areas in Winnie Madikizela Mandela LM under Wards 4,5,6,7,26 and 27.

GMRBWSS Phase Two entails the upgrade of the Water Treatment Works (WTW) from the existing 10ML/day to 20ML/day. Phase Two is divided into three work packages and is currently at the procurement stage for the appointment of the contractor on two work packages. Notwithstanding above progress, the following outstanding matters should be addressed:

- i. Outstanding compensation to the Traditional Leaders;
- ii. A new community group claim: This group also needed to be compensated for crop loss and cracked houses;
- iii. Cracks and seepage on the Ludeke Dam Wall: uMngeni-uThukela Water (UUW) conducted an investigation to find the root cause of the defects, Umngeni Water was appointed to repair the defects; and
- iv. Access road inclusive of a bridge downstream of Ludeke Wall: The feasibility studies, detailed design and contract administration for the access roads have been included in the scope of the Umngeni Water appointment.

3.2. DEPUTY MAYOR OF NGQUZA HILL LOCAL MUNICIPALITY, HON T SOKHANYILE

- a) The Ngquza Hill LM is located within the OR Tambo DM comprised of five (5) local municipalities. The Ngquza LM has two towns, namely Flagstaff and Lusikisiki. These towns constitute traditional and village settlements or communities along the Wild Coast, which is a tourist attraction destination.
- b) The Ngquza LM has a huge backlog of water supply and sanitation challenges.

- c) Access to water is below the minimum service level agreement which costs approximately R2 billion.
- d) The total of OR Tambo DM is 194 000 households and water and sanitation projects cost estimations are approximately R10.8 billion.
- e) There are 60 246 flushing toilets and 2 058 pit toilets . . These projects are funded through the MIG.

3.3. EXECUTIVE MAYOR OF SARAH BAARTMAN DISTRICT MUNICIPALITY, HON D DE VOS

- a) The Sarah Baartman DM is the largest municipality in the Eastern Cape Province with a population of 520 000. The District Municipality consists of seven (7) municipalities, namely Dr Bayers Naude LM, Blue Crane Route LM, Makana LM, Ndlambe LM, Sunday River Valley LM, Kouga LM and Koukamma LM.
- b) All seven local municipalities under the Sarah Baartman DM are affected by the shortage of water supply. Intervention strategies needed to address water supply shortages include the expansion and rehabilitation plans of existing plants, strategic asset management plans that need to be carried out on plants, as well as quality management of water resources.
- c) The District Municipality is embarking on skills development in all of its seven local municipalities to provide technical capacity in managing and maintaining treatment plants. Through the Local Government SETA's funding and from internal resources the Sarah Baartman DM is training 24 candidates for water and waste water reticulation services. This includes 20 unemployed candidates for the Water and Waste Water Treatment Process Operations.
- d) On road infrastructure, the Sarah Baartman DM has a total of 15 431 km of road network, of which approximately 11 930 km is not paved. Visual assessments of the primary transport corridors in the Sarah Baartman DM indicate a dire need for the provision of sidewalks and walkways.

3.4. EXECUTIVE MAYOR OF NELSON MANDELA BAY METROPOLITAN MUNICIPALITY, HON G VAN NIEKERK

- a) The Nelson Mandela Bay Metropolitan Municipality (NMBMM) has experienced the worst period of drought in recorded history. The western side of the Metro is the most affected by drought.

Despite the drought period, combined dam storage has recovered, from 12.35% in May to 48.88% in September, due to recent rainfalls. High water consumption however remains a concern at approximately 300 ML/d against the available 280 ML/d. The Metro has undertaken certain measures to mitigate against the impact of drought. These measures include the recruitment of new artisans and approximately 38 maintenance teams supplied by seven contractors to assist with infrastructure repairs and water leaks.

- b) In addition to the above there are a number of water infrastructure projects underway, and these include the rehabilitation of the Van Stadens Gorge Water Supply Pump Station, reservoir and pipeline and the upgrading of the Linton Grange WWWW. This also includes the construction of the KwaNobuhle Water Pump Station at the cost of R49 million, as well as the Nooitgedagt Coega Low Level Supply Scheme at a cost of R534 million.
- c) On road infrastructure the Metro is working on the rehabilitation and tarring of gravel roads and storm water drainage projects. This includes resurfacing and rehabilitation of roads and potholes at an estimated cost of R6 billion. On human settlement, the Metro has since the 2021/22 financial year completed 504 units with occupational certificates. In the 2022/23 financial year 780 title deeds were registered to beneficiaries There are also two informal settlements that have been upgraded to Phase Two. Despite these initiatives, the housing backlog stands at more than 100 000.

4. SITE VISITS

4.1. MSIKABA RIVER BRIDGE

The Msikaba River Bridge project is being implemented by SANRAL and is a joint venture construction project by CONCOR and MECSA. The project commenced in 2019 and the anticipated completion date is March 2026. The Project entails the construction of a bridge spanning across Msikaba River gorge. The initial budget allocation for this project is R1.719 billion and the expenditure to date is approximately R1.276 billion.

Observations

- a) The project is fully supported by the local community leadership and the whole community, and there is cooperation and constant engagement between various stakeholders.

- b) Local labor is prioritised by the project, as 80% of the labour is from the local community, with over 30% representation for women and youth.
- c) The project prioritises purchasing supplies from local business and supports local SMMEs and ensures that sub-contractors are from the local community.
- d) The project has implemented various training and development initiatives for the community to ensure skills transfer and creation of future employment opportunities.
- e) There is strict adherence to safety and health regulations to minimize risk and injuries.

Executive Undertakings

The Project Manager:\

- a) Undertook to ensure that the community members are provided with proper and quality skills that will enable them to have better job opportunities in the future.
- b) Committed to ensuring open communication with the community leadership and all relevant stakeholders.
- c) Gave assurance about the safety of the bridge beyond 100 years, which is the anticipated design life span of the Msikaba River Bridge.
- d) Voiced confidence about the anticipated completion date of the project within the budget allocated but expects minimal shortfall due to the increase in prices of supplies and other materials including fuel.

4.1. UPGRADING OF ROADS WITHIN NTLAVUKAZI VILLAGE AND LAMBASI

The Upgrading of roads within Ntlavukazi Village and Lambasi is part of SANRAL's plans to intensify investments on the N2 Wild Coast Road Project, which consists of the upgrade and maintenance of the existing road. The upgrading of the project will be funded by SANRAL. Currently, SANRAL is busy with the designs for the construction of the road.

4.2.1. Observations

- a) The upgrading of the roads has not commenced as yet due to the delays in the construction of N2 Wild Coast Road project.
- b) The road belongs to the Eastern Cape DoT which is responsible for its maintenance.
- c) The Eastern Cape DoT is failing on its responsibility to maintain the existing road.
- d) To date the Department has bladed the existing gravel road and also constructed a small bridge.
- e) Currently, the road is utilised as traffic accommodation/ alternative access road to Msikaba Bridge Project.
- f) There is a concern regarding the discrepancy in terms of allocation of funds to SANRAL and the Eastern Cape DoT. In this regard the Eastern Cape DoT is allocated insufficient funds despite being responsible for a large road network, as opposed to SANRAL.

4.2.2. Executive Undertakings

- a) The Eastern Cape DoT has committed to maintaining the existing gravel road.
- b) SANRAL is scheduled to upgrade the road after the completion of the construction of the N2 Wild Coast Road project, which has not commenced yet.

4.2.3. Recommendations

The delegation was concerned about the status of the project and recommended as follows:

- a) The Eastern Cape DoT should maintain the road while waiting for the upgrade thereof.
- b) SANRAL should expedite the upgrading of the road.
- c) The Provincial Government should address the discrepancy in the allocation of funds between the Eastern Cape DoT and SANRAL.
- d) The Select Committee on Transport, Public Service and Administration, Public Works and Infrastructure should monitor the status of the project and report to the House.

4.2. R61 ROAD TO BAMBISANA HOSPITAL

The road is located between the Ingquza Hill LM and Port St Johns LM. The road belongs to the Eastern Cape DoT. However, the Eastern Cape DoT will be assisted by SANRAL in terms of planning and upgrading the road. Currently, the scope of work covers road maintenance from Lusikisiki Town, which leads to the Bambisana Hospital. The Eastern Cape DoT will also be assisted by SANRAL in terms of funding.

Observations

- a) The road is pothole-ridden starting from the Lusikisiki Town Center to the Bambisana Hospital. The contractor has been appointed two weeks ago to reseal the road, however, due to the challenge pertaining to the contractual obligations the work has not commenced as yet.
- b) Residents and learners from surrounding schools walk on the road as there are no pedestrian sidewalks. This current condition of the road puts learners in particular at risk of car accidents.

Recommendations

The delegation was concerned about the status of the project and recommended as follows:

- a) The Eastern Cape DoT should ensure that the contractual matters are addressed for the work to commence urgently.
- b) The relevant Portfolio Committee in the Provincial Legislature and the Select Committee on Transport, Public Service and Administration, Public Works and Infrastructure in the NCOP should monitor the status of the project and report to their respective Houses.

4.3. REHABILITATION OF INGQUZA HILL MEMORIAL ROADS

The Ingquza Hill Memorial Road is one of the roads that will be rehabilitated as part of the N2 Wild Coast Road Project in the Eastern Cape. The road is located at Ingquza Hill LM. SANRAL will be responsible for surfacing the road, however the work has not commenced as yet.

Observations

- a) Currently, the Ingquza Hill Memorial Road is pothole-ridden. Residents and Learners from surrounding schools walk on the road as there are no pedestrian sidewalks. This current condition of the road puts learners in particular at risk of car accidents.

- b) There is a confusion as to whether the road belongs to the Eastern Cape DoT or Ingquza Hill LM, which may lead to further delays in the commencement of the project and also affects the maintenance thereof.
- c) SANRAL will be responsible for the upgrade of the road, however, this is dependent on the completion of construction of N2 Wild Coast Road Project.

Recommendation

The delegation was concerned with the status of the project and recommended as follows:

- a) The Eastern Cape DoT to investigate who owns the road so that the maintenance work can commence.
- b) The relevant Portfolio Committee in the Provincial Legislature and Select Committee on Transport, Public Service and Administration, Public Works and Infrastructure in the NCOP should monitor the status of the project and report to their respective House.

4.4. GREATER MBIZANA BULK WATER SCHEME- LUDEKE DAM

The project is located at Winnie Madikizela Mandela LM. The Greater Mbizana Regional Bulk Water Supply Scheme (GMRBWSS) is implemented under a phased approach (Phases One and Two). The approved project budget is R900 million. Phase One was completed in November 2016 at a cost of about R670 million. The GMRBWSS main purpose is to augment the current bulk water supply in the entire Winnie Madikizela-Mandela LM and Bizana Town under Alfred Nzo DM

Observations

The success of project is reflected as follows:

- a) Ludeke Dam: 100% complete with defects arising post-construction.
- b) More than 8 500 households served through reticulated areas in Winnie Madikizela Mandela LM under Wards 4,5,6,7,26 and 27.
- c) A total of 500 decent jobs were created under Phase 1.

- d) Relocation and reburial of graves from the dam basin is completed.

The project is experiencing the following challenges:

- e) The Dam has developed cracks/joint after it was commissioned. The Provincial DoWS has appointed Umngeni Water to fix the joint.
- f) Compensation to affected communities remain a burning issue which has led to threats and allegations of misappropriation of funds by the Traditional Leaders. The Provincial DoWS indicated that some payments were made.

Recommendations

- a) The Provincial DoWS should ensure that the crack/joint on the Dam is fixed urgently.
- b) The Portfolio Committee on CoGTA of the Provincial Legislature should convene a meeting with the Provincial DoWS Executive Mayor of Alfred Nzo DM, Winnie Madikzela Mandela LM and Traditional Leaders within 21 days in order to resolve the compensation issue.

4.5. MZIMVUBU WATER PROJECT

The Mzimvubu Water Project is identified as a strategic integrated project designated to bring about significant social and economic development to the targeted community. The project is located between Elundini LM and Umhlathuzi LM. The project is implemented in-house by the Eastern Cape DoWS. The anticipated completion date for the project is the financial year 2025/26. The Project entails construction of two multi-purpose dams, in the Ntabelanga and Lalini Administrative Areas, and associated infrastructure for purposes of domestic use, agricultural irrigation, and generation of hydroelectric power. The current budget allocation for the project is R8 081 000 000, a reduction from the original R17 933 000 000.

Observations

- a) The project is an in house – project implemented by the DoWS and sources additional labour from the surrounding local communities.
- b) The DoWS is utilising its own machinery, equipment, and tools for the Project's needs.

- c) The Project is fully supported by the local community leadership and the whole community, and there is cooperation and constant engagement between various stakeholders.
- d) Local labour is prioritised by the project, as all employees (both skilled and unskilled) are from the local community. Out of 19 unskilled workers employed on the project 16 are women, and out of 62 skilled employees 12 are women.
- e) The Project prioritises purchasing supplies from black local business and women-owned enterprises. Out of six black-owned local enterprises that are benefitting from the project, three are women-owned.
- f) The Project has commenced with construction of a 17km access road to Ntabelanga Dam, which is part of stage one of the Project.
- g) Phase One of land acquisition, including compensation of 12 affected families, has been completed.
- h) Processes are underway to relocate affected families with homes built closer to the Dam.
- i) The Project has experienced threats of violence from the local taxi industry, which demanded that taxis should be the only mode of transport for workers to and from the site. The local leadership intervened and resolved the matter, but some of the personnel threatened still feel unsafe.

Executive Undertakings

- a) The compensation for land acquisition will be calculated according to the local market value of the hectare for the surrounding farming community.
- b) The Project Manager assured the NCOP delegation that families to be relocated to a new settlement will have better houses built for them.
- c) The Project Manager assured that all challenges experienced will be handled through open communication and engagement with relevant stakeholders.
- d) The Project Manager committed to empowering all employees with credible and quality skills that will benefit them beyond the project's life.

- e) The Project Manager gave assurance about conducting the financial affairs of the Project with integrity and honesty and ensure value for money.
- f) The Project Manager voiced confidence about cooperation with other government departments that have a role to play, to ensure that the Project achieves its intended purpose.

Recommendations

- a) The relevant Portfolio Committee and Select Committee should continue to monitor the project until its completion.

4.6. UPGRADING OF NATIONAL ROUTE R366 BETWEEN KIRKWOOD AND ADDO

The project is in the Sarah Baartman DM and Local Municipality of Sunday River Valley. The Project comprises of 13,75 km of national route R366 between Kirkwood and Addo. Phase One constitutes upgrading of 16.75 km to 30.5 km, the reseal of 1.75 km of the existing road between 15 km and 16.75 km east of Kirkwood, as well as the construction of the bridge at Sunday River. The Project's total costs are R274 589 809.84 of which R77 750 538.97 has already been spent. In terms of expenditure on designated groups, women and youth have been allocated 5% each. Military veterans and people with disabilities have been allocated 1% and 0.50% respectively. The Project is currently three months ahead of schedule and is expected to be completed by June 2024. A plant fossil was discovered during construction work. SANRAL has initiated an environmental management programme aimed at protecting the bio-diversity of the Eastern Cape, and as part of the programme SANRAL has conducted paleontological training for environmental and other relevant stakeholders to sensitise them to the significance of the fossil.

Observations

- a) The rehabilitation measures of the road vary along the length of the route according to the condition and width of the existing road.
- b) Safety issues such as speed limits and pedestrian sidewalks forms part of the Route R366 upgrade.
- c) At 20.50 km the Sunday River Bridge will be widened by 1.45 m to accommodate new pedestrian walkway.

- d) The upgrading of Route R366 has created approximately 373 full-time jobs. In total 204 males and 169 females are employed in the Project.
- e) Total cost for local labour is R412 258.83
- f) SMMEs were also sub-contracted to be part of the project.
- g) There are a number of challenges. There are times when workers, project managers and supervisors struggle to get internet network access because of the location of the project. Heavy rainfalls are responsible for the delays of the project scope and labour absenteeism after pay day is a recurring problem.

Recommendations

- a) Project Managers must make every effort to ensure that the project is completed within the set timeframe to avoid cost-over-runs.
- b) SANRAL should encourage more women, youth and disabled people in business to be involved in road construction projects.
- c) SANRAL, working with the academia and Eastern Cape Tourism Department should leverage the discovery of the plant fossil to boost tourism in the Sarah Baartman DM.

4.7. MAINTENANCE OF THE N2 ROUTE BETWEEN GAMTOOS RIVER AND VAN STADENS RIVER

The Project is located on the N2 Section 10 from the Eastern side of the Gamtoos River Bridge, which is 55.5 km to the eastern side of the Van Stadens River Bridge. The Project is described as a special maintenance project and does not include any major structural improvements. The primary objective of the Project is to preserve existing investment on the route, by extending pavement life and performance and reducing user delays. The Project route is a combination of a 12.4m wide single carriageway road and a dual carriageway. The total costs of the project is R190 million and due to heavy rainfalls, the project timeline has been extended by a few days at a total cost of R220 million. Initially the project was expected to be complete in December 2023 but due to delays, it is now expected to be complete by April 2024.

Observations

- a) While the bulk of the work of this project mainly is about resurfacing the tarmac road, of note also is that pavement repairs will have to be done before the resurfacing of the road.
- b) The only drainage work included in this project is the cleaning and repairing of minor concrete culverts and the replacement of damaged water inlets.
- c) The project has created 94 full-time jobs in total.
- d) Local businesses are also subcontracted as part of the project, and this include women and people with disabilities.
- e) The project has trained 110 SMMEs in tendering in the road construction sector.
- f) The project provided skills training programmes for women, youth and people with disabilities to equip them with life-long skills in the road construction sector, that will be useful even after the completion of the project.
- g) Heavy rainfall is responsible for project delays. The project main contractors have struggled to secure the services of military veterans and people with disabilities as subcontractors in the project as required by SANRAL tender specifications. Motorists on the road have at times shown utter disregard for the safety measures as provided by the project safety manager.

Recommendations

- a) The Project Manager must ensure that there are no further delays on the project as such delays might compromise the Project's limited budget.
- b) The Select Committee on Transport, Public Service and Administration, Public Works and Infrastructure should monitor the progress of the project and report to the House thereon.

4.8. NOOITGEDAGTE WATER TREATMENT SCHEME

The Nooitgedagte WWTW is located approximately 80 km north of Port Elizabeth close to the town of Addo. The Nelson Mandela Bay Metropolitan Municipality has for a long time been experiencing severe drought conditions, which resulted in the water levels of the major supply dams being reduced to extremely low levels. Therefore, additional sources of water supply are urgently required to meet the growing demand. The original scheme was commissioned in 1993 with a capacity of 70ML/d. The

WTW was originally planned to have four phases, each phase with a treatment capacity of 70 ML/d providing a total treatment capacity of 280 ML/d. Since then, the DoWS has reduced the allocation from the Gariep Dam to the Metro to an average 160 ML/d and 210 ML/d peak allocation. The construction of the Nooitgedagte water treatment scheme started in 2011. A phased-in approach was adopted for the implementation of the scheme due to the limited funds available each year. The total cost of the water treatment scheme from 2011 to 2022 is R1.2 billion. No other scheme currently has the same capacity as the Nooitgedagte Water Treatment scheme in terms of capacity and the amount of water supply to the Nelson Mandela Bay Metropolitan Municipality.

Observations

- a) The delegation was given an opportunity to conduct inspection in loco. The delegation was taken to the flash mixers tank where water from the Dam is cleaned with chemicals. From the flash mixers, water is then channeled through to settlement tanks. As the water clears it is once again taken to the filters and is purified with a chlorine chemical to make it ready for distribution via the pump stations.
- b) Through pipelines from the pump stations the water travels about 45km to reach the Nelson Mandela Bay Metropolitan Municipality before it reaches households.
- c) The Nooitgedagte Water Treatment Scheme is well maintained, operations are at an optimum level and is a good example of a fully operational and well managed plant.
- d) The construction of the Nooitgedagte Water Treatment Scheme was done in four phases with the third phase experiencing some delays as the implementing agency was the Amathole Water Board.
- e) The major beneficiaries of the assured water supply to the people is the Nelson Mandela Bay Metropolitan Municipality including all the towns under its jurisdiction, including Gqeberha, Uitenhage, Dispatch and Bethelsdorp..
- f) The Plant Manager has just one protégé under his supervision and this might adversely affect the succession plan which is essential for big projects such as WTW.

Recommendations

- a) The issue of skills transfer must be a priority in big infrastructure projects such as WTW. The Amatola Water Board, as an implementing agency, has struggled to complete several projects due to lack of critical skills and project management skills.

4.9. PROGRESS ON NDLAMBE BWS PROJECT

The Ndlambe Water Treatment Scheme is located in Port Alfred within the Ndlambe LM under the Sarah Baartman DM. The planning of the project started more than ten years ago and actual construction began in 2022. The primary objective of the Ndlambe Water Treatment Scheme is to augment water supply to Port Alfred and Alexandria by constructing a Brackish Water Reverse Osmosis Plant. The Ndlambe LM, in its capacity as the water services authority, appointed the Amathole Water Board as the implementing agency for the project. A year later the services of the Amathole Water Board were terminated due to unsatisfactory work. Since the termination of the Amatola Water Board in 2022, no work has been done in the construction of the Ndlambe Treatment Water Scheme. The Ndlambe LM was then appointed as the implementing agency. The approved budget for the Ndlambe Water Treatment plant was R422 945 million and expenditure to date is R372 507 million. Additional capital required for the Ndlambe LM to complete the project is R58 million.

Observations

- a) The construction of the Ndlambe Water Treatment Plant is 90% complete.
- b) The termination of the Amatola Water Board as the implementing agency also resulted in security services abandoning the site, resulting in vandalism and copper theft.
- c) As a result of vandalism, the building site of the Plant resembles a “white elephant”.
- d) There is inadequate monitoring and no information is available on compliance, alert levels triggered, and corrective action taken.
- e) Ndlambe LM was appointed as the implementing agent of the treatment water plant following the Amothole Water Board’s failure to complete the project.
- f) The Executive Mayor of Ndlambe LM was of the view that the task of completing the Ndlambe Bulk Water Scheme project should be handed over to the Municipality as the Amathole Water Board has failed the Municipality and the people of Ndlambe. The Municipality has the capacity to manage and operate the bulk water services infrastructure and want full control of the completion of the Ndlambe Water Treatment Plant.

- g) There are no beneficiaries as the treatment plant is not yet complete, and instead the plant has incurred losses to the value of R30 million.
- h) The termination of the Amatola Water services resulted in huge delays of the project whilst the Ndlambe LM is still experiencing water supply challenges. Poor construction of the pipeline to Alexandria needs readjustments and repairs. The delays in the construction of the Ndlambe Water Treatment plant have raised additional costs totaling R88 million (R58 million shortfall from the project itself and R30 million because of vandalism).

Recommendations

- a) The Select Committee on Cooperative Governance and Traditional Affairs, Water and Sanitation and Human Settlements must conduct an oversight visit to Ndlambe LM to monitor progress on the project and to ensure that national government takes drastic intervention measures towards the improvement of water services.
- b) The Amatola Water Board working with the Municipality, must introduce a monitoring plan, based on the legal specifications and requirements set by the DoWS.
- c) Acknowledging that the corrective action required is beyond the control of the Amatola Water Board, the Department and Municipality should ensure that the construction of the plant is completed no later than the end of next financial year.
- d) The DoWS should, within the existing legislative framework, provide the necessary support to the unicity in managing and operating the water treatment plant.

FREE STATE PROVINCE

1. PROVINCIAL OVERVIEW

The Free State Province covers a surface area of 129 825km², which constitutes 10.6% of the total surface of South Africa. The Province has a population of 2 932 million people, which constitute 4.9% of the overall population of South Africa. The main industries supporting the Free State economy are agriculture, mining and manufacturing. By the end of the third quarter of the 2020/21 financial year, the official unemployment rate in the Free State was 38.1%, whilst the extended unemployment rate was 45.8%. The Free State Province ranks under the top four provinces where individuals benefited from social grants, at 39.1%. The majority (83.6%) of households in the Province live in formal dwellings, whilst 14.3% live in informal dwellings. The remaining households live in traditional dwellings (2.1%).

A total of 93.3% of households have access to tap water inside their dwellings, off-site or on-site. The percentage of households with access to water in the Free State decreased by 2.3% between 2002 and 2020. The average percentage of households with access to water has decreased from 90.9% in 2012 to 89.1% in 2020. Further, the percentage of households that continued to use bucket toilets have been declining consistently between 2002 and 2019, with the Free State declining by 13%

2. BRIEFINGS BY NATIONAL AND PROVINCIAL GOVERNMENT

2.1. MEC FOR COOPERATIVE GOVERNANCE, TRADITIONAL AFFAIRS AND HUMAN SETTLEMENTS, HON M KOLOI

The MEC of the Department of Cooperative Governance, Traditional Affairs and Human Settlement provided an overview on the state of municipal infrastructure in the Free State Province. The presentation focused on the roll out of municipal infrastructure; enablers; service delivery mechanisms; municipal challenges and proposed solutions going forward. The Free State Province comprises of 23 Municipalities (1 Metropolitan Municipality, 4 District Municipalities and 18 Local Municipalities). All municipalities deliver basic services to their communities in terms of the Constitution and the applicable legislative obligations. According to the MEC, an average of 85% of communities (formalised areas) have access to basic services (i.e., water, sanitation services, electricity, waste management, roads and stormwater, housing). The Municipalities also strive to deliver good quality infrastructure using their own funding and the allocations of the Division of Revenue Act.

The local municipalities utilise mainly the MIG to deliver basic infrastructure services to communities (i.e., water, sanitation, roads and storm water, public lighting (streetlights, High mast lights, land fill sites, cemeteries, multipurpose services centers, parks, community hall, etc.) The Integrated National Electricity Programme (INEP) is availed to local municipalities for electrification, refurbishment and maintenance of associated infrastructure.

The planning, development and commissioning of most infrastructure projects gets carried out by professional service providers in municipalities. Operations and Maintenance are carried out by municipalities internally, unless sourced out to external service providers where there is no internal capacity. The Matjhabeng, Nala, Ngwathe, Kopanong Local Municipalities and the Mangaung Metropolitan Municipalities are supplied by Water Boards. The ESKOM is servicing about 95% of township areas, 100% of FS towns are serviced by their respective Municipalities in terms of refuse removals.

The MEC identified the following challenges that face municipalities in the Province:

- i. Low revenue base due to non-payment of services;
- ii. The inability by some municipalities to spend their conditional grants on time due to poor planning and lack of capacity;
- iii. The inability by some municipalities to access other grants either due to poor reporting on the spending of previous grants or lack of compliance with the application guidelines;
- iv. Shoddy work by some service providers;
- v. The poor coordination of planning between municipalities and provincial departments;
- vi. Land evasions which exacerbate service delivery backlogs;
- vii. Vandalism and theft of critical municipal assets and infrastructure due to lack of security;
- viii. The interruption of water supply due to infrastructure failures and failure of municipalities to pay for bulk water supply by Water Utilities;
- ix. Persistent power cuts due to load shedding and the breakdown of critical electricity infrastructure;
- x. Poor asset management, and
- xi. Poor budget planning and prioritisation of spending between personnel and critical service delivery programmes.

2.1.1. Executive Undertakings

The MEC made the following executive undertakings:

- a) To encourage and support municipalities to improve revenue collection.
- b) To encourage and support municipal compliance with the conditions of the Division of Revenue Act to avoid the stopping of funds.
- c) To strengthen infrastructure planning divisions with reputable staff to direct development in line with Spatial Development Plans.
- d) To assist municipalities in the development of sound record keeping.
- e) To maintain all records regarding Infrastructure Asset Management.
- f) Continuous development of employees within infrastructure as technologies evolves over time and adherence to Asset Management Plan by permanent reputable staff.
- g) Retrofitting of water services and transport infrastructure with alternative energy supply for business continuity.
- h) Collaboration with law enforcement agencies to address the challenges of corruption.

2.1.2. Observations

Based on the presentations and the inputs by the delegation, the following are key observations:

- a) Spiralling municipal debts to Eskom and Water Utilities account for continuous disruption of electricity and water supply.,
- b) Low revenue base due to non-payment of services.
- c) Lack of infrastructure maintenance.
- d) Pervasive vandalism and theft of critical municipal assets and infrastructure due to poor security.
- e) The abuse of over time.

- f) Continuous and rampant breach of the Water Services Act 108 of 1997, due pervasive spillage of sewage in the streets that threatens the hygiene and health of communities.
- g) Financial mismanagement and corruption which results in shoddy work and incompleteness of critical infrastructure projects like the G Hostel in Matjhabeng LM where the funds have been spent but the project remains incomplete.

2.1.3. Recommendations

- a) The urgent development of a strategy and policy to mitigate the abuse of overtime by the Department of Cooperative Government, Traditional Affairs and Human Settlement.
- b) The Department of CoGTA to ensure the implementation of consequence management where there are cases of financial misconduct in the municipalities.
- c) The MEC to consider laying criminal charges against the mayors for spillage of sewage in the streets.
- d) The Department of CoGTA to ensure that the contractors involved in acts of criminality and fail to deliver projects as per service level agreements are held accountable, criminal cases are opened where necessary, and such companies are blacklisted from doing business with the Department.
- e) The Department should provide continuous support in terms of section 154 of the Constitution to all the dysfunctional municipalities in the Province.

2.2. DEPARTMENT OF COMMUNITY SAFETY, ROADS, AND TRANSPORT

The MEC for Community Safety, Roads and Transport briefed the delegation on the state of roads infrastructure, maintenance and refurbishment projects completed and those underway in the Province, the challenges faced by the Department, the interventions of the Department in addressing such challenges and executive undertakings going forward.

An Overview of the Road Infrastructure Network

The Free State Provincial Government manages the provincial road networks which consist of approximately 22 000 km of gravel roads and 6 700 km of paved roads. The conditions of roads are assessed annually through the road asset management system to assist with the planning of maintenance and upgrading. Based on the 2015 - 2020 road condition assessment overall condition index, the state of roads infrastructure is categorized as: very poor (grading of below 30 %); poor (grading of between 30-50 %); fair (grading of between 50-70%); good: (grading of between 70-85%) and very good (grading of 85 % and above). The technical formula underpinning this categorisation was not questioned nor clarified and the percentages may not be easily reconcilable for a layperson.

According to the MEC, there are currently a total of 13 projects ranging from rehabilitation, and maintenance to upgrading of various roads across the Provinces which are located in all the five districts as listed in Table 1 below.

Table 1

Project description & Value		Commencement Date	Completion Date and Reported delays	Contractor
1.	N1 Winburg: The rehabilitation and upgrading of National Route, N1, Section 16, between Winburg Interchange (km 77.5) and Winburg station (km 89.8) R441 m	1 January 2016	27 months	WBHO
2.	The upgrading of two sections of primary road p43/4, at Nyakallong and immediately north of Allandridge in Lejweleputswa at the value of R22 381 410.98	16 November 2022	21 June 2023, but delayed by 6 months due to additional scope	Matela Civils
3.	Rehabilitation of primary road P17/2 between Marquard and Winburg at R 191 902 452.52	29 July 2019	17 June 2021	Tau Pele
4	The rehabilitation of the road between Viloenskroon and Bothaville, R59 at the value of R104 865 456.87	1 July 2019	30 September 2020 but delayed due to Covid19	Down Touch Investments (Pty) Ltd
5	Special maintenance of P9/4: Sasolburg (km 00) – Heilbron km 20 at the value of R172 204 907,40	02 September 2019	02 September 2021	Raubex/Nodoli JV
6	Special maintenance of the road between Senekal and Ventersburg at the value of R228 289 370.55	25 July 2019	25 June 2021	Down Touch Investment
7	Speacial maintenance of primary road P15/1 between Kroonstad and Viljoenskroon at the value of R276 606, 533.70	August 2020	August 2023	Down Touch Investment
8	Special maintenance of R103 between Villiers and Cornelia at the value of R21 782 998, 93	20 June 2022	20 December 2022	Mafatseng Trading & Projects
9	Special maintenance of access road SS604/S34 in Tweespruit at R26 490 231, 96	8 September 2022	08 September 2023	Khomanani Construction cc.
10	Special maintenance of P23-1 between Kroonstad and Steynsrus at the value of R300 778 627, 55	1 November 2019	30 January 2023	Sedtrade (Pty) Ltd

Project description & Value		Commencement Date	Completion Date and Reported delays	Contractor
11	Road between Reitz and Tweeling P41/1&2 at the value of R176 558 435	24 December 2021	24 June 2023	Maxumus Earthworks (Pty) Ltd
12	Special maintenance of P41/2 Road between Tweeling and Frankfurt at the value of R198 025 926.59	24 December 2021	30 September 2023	Maximus Earth Works
13	The upgrading of Rietriver Bridge 981 in Koffiefontein at the value of R17 452 352.38	August 2020	August 2023	Moloko o Motjha Trading

The MEC highlighted that they are in discussion with SANRAL to partner on the continuous refurbishment and maintenance of some of the critical roads in the Province. This partnership and collaboration will also include the use of the Engineering capacity of SANRAL by the Department.

The current and previous procurement spent on the maintenance, refurbishment and upgrading of roads is not consistent with government policy to mainstream the participation of local communities, especially women, youth and people living with disabilities. The MEC also identified the challenge of potential collusion between departmental engineers and contractors in signing off the projects even if there are serious quality and workmanship deficiencies.

The issue of sidelining emerging contractors was sharply highlighted as pervasive by the MEC whilst the MEC hinted at possible corruption accounting for delays or incompleteness of certain projects, no specific details or cases were provided. The payment of contractors even before they have completed the projects remains a challenge from the previous administration in the Province, although no specific cases were mentioned. The Permanent Delegate had the opportunity to visit three projects that are underway in the Lejweleputswa District.

2.2.1. Executive Undertakings

The following are the executive undertakings made by the MEC:

- a) To ensure that contractors are only paid when their work is completed and certified by internal and external engineers to be of good quality.
- b) To source the services of independent private engineers in the signing off of projects before full payment is made.
- c) To leverage the participation of youth, women and people living with disabilities in all the work of the Department.

- d) To build and strengthen risk controls and management internal capacity of as a way of combatting corruption.
- e) To negotiate service level agreement with SANRAL to accelerate and improve the quality of the maintenance and refurbishment of the provincial road infrastructure network.

2.2.2 Observations

- a) The members noted that whilst the progress made on the rehabilitation of specific roads, Free critical roads in the Free State, like the Marquard-Clocolan, Ladybrand-Bethlehem and other roads continue to be in extremely bad conditions which affect the agricultural productivity of the province thus leading to high costs of food prices. The ad hoc nature of the collaboration between the department and the South African National Road Agency was also raised as a concern.
- b) The Members also wanted the commitment/undertaking from the MEC with respect to the empowerment of emerging local contractors, especially the Youth, Women and people living with Disabilities.
- c) It is the general observation of the Delegation that some of the projects presented, especially by the Department of Community Safety, Roads and Transport have been completed previous years earlier. There was no indication of the multi-year Provincial Roads Infrastructure and Water and Sanitation Master Plans that are costed as critical part of long terms planning as envisaged in the National Development Plan. This was also the case with the Provincial Human Settlement Master Plan.

2.2.3. Recommendations

- a) The MEC should upscale the collaboration and partnership with SANRAL, with the possibility of reclassifying some of the provincial roads into national roads to tap into the expertise and resources of SANRAL.
- b) Policy compliance and consistency in respect of the empowerment and appointment of local contractors, especially women, youth and people living with disabilities, is to be adhered to.
- c) The MEC was also encouraged to foster partnerships and collaboration with the farmers with respect to maintenance and refurbishment of rural roads in the Province.

2.3. VAAL CENTRAL WATER BOARD (FORMER BLOEM WATER AND SEDIBENG WATER BOARD)

The presentation delivered by the Chairperson of the Vaal Central Water Board covered the current state of municipal water infrastructure, supply, Ministerial Directives; municipalities serviced; financial status of the Vaal Central Water pre and after the amalgamation of Bloem Water and the Sedibeng Water, current challenges, and the way forward. In terms of the current situation, the disestablishment of the former Sedibeng Water Board resulted in the allocation of both assets and liabilities to the new Water Utility, the Vaal Central Water Board. This includes a R 5 billion deficit. The sustainability of the entity is still threatened by the ongoing erratic payment of bulk water accounts by municipalities, whilst other municipalities do not honour debts. This has resulted in a shortfall of between R80 million and R100 million per month.

The Free State Province has recently been overwhelmed by water and sanitation challenges which resulted in Ministerial Directives issued to the Entity to address the situation. The current situation has necessitated an overall change of mindset and approach as well as serious repositioning and structural adjustment in terms of the resources of the Entity. The Ministerial Directives were issued to Matjhabeng, Maluti-A-Phofung, Mafube, Mantsopa and Masilonyane local municipalities, respectively, for the refurbishment or upgrading of WWTWs. In terms of financial status, it was indicated that the process of disestablishing Sedibeng Water Board was not funded, and its liabilities have been carried over by the new Entity. Although R108 million was allocated and used to fund salaries of former Sedibeng employees, integration funds are required for systems, maintenance of infrastructure, irregular expenditure investigations, qualification of Annual Financial Statements (AFSs) and creditors. Outstanding creditors to the amount of R5 billion was transferred as part of liabilities and creditors continue to increase to unsustainable levels due to this shortfall. There is the 10-year maintenance back-log of former Sedibeng Water Board infrastructure that has resulted in R500 million being required for the maintenance of critical infrastructure.

The Bloem Water Board has requested late submission of the financial statements due to the transfer of irregular expenditure, qualification of AFSs and outstanding legal fees.

2.3.1. Executive Undertakings

- a) Bloem Water Board will ensure that payment of bulk water is enforced by National Treasury and audited by the Auditor General to improve service delivery and sustained bulk water provision.

- b) The Entity will pursue integration of funding with the DoWS and consider of alternative funding for water boards servicing non-viable municipalities.
- c) The Vaal Central Water Board will ensure that municipalities pay their current accounts and service their historical debts within the parameters of the relevant prescripts. The Board has taken all alleged cases of corruption and maladministration to SIU and other relevant law enforcement agencies.

2.3.2. Observations

- a) The delegation noted that the Bloem Water Board is currently facing challenges related to municipal non-payment; risk of financial sustainability; vandalism and theft of key strategic assets supplying bulk water; high risk of security of water supply due to infrastructure operating close to its design limit; provision of future water demand not in line with the development in infrastructure and deteriorating raw water quality as the result of inadequate catchment management. The delegation raised concerns about the residence of Jagersfontein not being able to access water due to the 30% restriction which has since been exacerbated by the collapse of the mining dam that has destroyed some critical water network pipelines. Specific question was raised as to why only the Kopanong Municipality is subjected to water restrictions when most municipalities in the Province owe the Water Utility.
- b) The poor maintenance of Waste Water Treatment plants and the ailing water infrastructure across the Province continue to result in the pervasive spillage of sewerage in the streets, fresh water streams and rivers, which is breach of the Water Services Act 108 of 1997 and constitute criminal offences. As noted by the delegation, this problem is more acute in Matjhabeng LM.
- c) There is currently no Memorandum of Understanding or Service Level Agreement between the Vaal Central Water Board and the Municipality pertaining to meter billing on actual rates, lack of a debt collection plan, and a ten year year backlog of water treatment plant maintenance, which could pose a risk of collapse of the water supply system in the Province.

2.3.3. Recommendations

- a) The Board must make sure that there is consequence management where there are cases of criminality and the breach of the Public Finance Management Act 1 of 1999 and the Municipal Financial Management Act, 56 of 2003.
- b) The development and implementation of an integrated medium – to - long term debt recovery plan as a matter of urgency.
- c) The MEC to commit to laying criminal charges against the recurrent defaulting municipalities in terms of the persistence of spillage of sewerage in the streets, fresh water streams, dams and rivers.
- d) The delegation requested the copy of the Conditions Assessment Report of the Waste Water Treatment Plant in Matjhabeng LM.

3. BRIEFINGS BY MUNICIPAL GOVERNMENT

3.1. MATJHABENG LOCAL MUNICIPALITY

The Executive Mayor and the Municipal Manager delivered presentations on the state of the municipal water and electricity infrastructure. The presentation focused on governance and functionality of oversight structures; institutional capacity; basic services (state of sewer and Wwter infrastructure challenges); capital projects, water and sanitation; business plans submitted; ministerial interventions; the state of the municipal fleet, security plan; financial viability; human settlement planning; local economic development and consequence management.

The Municipal Manager indicated that since the new administration came into office on the 29th of November 2021, the municipality was in a bad state, all core business of the municipality was outsourced with no service delivery to communities and no consequence management was in place. The Municipality is experiencing various challenges including economic decline due to mining closures, the vandalism and theft of critical municipal infrastructure, illegal mining activities and ageing infrastructure. An amount of R2.8 billion has been spent on service providers in the last five years. A total of R45 million has been spent monthly, while there are no funds to fix the infrastructure.

The overtime expenditure was R8 million a month (R96 million a Year), however overtime expenditure at the Municipality is currently at R2 million due to the strengthening of controls. There was no internal capacity and no fleet to service the needs of the community. The Project Management Unit function was outsourced at the cost of R500 000 per month

(R6 million a year) however the service has been terminated. Preparation of the was outsourced at the cost of R500 000 a month (R6 million a year) however currently appointed qualified people are compiling the AFSs internally. All the above mentioned historical state of affairs was a result of poor planning, management and political oversight.

The delegation was further informed that the Executive Mayor Initiated a five day strategic planning session focussing on the turnaround strategy. There was a “First One Hundred Day” Service Delivery Plan to address immediate service delivery challenges. The Executive Mayor recommended to Council to declare the Municipality as a disaster in terms of sanitation, as the Municipality is unable to manage the sewerage spillages. Letters were addressed to the relevant Ministers (COGTA, Water and Sanitation, Police and Minister in the Presidency), the Premier of the Free State Province and the MEC to inform them of the Council resolution declaring the Municipality a disaster.

In terms of good governance, it reported that the Municipal Manager, the Chief Financial and the Community Services Director sit regularly to coordinate, monitor and evaluate service delivery in line with the agreed targets. The Multi-party whipper in Council is sitting regularly to engage on matters affecting their constituencies. The Audit and Performance committee has been appointed and has resumed duty on the 1st of June 2022. The Municipal Public Account Committee has been appointed and resumed duty on the 28th of January 2022.

The Financial Disciplinary Board was appointed by Council and resumed duty on the 1st of April 2022. The Internal Audit unit has been fully capacitated as all vacant position were filled on the 15th of June 2022. The Risk Management Unit and the Monitoring and Evaluation Unit has been established and managers have been appointed.

In terms of financial management, the Municipal Manager indicated that the Municipality has dealt with outsourcing and has built capacity internally and appointed three chartered accountants, 12 senior accountants, two professional engineers, five technologist, five technicians, 30 plumbers, 18 electricians, eight internal auditors, 149 security officers and further promoted 207 employees. The Municipality is preparing the AFS, attending to leakages, unblocking of sewer manholes, patching of potholes and maintenance of halls internally. The Council had resolved to reduce the overtime from R8 million to R2 million. However, there are months wherein overtime exceeds the budgeted amount due to ageing infrastructure challenges and vandalism.

In terms of Ministerial Directive, the permanent delegates were informed that the Minister of Water and Sanitation visited the Municipality on the 2nd of June 2022 and met with the executive

management and councillors on their interventions. Bloemwater was appointed by the Minister as an implementing agent for all sewer projects. The Project Steering committee was established by the Minister which constitutes of DoWS, Bloem Water, Matjhabeng LM and the business community. There was a grave concern regarding security and safeguarding of the municipal infrastructure, and the request for a security plan was developed.

In terms of the security strategy, the Municipal Manager reported that the Municipality has identified the installations of integrated CCTV; IP Hybrid camera system (mixture of normal IP surveillance technologies with analytical and AI (Artificial Intelligence), automated number plate recognition, facial recognition and finger reading system at all strategic infrastructure sites for access control.

As part of revenue enhancement and debt management, the Municipality has submitted their debt relief application on 13 July 2023. The application is still in the process of being assessed. The Municipality also applied to National and Provincial Treasury to be considered as a pilot project for the smart metering solution. The Municipality has already started with the Supply Chain Management (SCM) procedures / procurement process for the smart meters.

As part of addressing inefficiencies and corruption, the Council has suspended three Executive Managers for allegations ranging from poor performance to conflict of interests and possible corruption. Some of the cases, where there are possible acts of corruption, have been reported to the Hawks.

3.1.1. Observations

- a) Members observed with concerns the poor state of waste removals, water leaks and sewage spills in the streets despite the emphasis by the Mayor that the Municipality is improving in terms of its fleet and internal capacity to provide the delivery of basic services. The issue of the Odendalsrus Waste Treatment Plant, that has been built in 2010 but is still not operational, was also raised sharply by the delegation. Despite the reported attachment of the municipal fleet by the sherriff due to debts of the municipality, not much account was provided of the Municipality's financial recovery plan.

- b) The Permanent Delegates maintains that the figures provided by the Municipal Manager in terms of addressing the audit queries by the Auditor General are not credible nor supported by empirical evidence, and at worst are not consistent with the Auditor General's findings. This includes the percentages of water losses, which are in the view of the Permanent Delegates inflated.
- c) The fight against corruption within the Municipality as reported by the Municipality was noted by the Permanent Delegates with serious reservations about the credibility of the process that is led by the municipality that is itself suspected of malfeasance, as opposed to being independently led by law enforcement agencies. This has the potential for a conflict of interest where Senior Managers and politicians may selectively choose which cases to report and not to report.

3.1.2. Executive Undertakings

- a) On the question as to the time frames within which the Municipality will address the spillage of sewage, the undertaking was that this will be accomplished when all the Waste Water Treatment projects are completed.
- b) The Municipality has committed to implement consequence management and report criminal matters to the relevant law enforcement agencies (SIU, HAWKS & NPA) for investigations and prosecution. The Municipality will be putting in place security measures in all completed priority projects dealing with water, sanitation and pumpstations in waste water treatment plants.

3.1.3. Recommendations

Having considered the briefing by the Matjhabeng LM, questions and inputs by the Permanent Delegates, the following recommendations were made:

- a) That, the President be requested to act on the NCOP motion to promulgate the Special Investigation Unit Investigations into this Municipality.
- b) The Provincial government, especially the Provincial Treasury and the Department of Cooperative Governance, Traditional Affairs and Human Settlements, to report suspicious criminal transactions to law enforcement agencies. The glaring case in this regard being the incomplete hostel upgrading projects where the contractors are alleged to have been paid.

- c) The Province to approve the request by the Municipality to be declared a disaster area in terms of the relevant act.

3.2. BRIEFING BY BLOEM WATER / VAAL CENTRAL WATER ON SANITATION INFRASTRUCTURE IN MATJHABENG LOCAL MUNICIPALITY

The Vaal Central Water Moard delivered a presentation on the refurbishment and upgrading of current sanitation infrastructure in Matjhabeng LM. The presentation focused on technical planning activities; procurement strategy; emergency unblocking intervention; progress on WWTWs in Kutlwanong (6Ml/d); Thabong; Hennemann; Ondendalsrus and progress on sewer networks in Thabong Extension 1; Thabong Extension 3; Kutlwanong; Welkom; network contractors challenges and progress on pumpstations.

The intervention mandate is divided into a three year scope, namely WWTWs (one), pumpstations(two), and sewer networks (3).

In terms of technical planning activities, the estimated budget for the completion of sanitation interventions is R2.25 billion over 5 years. R585 million is required in the current financial year to be able to complete the 29 projects planned and ready to be awarded. The estimated cost for the entire project scope, including infrastructure upgrades might reach R2. 8 billion.

The Bloem Water Board indicted that networks coverage falls within 36 wards and 25 areas. The current appointment covers an initial six areas totalling 23 Wards and 13 wards are not covered by the current appointments. Two contractors withdrew affecting 7 aards in Thabong Ext 2 and 4. A total of 20 wards 21 areas) are not covered. The slow start is caused by unblocking due to critical areas requiring daily maintenance as the four contractors commenced with emergency unblocking of the network between May and June 2023.

The areas not covered required daily unblocking of the network and contractors were required to deviate from the repair / replacement of blocked and collapsed Network as per the appointment. The Municipality has procured the combination jetting truck to commence with daily unblocking from June and that relieved the four contractors to commence with their required work.

In terms of the procurement strategy, Bloem Water indicated that the programme has a total of 78 projects that are ready for implementation and are divided into a sewer network, 25 project area to cover 36 wards, 9 WWTW projects and 44 pumpstation projects to cover the areas of the Municipality. Of 78 projects in total, 59 in total are prioritised projects and divided into four financial years.

3.2.1. Observations

- a) On 15 July 2022 the DoWS appointed Vaal Central as the implementation agent to oversee the sanitation infrastructure challenges in the Municipality which had not been operational for more than 10 years, was dysfunctional and had been vandalised. The Municipality, through the Executive Mayor has however raised concern about the capacity of Vaal Central to complete the projects on time and within the planned costs.
- b) The Vaal Central have appointed both the local contractor and external contractors from other provinces to ensure implementation of the current and future long - term projects..
- c) The Municipality was declared as the disaster by the Council but not by the Department of CoGTA in terms of the Disaster Management Act 57 of 2002 and left the situation to be solved through SCM procurement processes which takes time, from advertisement to appointment. It was however not clear which empowering legislation was used to arrive at this decision and its legal standing.
- d) Most of the projects are still at the conceptual stages and not yet completed in terms of their scopes, budget allocations and timeframes.
- e) Key to the observations by the delegation is the lack of maintenance of the water and sanitation infrastructure, vandalism and theft due to lack of security of municipal assets and infrastructure.
- f) It was also observed that the contractors appointed for the refurbishment and upgrading of the Waste Water Treatment plant in Kutlwanong and Odendalsrus are from the local community as per the policy prescript on the empowerment of local communities.

3.2.2. Executive Undertakings

- a) The appointment and empowerment of local contractors, especially women, youth and disabled people is strongly recommended.
- b) Vaal Central to develop and implement consequence management where cases of breaches of the Public Finance Management Act 1 of 1999 and possible corruption are identified.

3.2.3. Recommendations

- a) It was recommended that the Board should provide the Condition Assessment Report on the refurbishment of Kutlwanong Waste Water Treatment Plant to the Permanent Delegates.

4. SITE VISITS

4.1. THE RUSFONTEIN WASTE WATER TREATMENT DAM

The Rustfontein Dam supplies Botshabelo, Thaba Nchu and some parts of Bloemfontein within the Mangaung Metropolitan Municipal area with water. The Dam was in good condition, with well-maintained infrastructure and security infrastructure.

4.1.1. Observations

- a) The delegation noted and welcomed the appointment of women at the plant as part of gender equality and empowerment.
- b) The delegation also noted the good maintenance of the plant in terms of water treatment levels.
- c) The delegation further noted that the maintenance of the waste water plant is done by the DoWS as the plant was constructed in 1955.

4.3. THABONG WASTE WATER TREATMENT WORKS

4.3.1. Observations

- a) The delegation welcomed the progress made in terms of the scope of the project.

- b) The delegation noted that the project milestones have been achieved in terms of installing new electrical and mechanical equipment, installation of palisade fencing and camera system to prevent vandalism and theft.

4.4. R30 ALLENRIDGE PROJECT

4.4.1. Observations

- a) The delegation noted with concern that there is no construction activity on site despite several delays and the further possible risks that the pan poses to residents. The then state of the road claimed 54 lives.
- b) The pan has potential to have raised water levels if left unchecked. The test done on the pan confirmed that it holds not only natural water but also sewerage spillage and mine water which has mining chemicals.

4.4.2. Executive Undertakings

- a) The Department will continue to work with relevant stakeholders to prevent of the water level rising, which that might submerge the road, surrounding housing settlement and facilities.
- b) The Department will work with stakeholders to prevent further pollution of the pan.
- c) The Department committed to penalising the contractor for delays in line with the service level agreement.
- d) The Department committed to make the road accessible even during the rainy season.

4.4.3. Recommendations

- a. The delegation was not pleased with the non-attendance of both the MEC of Community Safety, Roads and Transport and the Matjhabeng Municipality and that should be addressed in future. Members were gravely concerned with the pollution that has caused by the surrounding mines. The department must ensure that the project is completed within the schedule and budget allocations.

- b) The Department must enforce adherence to service level agreement and relevant penalties where there are delays from the side of contractors. The Department must ensure that there are no further loses.

4.4. VISTA PARK HOUSING PROJECTS

4.4.1. Observations

- a) The delegation noted that they visited the project in 2019 and that there are problems with social housing notwithstanding the visible progress on the project. The construction site was in an immaculate condition complying with amenities and facilities needed for a construction site. The Project is a public – private - partnership and the funding thereof comes from public coffers and the private sector. The first beneficiaries of 30 houses will be military veterans. The project will be registered as social housing and thus relevant prescripts will be adhered to, to ensure that the project does not collapse. The Auditor General and Finance Department of the Municipality were happy with the management of public funds.
- b) The delegation was concerned that it took quite a few years for construction to begin on site, however, they were content with the progress as it is the second time the NCOP has conducted an oversight to this Project.
- c) The delegation noted that student accommodation will be part of the mixed development, and this will help alleviate challenges currently faced by students.

4.4.2. Executive Undertaking

- a) Stakeholders will avoid the failures of Brand Wag social housing which is currently under administration due to poor management.
- b) The Municipality confirmed that a study was done on the township establishment and thus there is necessary sewerage capacity to accommodate the needs of the new township.
- c) The sub-contractors will be sourced from local contractors and community however where there is no capacity the developer will look beyond the City.

- d) The Project has put systems in place to prevent corrupt activities.

4.4.3. Recommendations

- a) The delegation requested a detailed report on social housing for the purpose of follow up on progress made.
- b) Developers are to provide the delegation with a detailed breakdown of the labour competent involved in the project, including statistics on gender parity, jobs created and subcontractors.
- c) Members gave an indication that projects which were not visited but have their own unique challenges should be prioritised in the next NCOP visit.

4.5. ODENDALSRUS (KUTLWANONG) WASTE WATER TREATMENT PLANT

The process design of this Project includes activated sludge. In terms of status, the Conditional Assessment Report has been submitted and approved. The procurement process has also been completed and the contract awarded. The estimated construction value is R112.26m, which is an escalation of over R100 million since 2010 when the Project was initially costed. The Project is estimated to commence in October 2023. The anticipated contractor has a CIDB grading of 8ME. The implementing agent is the Vaal Central Water Board, which on 5 September 2023 appointed the contractor.

4.5.1. Executive Undertakings

- a) The Mayor committed to addressing sewage spillages once the project is completed.
- b) The Vaal Central Water Board has undertaken to provide the delegation with the Condition Assessment Report of the Odendalsrus Waste Water Treatment refurbishment and upgrading project, after the insistence by Members to have such a report.

4.5.2. Observations

- a) During the period of the site visit there was not construction activity on site that could be observed by the delegation. However, the contractor is progressing well on cleaning the main sewer outfall line in terms of the scope and conducting CCTV inspections.
- b) The delegation raised concerns about sewage spillages next to the treatment plant and enquired from the Mayor about the Municipalities plan to avoid the spillage of sewage.
- c) It was also noted that the appointed professional service providers are not from the local area of Matjhabeng despite the commitment to empower local contractors.

4.5.3. Recommendation

- a) The Municipality should fast-track the process of curbing sewage spillages and provide security to avoid vandalism and theft of technical equipment in the plant.
- b) Care should be taken to empower local contractors.

4.2. THABONG BONGANI PIPELINE

The Dam supplies Botshabelo, Thaba Nchu and some parts of Bloemfontein within the Mangaung Metropolitan Municipal area with water. The Dam was in good condition, with well-maintained infrastructure and security infrastructure.

2.1.1. Observation

- a) The commitment of the contractors to empower and involve the local contractors was noted by the Permanent Delegates.
- b) Upon completion, the project will unlock some of the challenges of sewer spillage in 7 wards.

2.1.2. Executive Undertaking

- a) The contractor made a commitment to use the local contractor database for subcontracting and to provide training to the local community during the implementation of the project.

2.1.3.Recommendation

- a) The contractor should involve the participation of youth and women and ensure knowledge and as part of job creation transfer skills during the project implementation..

GAUTENG PROVINCE

1. PROVINCIAL OVERVIEW

Gauteng is the smallest Province in the country covering a surface area of 18 178km, which constitutes 1.4% of the total surface area of South Africa. The Province has a population of 15 810 million people, which constitutes 26.3% of the overall population of South Africa. The Province is divided into eleven municipalities which include three metropolitan municipalities and two district municipalities. The former are Ekurhuleni, Johannesburg and Tshwane and the latter are Sedibeng and West Rand. Local municipalities under Sedibeng DM are eMfuleni, Lesedi and Midvaal and Local municipalities under West Rand DM are Merafong, Mogale and Rand West City.. Gauteng is the biggest (34.5%) contributor to the GDP of the Country, the economic powerhouse of South Africa. The main contributors to the regional GDP are tertiary industries (66.4%), followed by secondary industries (20.1%) and primary industries (2.5%).

Gauteng records the lowest amount of people benefiting from social grants with a figure standing at 24.1%. It is also the Province where the least (39.5%) amount of households receive at least one type of social grant. The majority (80.7%) of people in Gauteng live in formal dwellings whilst 18.3% live in informal dwellings. No persons are living in traditional dwellings and only 1.1% are reported to be living in “other dwellings”. A total of 98% of households have access to tap water inside their dwellings. The percentage of households with access to water in Gauteng province has decreased by 0.7% between 2002 and 2021. The majority (90.5%) of households in Gauteng have access to improved sanitation. The majority (85.1%) of households in Gauteng had their refuse removed at least once a week. The majority (86.1%) of these households are located in urban areas, whilst approximately one third (33.6%) of households in rural areas are provided this service on a weekly basis. Accordingly, many (39.2%) of households in rural Gauteng make use of dump sites to discard garbage. The majority (83.4%) of households in Gauteng have access to electricity.

2. BRIEFINGS BY NATIONAL AND PROVINCIAL GOVERNMENT

2.1. PREMIER, HON P LESUFI

The Premier highlighted that the concern is to build viable infrastructure in all areas and spheres of government to improve areas, especially in townships and informal settlements. More importantly, the Province must be placed in a position to determine whether the goals set to be achieved in 2030 in the National Development Plan will be realised. The Province has set five elevated priorities as a guiding tool to improve the lives of the people in the Province. The five key priorities are:

- i. Economic recovery of the Province to remain the economic hub of the country.
- ii. Combatting crime, vandalism, and lawlessness to reduce staggering crime statistics.
- iii. Improvement of the living conditions of people especially in 26 townships of the Gauteng Province, over 700 informal settlements and informal settlements and six provincially owned hostels. The energy crisis has been identified as an area that requires attention to tackle this priority.
- iv. Commitment to building a strong capacity of the state to improve access to services, such as water and sanitation and the delivery of those services to all communities.
- v. Turn townships, informal settlements and hostels into liveable and decent social spaces that do not detract from the human dignity of people.

These priorities form part of the Gauteng Together (GGT 2030) which sets out the vision for the Gauteng of 2030, guided by the principles and priorities contained in the Freedom Charter, the National Development Plan.

Challenges

In respect of crime, the Premier highlighted the recent crime statistics for the Province, noting that recent crime statistics place Gauteng and the Western Cape as provinces worst affected by crime. It was further noted that there were certain no go areas in the Province. Furthermore, that crime in the province was exacerbated by illegal mining. It was noted that these statistics are detrimental towards attracting investment in the Province, however, significant resources have been assigned towards combatting crime. This includes investment towards high technology systems which includes closed circuit monitoring, the recruitment and deployment of peace officers.

In terms of improvement towards service delivery in informal settlements and townships, it was reported that there are currently 720 informal settlements in the province. The province is committed towards improving service delivery in informal settlements and townships and formalizing basic services within these areas. Land invasions and water and sewerage issues were also highlighted as areas of concern, and it was noted that development around certain areas of Reconstruction and Development Plan (RDP) remain unfinished because of a number of issues which includes the lack of reticulation and sewer capacity, the lack of police stations and schools.

Successes

- i. Hostels are now connected to free WIFI.
- ii. The aim of the provincial government is to turn informal settlements, townships, and hostels into habitable/liveable areas; thus, hostels now have WI-FI, mobile clinics with nurses and doctors and CCTV footages.
- iii. The Province identified areas in informal settlements that need to be formalized and this will involve providing land to the people where they will be able to build on their own. It ensures that everyone who needs access to housing will be accommodated within their financial means.
- iv. The Province further identified economic activities in the townships which will unlock the potential of these areas. So far investment in these townships has attracted major retail stores and big businesses who are now seeing townships as centres of economic activity and choosing to open businesses in these areas.

2.2. MEC FOR HUMAN SETTLEMENTS, HON L MAILE

2.2.1. Observations

- a) The programme to upgrade informal settlements is in line with section 3(4)(g) of the Housing Act no 107 of 1997 and the key objective of the programme is to facilitate the structured in-situ upgrading of informal settlements.
- b) To satisfy everyone's right to of access to basic water supply and sanitation services, it is part of the programme to provide interim water services, interim sanitation services, refuse removal and alternative sanitation services to several informal settlements.
- c) The Department has started piloting a project to provide alternative sanitation technologies to reduce the reliance on chemical toilets. It will be implemented in six informal settlements in the Midvaal, Emfuleni and Mogale City regions and will target 1573 households. Should this pilot project succeed, the intention is to expand it to other settlements.
- d) The semi – permanent alternative sanitation solutions are all on-site wastewater treatment plants. These solutions will be able to assist some municipalities that have bulk sewer challenges and alleviate the pressure on existing bulk systems. A key initiative under the Department is the Gauteng Partnership Fund, which is an agency of the Department which will play a critical role in the raising and structuring the capital that will be required to ensure the implementation of mega projects and the Province's urban renewal programme.

- e) In terms of water and sanitation services to informal settlements, the Department reportedly provided interim water to 60 informal settlements at a cost of R146 660 956 and interim sanitation to 26 settlements at a cost of R50 987 010.
- f) It was reported that the Department has dedicated resources towards improving its human resource capacity in built environment and has to date employed 140 officials who are all registered with professional associations.

Key Challenges

- g) The expansion of informal settlements has worsened in recent years, between 2016 and 2023, 300 new informal settlements have emerged. This is symptomatic of a lack of capacity, coordination, and resources in respect of township planning at the municipal level. This expansion of informal settlements was exacerbated by the withdrawal of dedicated police assigned to monitor this issue. These police officers have since been reassigned to other tasks.
- h) It was noted that legal restrictions in terms of the Prevention of Illegal Eviction and Unlawful Occupation (PIE) Act 19 of 1998, have placed limitations on the amount of time an authority has to deal with illegal land invasions and hijacking of property. It was noted that 48 hours is insufficient and that these occupations are observed sometimes well after this period.
- i) One of the key challenges in building hijackings is the legal technicalities within the PIE Act, which give cover to criminal intent. Criminals take advantage of that legal loophole which urgently needs to be addressed. It was noted that this could be mitigated by the enforcement of municipal by-laws and the Fire Brigade Act 99 of 1987.
- j) A further key challenge is the development of informal shacks within hostels, which becomes challenging for town planning. As one of tasks undertaken in determining bulk infrastructure capacity of hostels, a head count was done of the number of occupants residing in the hostels. Preliminary results revealed 109 000 adults, which number excludes minors and is therefore expected to be much higher. The result is people living in unhygienic conditions because the bulk capacity is over stretched.
- k) Bulk capacity is overstretched because of population increase in these informal areas and hostels. R60 billion is required to address the issues of bulk infrastructure and without making

the necessary improvements to bulk infrastructure it will not be possible to eradicate informal settlements.

- l) There are a reported 7000 incomplete RDP houses which date back to 2008 and 2010. The funding for these projects is no longer available and a request is being made to the National DoHS to repurpose funding for underperforming programmes. A contributing factor to incomplete RDP houses was the high turnover of contractors, it was indicated that the volume of houses built was not commercially viable, efforts are underway to increase the volume to address this.

2.2.2. Executive Undertakings

- a) The Department to provide a formal report on the work done so far on incomplete projects in informal settlements and the financial implications involved.

2.2.3. Recommendations

- a) Amendments ought to be made to legislation to stop the proliferation of building hijacking and illegal occupation of land.
- b) National intervention is required to deal with issues of bulk infrastructure.

2.3. DEPARTMENT OF WATER AND SANITATION AND RAND WATER

2.3.1. Observations

- a) It was reported that key challenges in the Province are because of poorly maintained, ageing water infrastructure and limited technical human resource capacity at municipal level.
- b) There are challenges with water across the Province, but the main problem areas are Emfuleni and Hammanskraal.
- c) The Waste Water Treatment Plant at Emfuleni LM was not functional, sewerage was flowing into the homes of residents and the municipality does not have the capacity to deal with maintenance of water and sanitation.

- d) As a consequence of these challenges, the DoWS appointed Rand Water as an implementing agent in terms of Section 63 of the Water Services Act 108 of 1997. Work at Emfuleni is focused on a number of areas, including operations and maintenance, infrastructure refurbishment, sustainability and security and water reclamation. Pipelines are old and made with clay and the DoWS together with Rand Water determined that it needs a proper assessment and to determine whether to replace the clay pipes.
- e) Within Hammanskraal, which falls under the City of Tshwane, the recent cholera outbreak has drawn attention to the significant water quality issues within the area. The Rooiwaal Waste Water Treatment Plant was found to be in a state of disrepair resulting in raw effluent being discharged into the Apies River. Magalies Water was appointed by the Minister of Water and Sanitation as an implementing agent to provide short term solutions and assist with water and sanitation infrastructure. Interventions include refurbishment of the Rooiwaal Waste Water Treatment Plant to increase the quality of effluent and the installation of a package plant to assist with portable drinking water at Klipdrift WWTW near Hammanskraal.

Successes

The following has been done so far:

- f) Work on key pump stations, located mainly in the Vereeniging area. All four pump stations have been upgraded have been completed on 31 August 2023. This would assist in drastically reducing the amount of sewerage flowing into the Vaal River.
- g) Rand Water is assisting Emfuleni LM in terms of water and sanitation equipment. 36 vehicles were purchased to be utilized by the Section 63² intervention team and the aim is to transfer these vehicles to the municipality upon the completion of the intervention. Tractors and other tools of trade were also purchased and are being used by the Section 63 team and the Emfuleni LM.
- h) The capital upgrade of four WWTWs namely the Meyerton Leeuwkuil, Rietspruit and Sebokeng wastewater treatment plants, has commenced.

² of the Water Services Act 108 of 1997.

- i) Upgrade of the Sebokeng Waste Water Treatment Plant resulted in the capacity of the plant being upgraded from a 50 ML plant to a 150 ML plant. Further upgrades are underway to increase capacity by an additional 50 to 200 ML.
- j) Rand Water is working together with Emfuleni LM to ensure that where the infrastructure is upgraded, the water is being reused by other industries and farming.
- k) Plans have been drawn up to have short term intervention before March in the next year.
- l) Work is underway to ringfence funding for water and sanitation to ensure that this funding is redirected to these services.

2.3.2. Executive Undertakings

- a) To Department to provide the Terms of Reference of the Section 63 intervention of Rand Water.

2.4. MEC FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, HON M M KHUMALO

2.4.1. Observations

- a) The Department has established a CAPEX War Room to focusing on municipal infrastructure planning and delivery. Through this War Room, measures are in place to monitor both financial and non-financial outcomes and work in sync and was established jointly by Provincial Treasury and municipalities. Municipal performance is monitored on a monthly and quarterly basis.
- b) Many networks are no longer viable and have reached the end of the their life span and proactive approach must be taken in replacing infrastructure.
- c) In an effort to provide energy security, the Department has a number of short term, medium term and long term projects in place. Short term strategies include solar water heaters and load limiting (smart meters). Long term strategies include the City of Tshwane partnership with Independent Power Producers and the aggregation of gas to energy. Energy linked programmes include the removal of illegal connections, rollout of smart meters, updating the billing system to improve revenue collection and the protection of critical infrastructure.

- d) In an effort to improve water security and ensure sustainable supply the Gauteng Water Security Plan was developed, key objectives of this plan are availability, access, stability and quality. Cardinal programmes in the Water Security Plan include:
- i. Reduce water demand;
 - ii. Invest in alternative water sources;
 - iii. Improve environmental protection and water quality;
 - iv. Strengthen institutions and institutional cooperation; and
 - v. Prepare for a drought.
- e) The Department has embarked on a number of initiatives with the DoWS as well as Rand Water. The Cardinal Programme 1: Reduce water supply and demand, seeks to reduce non-revenue water losses by addressing the non-payment of water services by users and addressing the physical losses in the distribution system to meet predetermined targets. The total projected cost of this intervention is R180.8 million.
- f) In terms of water quality, it was reported that Gauteng represents the highest volume of wastewater treated in South Africa with nine water service authorities located in the Province and a sewer network of sixty wastewater treatment systems.

Challenges

- g) It was reported that high levels of unemployment affect the capability of municipalities to generate own revenue. Municipal debt levels are growing exponentially on a daily basis rendering municipalities unable to access loan funding in the open market.
- h) Many municipalities within the Province will not function without grants and poor economic conditions have resulted in high numbers of indigents whilst metros attempt to improve financial sustainability.
- i) The bulk of the infrastructure delivery programmes are funded via conditional grants, which have decreased over the past few years and are likely to reduce further. Exploring alternative funding models is vital if the Province is to realise its strategic approach to investing in infrastructure implementation and delivery towards unlocking crucial developments and efficiencies.

- j) Dilapidated, aged and poorly maintained municipal infrastructure for water has resulted in high water losses, exceeding 50% in some municipalities. This is exacerbated by municipalities not investing in water infrastructure.
- k) It was reported that the immediate challenge facing the province is provision of Bulk Services Infrastructure at sustainable levels.
- l) One of the key challenges in respect of spatial planning is migration between provinces. Gauteng receives the bulk of such movement per annum due to its status as an economic hub. This makes this difficult to plan as people tend to follow where there are economic opportunities.

2.4.2. Recommendations

- a) Cognisant of balancing budget and infrastructure needs, and increasing efficiency in public spending, the delegation urged the Department to do more with less.

2.5. TRANS CALEDON TUNNEL AUTHORITY (TCTA) ON VAAL RIVER SYSTEM INCLUDING PHASE 2 OF THE LESOTHO HIGHLANDS WATER PROJECT

2.5.1. Observations

- a) The Lesotho Highlands Water Project (LHWP) is a bulk water infrastructure project aimed at diverting water from Lesotho to South Africa. The LHWP augments the Vaal River System and generates hydroelectricity for Lesotho.
- b) This project is done over phases and in terms of Phase 2, TCTA was tasked to raise loans on behalf of the DoWS and transfer the money for construction to Lesotho Highlands Development Agency (LHDA) when required. Funding does not come from the national fiscus. The TCTA is mandated to raise and manage debt for the LHWP and debt is serviced by income from capital charges included in water tariffs paid by Vaal River System (VRS) water users.
- c) In terms of the current funding strategy for LHWP Phase 2, R4.5 billion concluded with African Development Bank (AfDB) and New Development Bank (NDB) is currently awaiting fulfilment of Conditions Precedent (CPs) including the issuance of government guarantees. Loan Agreement with AfDB (R1.3 billion of the R4.5 billion) has already been concluded, the government guarantee has been issued and fulfilment of CPs are awaited.

- d) In compliance of Delivery Tunnel North (DNS) operations and maintenance manual guidelines, general inspections and repairs are conducted every five years to ensure reliability and integrity of the DNS. The next scheduled maintenance will take over six months in 2024. During this time, shutdown of water supply to South Africa is required. This implies that the LHWP tunnel system will have to be shut down and emptied to enable inspections and repair work to be performed. Similar shutdowns were successfully executed in 2003, 2012 and 2019. To mitigate the effects on water users LHDA and TCTA will try to minimise the impact to the Vaal River System by delivering more volumes prior and post the planned shutdown.
- e) In terms of sovereign funding, the TCTA operates at an international level and seek funding from international investors, including the Middle East for the most competitive rates.

2.6. RAND WATER BOARD

2.6.1.Observations

- a) Rand Water Board is established in terms of Chapter 6 of the Water Services Act 108 of 1997 and its main aim is to supply bulk water to municipalities, who are then responsible for reticulation and distribution of the water to individual consumers.
- b) The Water Board is 120 years old and in February 2023 it launched one of the biggest reservoirs in the world, called the Vlaktefontein Reservoir.
- c) The Board supplies water in Gauteng as well as parts of Free State, Mpumalanga and North West provinces.
- d) In addition to municipalities, it directly supplies potable water to direct customers such as SASOL and these direct customers create a demand of 3.1% for potable water from the Board.
- e) Three metros (City of Johannesburg, Tshwane and Ekurhuleni), comprise 77% of the demand for potable water from the Board.
- f) Rand Water resolved to focus on the following areas over the next 4 years:
 - I. Ensuring that it generates its own power or electricity to reduce its dependency on the national grid.

- ii. Seeking alternative water supply sources to supplement the use of the Vaal River system.
 - iii. Ensuring that the Board remains sustainable. To this end it has decided to resuscitate one of the entities called the Rand Water Services to pursue some of the opportunities relating to the provision of bulk water.
 - iv. Partnering with municipalities to establish a special purpose vehicle to become involved in reticulation using Rand Water Services as part of the strategy to become more sustainable.
- g) Rand Water is completely self-funded and does not receive any financial support from the national fiscus.
- h) Rand Water is listed on the Johannesburg Stock Exchange (JSE) and generates a surplus from the bonds it issues in the marketplace. There are no sovereign guarantees provided by National Treasury to obtain bonds and the entity makes use of its own financial performance (balance sheet) to guarantee bonds.
- i) Surpluses generated by Rand Water are used to refurbish or upgrade infrastructure.
- j) Maintenance of infrastructure takes place regularly and there is a system which provides alerts when maintenance is required.
- k) The Entity also prioritises planning in advance for potential maintenance, refurbishment and replacement of infrastructure that has reached the end of its life span. In this regard it has an Asset Life Cycle Management Model and a five-year Capex forecast which highlights the total potential costs for augmentation and renewals on pipes, civils, automation, buildings and mechanical, electrical and process components.
- l) It is audited by the Auditor- General and reports to National Treasury. It also accounts to Parliament through annual reports, annual assessments of Water Boards and quarterly reports.
- m) With regard to employment and recruitment in the Rand Water, paying specific attention to demographics and the employment of the youth, women and people with disabilities, the following was highlighted:
- i. Most of the programme managers and site managers are young females and the Board insists on appointing females to technical positions on the plant to bridge the gender gap.

- ii. The board of Rand Water comprises of seven female board members and five male board members, across different age groups.
- iii. There are initiatives whereby the Board provides support to students in high school and university, who they employ once they have completed their studies.
- iv. In an effort to rebalance the gender demographics within the organization, Rand Water prioritizes bursaries and graduate training to female students.
- v. The entity has a clear succession plan in place to ensure proper training and technical experience for younger professional who can take over from retiring technical specialists and senior managers in the long term.

Challenges

- n) Structures have been built on pipelines by the public making it difficult to conduct the required maintenance on these pipes and that could result in harm to those occupying these structures should the pipes burst. For example, the Mokause informal settlement is built on top of Rand Water infrastructure. Given the highly pressurized nature of these pipelines this presents physical danger to those illegally occupying and building on this infrastructure. In addition, these groups are accessing the bulk water pipeline directly which has a negative impact on the condition of the infrastructure.
- o) The energy crises pose challenges as they result in downtimes for as long as three weeks because the power cannot be switched on immediately as it may damage equipment.
- p) Theft of equipment and vandalism presents a serious challenge, particularly given that the infrastructure are national key points.
- q) Municipalities are defaulting on the repayment of debts. At the end of the last financial year, municipalities owed Rand Water R3.5 billion and between the end of the financial year and the beginning of the new one, the debt doubled to R6.5 billion. This challenge is further exacerbated by the fact that municipalities must pay what is owed to the entity for the water it received regardless of whether there was a loss of water by the municipality.
- r) Currently, approximately 60% of water is lost by municipalities.
- s) The bulk of the debt owed by municipalities are long standing debts and the biggest defaulter is the Emfuleni Municipality.

- t) In Gauteng, total consumption of water is approximately 300l per person per day compared to the total consumption per person in Cape Town and international averages which is 100 litres. Therefore, the usage of water in Gauteng is three times more when compared to other Provinces.
- u) Climate change and the El Niña weather phenomenon has a direct impact on the reliability of water. Water is not an infinite resource and the South African Weather Service is only able to provide a three - month weather forecast as opposed to twelve months, as rainfall does not meet traditional patterns resulting in below average rainfalls within traditionally wet seasons. This makes it difficult for the Board to plan for a lack of rainfall beyond a three - month period.

2.6.2. Recommendations

- a) The Board should share its best practices used to manage the repayment of debts with municipalities and Eskom.
- b) The Water Services Act no 108 of 1997 should be amended to broaden definitions to allow municipalities who are water service authorities as prescribed by the Act to continue in this function where capacity exists. However, to shift the responsibility for the provision of water services to Water Boards instead of municipalities where appropriate.
- c) To assist high lying areas that struggle with maintaining their water supply, it is recommended that municipalities that are servicing these areas should invest in additional storage facilities and pump capabilities to augment the pumping capacity of their stations.
- d) Water conservation must be encouraged amongst communities because the changes of weather patterns due to climate change create a lot of uncertainty about potential rainfall in the province.

3. BRIEFINGS BY MUNICIPAL GOVERNMENT

3.1. EMFULENI LOCAL MUNICIPALITY AND RAND WATER ON SECTION 63 INTERVENTION

3.1.1. Observations

- a) The Emfuleni LM is one of three local municipalities falling under the Sedibeng District Municipality.
- b) The Metsi-a-Lekoa is intended to be the Water and Sanitation Unit of the Emfuleni LM.
- c) The Municipality has been struggling financially reportedly due to non-payment for services by residents and outstanding debt owed to Eskom and Rand Water.
- d) Outstanding debt owed to Eskom is in excess of R3.5 billion and the Emfuleni LM is the biggest defaulter to Rand Water in respect of outstanding debt. The debt issue with Eskom reached critical levels resulting in Eskom commencing with electricity disconnections in parts of Sebokeng and Evaton.
- e) Indications are that service delivery at the Municipality has collapsed as a result of the local authority being unable to provide basic services as mandated by the Constitution.
- f) The core problem at the Municipality is dilapidated and collapsed infrastructure and these challenges include the following:
 - i. Water treatment and wastewater treatment plants under the administration of the Emfuleni LM has long exceeded design capacity which dates back pre - 1994;
 - ii. No new plants have been built to keep up with the increasing population size;
 - iii. Frequent infrastructure failures;
 - iv. Throwing of foreign objects in sewer lines resulting in blocked lines;
 - v. Robberies, theft and vandalism and
 - vi. Insufficient financial and technical human resource capacity.
- g) The excessive (in excess of 60%) water losses at the Municipality, improper billing, water leaks and lack of water meters have left the residents without stable water supply. This is further exacerbated by dilapidated, dysfunctional and poorly maintained wastewater treatment plants resulting in untreated water flowing into the Vaal River System which is the major source of water supply for the Gauteng province.

- h) As a result of these challenges, the Minister for Water and Sanitation invoked Section 63 of the Water Services Act 108 of 1997 and appointed Rand Water as an implementing agent to take over water and sanitation services from the Emfuleni LM.
- i) The core objective of the Section 63 intervention by Rand Water is to restore sustainable water services and eliminate pollution to the Vaal River System. Section 63 interventions include the following:
- i. Rand Water operates assets owned by Emfuleni LM reporting directly to the Minister who will in turn inform Cabinet;
 - ii. Rand Water is expected to manage identified Emfuleni assets;
 - iii. A Revenue Enhancement Strategy with the aim of ensuring sustainability of the assets long after Rand Water has completed the hand over after a period of three years;
 - v. Rand Water drawing on internal resources, largely human resources.
- j) Rand Water reported that based on technical assessment conducted on the ground five main work streams under Section 63 were identified which include:
- Stream 1- Refurbishment/ Repair and upgrades;
 - Stream 2- Operations and Maintenance;
 - Stream 3- Sustainability;
 - Stream 4- Advocacy and
 - Stream 5- Monitoring and Evaluation
- k) Work already undertaken by Rand Water in respect of the intervention includes the procurement of 36 vehicles for operations and maintenance under the capacitation of Metsi-A-Lekoa.
- l) Further work includes the rehabilitation of collapsed pipelines and in this regard, progress has been reported at site EV18, Lakeside, Evaton and at VE10, Tshepiso South, Veereeniging.
- m) In terms of progress under Stream 5: Monitoring and Evaluation, Rand Water reported that the water quality of the plants and tap is being tested as part of the water use license requirements and the results are being uploaded onto the DoWS Integrated Regulatory Information System (IRIS). Samples are analysed at the accredited Rand Water Analytical Systems Laboratory (RWASL). The assessment for the Leeuwkuil Laboratory was completed by RWASL and Rand Water is in the process of resuscitating the Leeuwkuil Laboratory. Two Metsi-A-Lekoa personnel (chemist) and laboratory assistant are being trained in-house at RWASL.

- n) In collaboration with the Emfuleni LM and other stakeholders, Rand Water is working towards a Special Purpose Vehicle (SPV) to ringfence funding for water and sanitation services so as to ensure that resources are invested back into water and sanitation infrastructure.
- o) Rand Water reported that total expenditure as at July 2023 for the Section 63 interventions amount to R312.8 million out of a projected R439.1 million.

Concerns

- p) Rand Water's Section 63 intervention included the procurement of vehicles, given the municipality's reluctance to put moveable assets on its books, Members were of the view that there are restrictions in place on moveable assets of the Emfuleni LM which places significant strain in its ability to provide basic services.
- q) In light of the water losses in excess of 60%, concerns were raised that Emfuleni LM was paying Rand Water more for water than monies it was recouping from residents which compounds the debt owed by the Municipality to Rand Water. It is understood that discussions are underway between the entity and the Municipality to manage this.
- r) Members noted with concern that the Emfuleni LM has previously been placed under Administration twice, in terms of Section 139 (1), (4) and (5) of the Constitution without success and raised concerns as to how any future similar intervention would be successful.
- s) In response to a direct question by Members regarding funding available to provide basic services, run administration and see to operation and maintenance costs, the Emfuleni LM confirmed that it had no funds to do so. Members highlighted the critical nature of this problem as it is a demonstration of a Municipality in complete collapse. Battling under the legacy of years of poor administration, bad debt and ageing infrastructure, it is unable to pay salaries or deliver on its constitutional mandate to provide basic services.
- t) Members noted that the poor customer service and poor response to the reporting of faults by the Municipality and raised concerns that this further exacerbated the already dire state of non-payment for services by residents.

3.1.2. Recommendations

- a) The delegation passed a special resolution to write a letter outside of the Gauteng Provincial Week Programme to raise the critical issue of there being no operational budget within the Emfuleni LM and consequently recommended that the National and Provincial Departments of Cooperative CoGTA and National and Provincial Treasury addresses the matter.
- b) A further recommendation is that the Rand Water's Terms of Reference in terms of the Section 63 intervention as well as the Section 71 reports of the Municipality as submitted to National Treasury be made available to the NCOP.

4. OVERSIGHT VISITS

4.1. RAND WATER ZUIKERBOSCH WATER TREATMENT PLANT

The Zuikerbosch Water Treatment Plant produces 3800 Ml of water, which is then provided to municipalities and distributed to 17 million consumers. To meet continuing demands and remain sustainable, Rand Water has embarked on building a completely new purification station at the Zuikerbosch Water Treatment Plant called Station 5. The aim of this project is to provide an additional 1200 litres of potable water per day to the current supply capacity of Rand Water. The scheme has been split into two phases, Station 5A and Station 5B. Station 5A provides a water supply capacity of 600 million litres per day. It is currently in execution phase and will be commissioned in two phases. The aim of Station 5B is to provide an additional 600 million litres per day. This phase of the project will be advertised on the market within the next few months and is projected to be commissioned by 2030. The plant is made up of thirteen projects. The projects have a programme manager, and a project manager is appointed to every section that is built. This authorised budget for the Station 5 project is R4.83 billion. It has reached 100% completion and its actual expenditure to date has been R4.17 billion.

4.1.1. Observations

- a) The plant is a national key point, and nobody may visit the plant without prior authorisation for security reasons.
- b) A raw water abstraction pipeline feeds raw water into Station 5A from the Zuikerbosch intake dam.
- c) There is an array of chemical dosing plants in Station 5A which supplies chemicals such as lime, poly and silica that are then mixed into the water.

- d) There are three flocculators and each one pushes 350ML of water. Two out of the three flocculators are operated at a time and the third remains on standby should there be any maintenance or breakdown on one of the flocculators to ensure that production does not come to a halt.
- e) In the Lime Station, one lime dosing pump is designated for each flocculator and in the event of maintenance or breakdown, there are two lime dosing pumps on standby.
- f) There are cross connected pipelines between the different systems on the plant (for example between System 5 and 3), therefore, should one system face challenges, water can be taken from a different system to the challenged system. This also makes provision for cases where maintenance must be carried out on one of the systems.
- g) The sedimentation tanks are designed to slow down the flow of the water when it is released from the flocculators, which makes it possible to extract sludge from the water. The chemicals that are mixed into the water before it reaches the tanks create opposite charges in the water which causes particles to attract to one another, therefore, making it possible to extract sludge, dirt, or particles from the water.
- h) The sludge is extracted from the water by suspended sludge pumps and transferred to the main sludge plant. This sludge is then transferred to the Panfontein sludge site where water is further extracted from the sludge and returned to the Zuikerbosch.
- i) The water goes through a filtration plant where it is pushed through rapid gravity sand filters. Clean water remains once it is pushed through, and this is transferred to the Chlorine Disinfection Plant for disinfection.
- j) The engine room in system 5 is not completed, therefore, water is transferred to system 3 from the section 5A filter plant.
- k) Samples are collected every 2 hours to check the water quality. If there are any changes to the water quality the dosages of chemicals are adjusted to restore the quality.
- l) There was a big leak in one of the transfer pipes.

- m) The Plant has an internal construction and maintenance crew and conducts its own maintenance and shutdowns.

4.2. LILIAN NGOYI (BREE) STREET EXPLOSION

The Lilian Ngoyi (Bree) Street explosion took place on the 19 July 2023 within the City of Johannesburg (COJ) at approximately 17.30. The delegation conducted a site visit to the roads damaged by the explosion. A temporary security fence was erected and the City of Johannesburg (COJ) are in the process of getting a new design for the fence which will be more robust and erected soon. There is furthermore 24-hour security deployed to the site, some of which was deployed by Anglo American. It was determined that the surrounding buildings and shops were not affected by the explosion bar one which sustained minor damage. This was due to density of the soil which absorbed the force of the explosion so that the damage ran laterally down the Lilian Ngoyi Street and not the surrounding buildings and shops. The explosion ruptured sewer lines. The force of the blast blew the black top of the asphalt road resulting in deep craters which exposed the electrical, water, gas and sewer lines beneath. Along the course of Lilian Ngoyi Street, the road was cordoned off and the surrounding shops were trading. Pedestrian traffic was also moving along the sidewalks. It was reported that the Egoli gas line was completely disconnected and that the COJ resolved that all gas lines would henceforth no longer be connected. All cables have been temporarily located to the sidewalks as they are still servicing the adjacent buildings. The COJ also conducted hourly gas tests in the surrounding tunnels immediately following the explosion to monitor any further methane gas buildup. The COJ is in the process of acquiring specialists to do GPR tracking to investigate 12km of tunnel under the streets in the inner city to determine if there is any gas build-up in other tunnels within the inner city.

4.2.1. Observations

- a) The COJ deployed a team which was comprised of COJ officials as well as additional specialist skills for inspections and professional registered engineers and scientists.
- b) Samples were collected and sent for analysis. Specialist testing devices, scanners and drone photogrammetry services were used to record service damage and inspect the intact service tunnels away from the surface of the damage.
- c) East and West facing CCTV COJ cameras captured the incident which showed that the explosion took place over 0.4 seconds from Von Brandis Street down Lilian Ngoyi Street and stopping at Loveday Street.

- d) The COJ reported that no illegal miners (known as zama zama's) were living in the tunnels.
- e) The preliminary investigation found that the explosion was caused by the build up of methane gas. This gas accumulated over time, aided by lack of ventilation caused by the manhole covers being welded shut to prevent vandalism and theft of electric cables.
- f) Until such time as the tunnels can be properly excavated the exact cause of the ignition for the explosion cannot be determined. It was further noted that the roads date back hundreds of years, therefore the COJ must still determine what lies beneath the road as there are redundant services dating back decades. Excavation will therefore be slow, deliberate and dangerous. It is also for this reason that heavy excavation machinery was not brought in.
- g) Engineering teams were deployed to check the structural integrity of the surrounding buildings and it was determined to be safe.
- h) The rehabilitation work around the site of the explosion will include the installation of completely new tunnels, equipped with CCTV cameras and gas detection monitors.
- i) The rehabilitation will be over three phases, namely:
 - i. Rehabilitation (WP1)
 - ii. Retail improvement district and transport improvement (WP2)
 - iii. Urban design upgrades (WP3)
- j) The timeline for this project is estimated to be two years and will funded by the COJ and insurance claims. The COJ have also applied to have the explosion site declared a local disaster and hope to receive funding from the Gauteng Provincial Government in this regard.

5. OBSERVATIONS ON CHALLENGES AND CITY OF JOHANNESBURG INTERVENTIONS IN RESPECT OF DIEPSLOOT, HOSTELS AND ALBERT STREET FIRE

5.1.1. DIEPSLOOT

- a) The rapid expansion of informal settlements in Diepsloot has led to an unplanned increase in services required. This has resulted in poor accessibility of service equipment due to the poor state of roads and encroachment of informal settlements on infrastructure and roads.

- b) There is significant theft and vandalism of water tanks, chemical toilets and illegal connections. Diepsloot also has significant water and sanitation challenges relating to burst and leaking pipes resulting in water losses, vandalised meters and stolen PRV parts and fittings leading to uncontrolled pressure management and bursts.
- c) Large volumes of solid waste material cover sewer manholes which finds its way into the sewer line via manholes leading to extreme blockages. Furthermore, spillages impact the nearest water source leading to the Klein Jukskei River.
- d) The COJ is providing rudimentary services onsite which include VIP toilets. Diepsloot is categorised as a hotspot area and as such receives high priority responses to service delivery failures where possible and practical.
- e) There is detailed monthly hotspot reporting of Diepsloot tracking interventions and progress and there are designated trucks to respond to any calls, routine maintenance and resolve blockages in this area. State utilities and entities are collaborating in an integrated approach to manage abuse and overuse of the water and sanitation infrastructure.

5.1.2. HOSTELS

- a) It was reported that there are 34 hostels owned by government within the jurisdiction of the COJ, of which the City owns 28 whilst the Gauteng Provincial Department of Housing owns six. The hostels owned by the COJ include: Northern Works, Northern Farm, Anthia, Sierabravo, Goudrand, Mapetla, Jabulani, Nancefield, Lifateng, Dube, Dobsonville, Orlando West, Meadowlands, Diepkloof, Klipspruit, Orlando East, Pimville, Madala (M1), Marlboro Village, Nobuhle (M2); Helen Joseph, Huddly Park, Selby, Van Beeck, Mangololo, City Deep, Bush Koppies and Hannly.
- b) Corrective measures are informed by the following basic principles:
 - i. A socio-economic impact assessment to be conducted as the first point of departure (a database updated monthly will be used to keep accurate information).
 - ii. Proper control and management must be re-established to enable for effective redevelopment, planning and eradication to avoid growth and influx of people into the hostel.

- iii. Improvement of records and management thereof.
- iv. In view of non-payment, the DoHS must develop an allocation strategy to be used in the allocation of hostel occupants to converted units and determine rental and monthly affordability.
- c) The hostels reimagined eradication methodology includes stakeholder engagement; occupancy audits; finance modelling and allocation anomaly.
- d) In respect of the Diepkloof hostel, the COJ is in the process of erecting an additional three standpipes; installing and servicing chemical toilet and Johannesburg Water is to implement the installation of water and sewer infrastructure to service waterborne toilets.
- e) The COJ will furthermore be conducting an occupancy audit for Diepkloof, as well as the relocation of families to 68 units. Additionally, there is an assessment being conducted of dilapidated structures and building inspectors have commenced inspections to classify them in terms of urgency.
- f) Madala Hostel is in a very bad state and the COJ have negotiated to develop the nearby sports field to provide temporary accommodation while the hostel is being redeveloped.
- g) The Helen Joseph hostel had a sewer and congestion problem and the COJ was looking to redevelop certain areas in order to relocate residents to sites that are hygienic and habitable.
- h) In respect of the Dube hostel, the COJ took the decision to rehabilitate the units and are in the process of completing electrification and upgrading the sewer network which should be finalised by the end of November whereafter the units will be reallocated.

5.1.3. ALBERT STREET FIRE

- a) The Albert Street fire erupted on the 1 September 2023 at 80 Albert Street within the Johannesburg Central Business District (CBD). The fire resulted in 77 fatalities of which 12 were children, 88 persons were transported to and treated at various medical facilities in and around CoJ.

- b) Emergency response was provided by the COJ in line with the South African Standards of Community Fire Safety requirements for a building of this nature which is categorised as high - rise building.
- c) To date, 54 victims have been discharged from hospital and the building has been closed off as the South African Police Service (SAPS) has declared it a crime scene.
- d) A preliminary structural assessment has concluded the following:
 - i. The integrity of the structure in its current state has been compromised;
 - ii. No further inspections or investigations can commence without making the structure temporarily safe and
 - iii. The building is not functional and cannot be used for occupancy until a full structural integrity assessment can be completed.
- e) The structural assessment shall be used to determine a recommended solution to ensure site safety and utilization of the structures where possible.
- f) Based on the Structural Assessment Report, the DoHS together with the COJ Development Planning, Public Safety and Health Departments are currently busy with a report to condemn the building.
- g) It is important to note that the building is a heritage building (formerly known as the Central Pass Office). Therefore, the process to condemn the building will be complex. Once condemned the COJ will seek approval for the possible demolition from the Heritage Council.
- h) It was reported that 192 households were affected by the fire comprising of 458 people. Three facilities have been identified as emergency shelters, so far 207 people have agreed to be relocated to the Hofland Recreation Centre, however, most of the people are reluctant to be taken to the shelters for fear of being deported.

5.2. Observations

- a) Serious concern was raised regarding the condition of buildings around the Johannesburg CBD which were alarming.

- b) Buildings hijacked by criminal elements have been noted throughout the duration of the Gauteng NCOP Provincial Week and it was clear that urgent interventions were needed to address this. This could not be done by the municipalities alone and it was therefore strongly recommended that intergovernmental coordination and cooperation was needed to arrest this issue.
- c) Concerns were raised regarding the two-year timeline given by the COJ for the rehabilitation of Lilian Ngoyi Street. The COJ indicated that the rehabilitation project was complex and it wishes to utilise the opportunity to rejuvenate the Lilian Ngoyi Street and surrounding areas with a focus on rehabilitation of damaged infrastructure, transport mobility improvements and public environment upgrades.
- d) In responding to queries relating to the source of funding for the rehabilitation of the Lilian Ngoyi Street, the COJ reported that it would reprioritise its budget and are in the process of submitting insurance claims. Furthermore, the area has been declared a local disaster and an application has been submitted to the Province for funding.
- e) Concerns were raised that there is a general lack of measures and capacity to protect and secure infrastructure and servitudes.
- f) In responding to concerns relating to the rampant hijacking of buildings the COJ indicated that it is constrained by legislation and intervention by human rights NGO's who act on behalf of illegal occupants. Furthermore, the COJ only has the mandate to raid. Other government players such as SAPS has the mandate to arrest and the NPA has the powers to prosecute. The DoHS, Home Affairs and other key stakeholders are further needed to make meaningful impact.
- g) Concerns were raised regarding the succession plan of the COJ and the effect of its ability to see interventions through to completion, regardless of leadership changes within the COJ.
- h) In responding to queries regarding legislative reform needed to address the hijacking of buildings, the COJ reported that in addition to the limitations of the PIE Act, there were a number of conflicting by-law provisions and other laws which require review. The current legislation dictates that in order for an eviction to take place, temporary accommodation has to be found within a 5-10 kilometres radius of the place of eviction. This problem is threefold, firstly, given the densely populated nature of the Johannesburg inner city, appropriate temporary

accommodation is impractical. Secondly, there is no building within the Johannesburg inner city which is vacant for this intended purpose. It is apparent that criminal elements have taken advantage of this legal loophole. Thirdly, the definition of temporary accommodation is not consistent across by-laws, and national and provincial legislation.

- i) In responding to concerns relating to progress on reallocation of residents at the Diepkloof hostel, it was reported that whilst the units were ready the supporting infrastructure for basic services did not exist.

5.3. Executive Undertaking

- a) The COJ was tasked to provide information on how many beneficiaries would be assisted by the redevelopment and rehabilitation of hostels.

5.4. Recommendations

- a) It was recommended that laws governing illegal occupation needed review, looking specifically into issues of "shack farming", hijacked buildings and a universal definition for temporary emergency housing.
- b) There needs to be clarification regarding the local authority's roles and responsibilities regarding temporary emergency housing with timeframes.
- c) It was further recommended that illegal occupation of land and buildings, could not be borne by local authorities alone and required coordinated and collaborative intergovernmental cooperation is required.
- d) Given the age of the Johannesburg inner city, it was recommended that an urgent assessment of the state of underground tunnels was required to prevent further injury, damage to property or loss of life. It was further recommended that the COJ should acquire the necessary data to provide an updated map of the Johannesburg inner city underground system.

KWAZULU- NATAL PROVINCE

1. PROVINCIAL OVERVIEW

KwaZulu-Natal covers the third smallest surface in the country, at 94 361 km and it constitutes 7.7% of the total surface area in South Africa. The Province is situated in the South-Eastern part of the Country, bordered by the Free State, Eastern Cape and Mpumalanga provinces. KwaZulu-Natal has a population of 11.5 million, which constitutes 19.6 % of the overall population nationally. Children and youth accounts for 66.4 % of the provincial population. Most of the population are females with 52.5 percent, whilst males represent 47.9 percent. The Province's life expectancy is projected to be around the age of 57.4 for males and 63.6 for females.

KwaZulu-Natal is divided into 54 municipalities consisting of one Metropolitan Municipality (eThekweni), 10 district municipalities and 43 local municipalities. In the Province, 39 % of individuals are benefiting from social grants. In addition, more than half of the households (54.9 %) in the Province received at least one form of social grant, namely Child Support, Old Age, Disability, Foster Care and/or the Social Relief of Distress Grant (SRD). Most (87.9%) of households live in formal dwellings, whilst 2.9 % live in informal dwellings. A total of 9.2 % of households in KwaZulu-Natal live in traditional dwellings. A total of 86.9 % of households have access to tap water, either inside their dwellings, off-site or on site . The Province continues to rebound from the contraction of 6.4 % induced by Covid – 19 and as a result its GDP growth estimate is around 4.2 % and was expected to remain at 1.7 % both in 2022 and 2023.

Most landfill sites in the Province do not have records of incoming waste, due to the lack of funds and capacity, and up-to-date information is not readily available. With regards to the business sector, the Province continues to be the third largest exporter on the national index. The KwaZulu-Natal Travel and Tourism sector employs approximately 79 393 people. In 2021, the Tourism Sector contributed R11.9 billion to the Provincial GDP and therefore the total contribution, (inclusive direct and indirect and induced spending) to GDP was approximately R13.7 billion.

With regards to access to basic service, the Province's share of electrical connections increased markedly from 77 % in 2010 to 93.3 % in 2020. The Province has the third-lowest (78%) access to piped water, after Limpopo at 74.6 percent. Its access to piped water from 2010 to 2020 has been minimal, growing from 72.7 % in 2010 to 78 % in 2020, a mere 6.7 percentage points. Regarding the share of households with hygienic toilets, the Province showed a significant improvement from 69.9 % in 2010 to 81.7 % in 2020. However, this is still slightly below the national average of 83 % over that period.

2. BRIEFINGS BY NATIONAL AND PROVINCIAL GOVERNMENT

2.1. SPEAKER OF THE KWAZULU-NATAL PROVINCIAL LEGISLATURE, HON N BOYCE

The Speaker of the Legislature welcomed the NCOP delegates for the Provincial Week Programme. She indicated that NCOP delegates have a responsibility not only to raise their party-political issues, but also provincial legislature matters in the national legislature. She expressed her view that the Provincial Week was not a platform where the Provincial Legislature was accounting to the NCOP, but a platform for the Legislature to receive feedback from issues that had been previously raised with the NCOP on infrastructure programmes and projects. A point was made that most of the time other oversight structures focus more on the issues around floods and disasters, which led to water shortage in some parts of the Province.

The Speaker indicated that Provincial Departments will also be giving updated reports on the executive commitments that had been made in the past engagements. It was further indicated that there is a need for more engagement between the permanent delegates of the NCOP and the Provincial Legislature around some legislative reforms to ensure that the long-standing challenges are addressed. She further indicated that as much as there has been talks around top slicing for the Provincial budgets, they are cognizance of the current economic conditions. Lastly, she noted that it was unlikely that Members of Provincial Legislature from Inkatha Freedom Party (IFP) would form part of the programme, given the passing of IFP former President, Chief Mangosuthu Buthelezi

2.2. PREMIER, HON N DUBE – NCUBE

2.2.1. Observations

- a) The delegation noted that apart from the 171 catalytic projects, the Infrastructure Master Plan of the Province incorporates integrated infrastructure co-ordination, land and asset utilisation, a green building strategy, an infrastructure nerve center and the oceans economy.
- b) The delegation noted that eThekweni District benefits the most in respect of active catalytic programmes, with the highest (67) number of catalytic projects, followed by King Cetshwayo District (28), and uMgungundlovu District (25). The remaining catalytic projects are spread through the other district municipalities.
- c) The delegation noted that the Province does not have many tarred roads due to recent floods and that more funds are required for this to be addressed.

- d) The delegation noted that business forums were posing a serious threat to service delivery, particularly during project implementation where they illegally demand a 30 % share for each infrastructure project, and further intimidate contractors on site.
- e) The delegation noted that loadshedding was also posing a serious challenge during project implementation stages as contractors were forced not to operate during electricity outage hours.
- f) The delegation noted that the economic growth of the Province is still suffering from external shocks such as Covid-19, social unrest as well as the unprecedented floods.

2.2.2.Executive Undertakings

- a) There is private sector proposed investments into bulk infrastructure, specifically with regard to development. The incentive of a proposed rate rebates for businesses during the investment period is also noted. However, the institutional framework requires further examination and expansion to facilitate this venture by both municipalities and businesses.
- b) The Provincial Department of CoGTA will receive guidance from Provincial Treasury regarding these agreements and develop the correct procedures and policies.
- c) The Provincial Government will conduct workshops to create awareness for business forum members to understand the processes of the government tendering system as an intervention to address extortion from contractors.
- d) The Province will collaborate with SAPS, Hawks and NPA to ensure the speedy and resolute arrest and prosecution of perpetrators, who intimidate contractors on sites. Thus, establishing an anti-forum special unit with the Hawks where intimidated parties can quickly share report such and arrests can be made.
- e) Strategies for bringing private producers onboard to assist with electricity generation will be implemented by ensuring municipalities are capacitated and supported to generate alternative electricity supply, outside Eskom supply. This is especially within the Metro and secondary cities.

2.2.3.Recommendations

- a) The Office of the Premier together with the Provincial Department of Public Works (DoPW) should within 60 days of the adoption of this Report ensure that while implementing the infrastructure Master Plan, issues of unjustifiable cost-escalation, poor workmanship and deviation from original projects scope are mitigated accordingly.
- b) The Office of the Premier together with the DoPW and other departments should also ensure termination of contracts where there is no performance, ensure state funds are recovered and that the necessary penalty clause is implemented.
- c) The Office of the Premier together with the DoPW should ensure that the 171 active catalytic projects are fast-tracked, and a progress report should be tabled in the next NCOP Provincial Week or Taking Parliament to the People Programme.
- d) The Office of the Premier together with the Provincial DOT should ensure that a clear plan to improve roads infrastructure conditions, including untarred roads, is developed and implemented within 60 days of the adoption of this Report.
- e) The Office of the Premier together with law enforcement agencies must accelerate the implementation of the proposed intervention to address the issues of business forums, which is affecting project implementation in various districts
- f) The Office of the Premier together with the DoPW and Eskom should develop a plan within 60 days of the adoption of this Report to address the effects of loadshedding during project implementation.
- g) CoGTA should expedite the process of seeking guidance from Provincial Treasury on how best to design the institutional framework to ensure that both municipalities and businesses legally benefit from the proposed rebates during the period of the investment.

2.3. DEPARTMENT OF WATER AND SANITATION, TRANS-CALEDON TUNNEL AUTHORITY (TCTA) AND UMNGENI WATER BOARD ON THE UMKHOMAZI WATER PROJECT

2.3.1. Observations

- a) The delegation noted the progress made with regards to the uMkhomazi Water Project (uMWP-1), including its strategic role in enhancing water security in the Province.

- b) The delegation noted that KwaZulu-Natal has been the center of disasters and unprecedented floods since 2012, significantly impacting the uThukela District Municipal areas, and worsening the widespread water shortages across the District.
- c) The delegation noted that the uMngeni Water System was already in deficit since 2016, with a projected water shortfall of 130 million m³/a in 2030, and therefore, the need for additional water sources and swift intervention by the DoWS was more urgent.
- d) The delegation noted that the project was aimed at increasing the uMngeni Water System, which yields from 394 to 608 million m³/a.
- e) The delegation noted the fact that any future growth in water supply within the municipalities must be accompanied by a reduction in water losses.
- f) The delegation noted that uMngeni-uThukela Water is investigating the construction of flow control at strategic offtakes to ensure that water supply is managed accordingly.
- g) The delegation further noted the socio-economic impact the project has in the Province, which includes employment creation and GDP growth and the fact that failure to successfully implement the project may threaten the investment.
- h) The delegation noted the recommendation of the feasibility study and that out of eight alternative water schemes that were initially identified for investigation, the Impendle and Smithfield Schemes were found to be the most suitable for further investigation. Furthermore, the Mooi-Mngeni Transfer Scheme (MMTS-2) Project should be implemented before the uMWP-1.
- i) The delegation noted the appointment of Trans - Caledon Tunnel Authority (TCTA) as an implementing agent for the raw water infrastructure, while the uMngeni-Thukela Water would be responsible for the potable water component and operation for the whole project. Most importantly, the delegation noted the fact that the raw water component project could be funded using private sector funding, and that the full cost of the project will be recovered from the uMngeni-Thukela bulk water sales.

- j) The delegation noted that the overall project cost amounts to more than R23.2 billion, which can be broken down by cost escalation of R4.685 billion, R11.5 billion for construction, R1.8 billion for engineering, R641 million for environmental issues and R700 million for administration.
- k) The delegation noted that the TCTA had requested a borrowing limit increase in August 2019 to secure commercial loans for project preparation, but this was not approved by National Treasury.

2.3.2. Executive Undertakings

- a) The TCTA was directed to develop the funding model for the project and implement the uMWP-1's raw water component as soon as possible.
- b) The DoWS is required to provide interim funding to TCTA, until National Treasury approves the borrowing limit increase for commercial funding .The social component of the Project may be funded through the fiscus, once National Treasury approves it.
- c) A project governance structure was established, comprising of the Intergovernmental Political Steering Committee (PSC), Intergovernmental Technical Steering Committee (TSC) and Project Co-ordination Committee. The structure will provide policy and strategic direction, oversight and accountability, as well as co-ordinate implementation.
- d) The National Treasury has already approved R12 billion through BFI in project funding enabling tariffs affordability and finalisation of offtake agreements.
- e) After various engagements between DWS, National Treasury, TCTA, uMmngeni Water and eThekwini, an agreement was reached that there was a need to restart the Section 33³ process and to conclude it by December 2023.
- f) The TCTA will explore ways to fast-track the project to mitigate the impact of delays once further detailed studies and project designs have been concluded.

³ Of the Water Services Act 108 of 1997.

- g) Due to lengthy delays in concluding the offtake agreements, the PSC was requested to intervene to resolve the issues and water users were requested to submit their information to TCTA to substantiate their tariff affordability.
- h) DWS has issued a notice to eThekweni, to focus on the action plan to mitigate water losses, which is substantially high at 60%, with the consequent loss of potential revenue.

2.3.3. Recommendations

- a) Due to the strategic nature of the project, the DWS should develop measures within 60 days of the adoption of this Report to expedite the implementation to address water security issues and water shortfall of 130 million in uMngeni Water System.
- b) The DWS together with the Department of CoGTA, should within 60 days develop a clear enforcement mechanism to get municipalities to come up with concrete steps to save water as part of the interventions to address water losses.
- c) uMngeni-uThukela Water should speed up the investigation into the construction of flow control at strategic offtakes to ensure that water supply is managed according to the required standards.
- d) The DWS, together with the CoGTA, should ensure that the investigation for the Impendle and Smithfield Water Schemes, which were found to be the most suitable is expedited.
- e) The DWS should ensure that a clear plan is developed to enable implementation of the Mooi-Mngeni Transfer Scheme (MMTS-2) Project before the uMWP-1 of the project.
- f) The DWS together with the TCTA, as well as other implementing agents, should proactively develop measures to prevent project cost escalation, fruitless expenditure and wasteful expenditure due to unnecessary delays.
- g) The Minister of Water and Sanitation, together with the Minister of Finance, should reconsider the TCTA application to increase its borrowing limit given its socio-economic impact in the Province of KwaZulu-Natal.

2.4. DEPARTMENT HUMAN SETTLEMENTS

2.4.1. Observations

- a) The delegation noted the progress made on temporary residential units and mass care centers for the families displaced due to the 2022 floods in Ray Nkonyeni, Umzumbe, Umdoni and Umuziwabantu municipalities.
- b) Further, the Provincial DoHS visited the 53 families that were affected by the heavy rains, undertook an assessment of the damages caused and provided temporary and permanent shelters.
- c) The delegation welcomed the fact that 19 temporary residential units were completed, with the remaining 34 displaced families placed on existing projects for permanent shelters. The Disaster Temporary Residential Accommodations (TRA's) Project intends to build 200 units in the Ugu District area.
- d) The delegation noted with concern the slow expenditure on certain housing projects, which held pre-existing contracts with service providers, whilst construction is anticipated to begin at the end of the financial year.
- e) The delegation also raised concerns about the upcoming festive or holiday and rainy season, which might potentially impact on the progress of the construction projects and their estimated timeframes.
- f) The delegation noted that DoHS have allocated approximately R40.7 million for the conversion of temporary structures to permanent shelters under the Disaster Phase 1 project, to be completed at the end of March 2024. This is notwithstanding the fact that only approximately R646 000.00 had been spent since the project began in March 2023.
- g) Furthermore, it was noted that Disaster Phase 2 Project, which was allocated R52.3 million had delayed as it was supposed to have started on 1 March 2023.
- h) The delegation noted the issue of underperforming contractors and termination of their services with serious concern, including the challenge of accessing construction sites due to community protests and access roads.

- i) The delegation noted that CoGTA has finalised the personnel team structure for temporary employment, with the recruitment process being underway.
- j) The issue of the construction mafia who portray themselves as business forum members and illegally demand 30 % share from subcontractors was noted as a matter of concern.

2.4.2. Executive Undertakings

- a) The DoHS has begun the beneficiary administration process for the Disaster Project, whilst also attaining the necessary approvals from the NHBRC. The construction work with a total number of 293 units is expected to begin in November 2023.
- b) Applications for Gamalakhe Rectification Phase 2 Project in Ray Nkonyeni Municipality were also being processed, the construction and the rehabilitation of houses is anticipated to commence in April 2024.
- c) The DoHS held discussions with the Department of Energy for guidance on the way forward about solar panel heating. It was noted that due to loadshedding, the addition of indigent households to municipalities was found to be excessive.
- d)
- e) The pre-construction activities and approvals had not utilised much of the allocated budget, and a substantial portion would be dedicated to the actual construction work.

2.4.3. Recommendations

- a) The delegation emphasised that poor performing service providers should be analysed in detail, with the necessary consequence management being implemented without affecting the project continuity.
- b) The delegation suggested that clear timeframes or deadlines be finalised with constructors whilst considering the upcoming rainy season and noting any possible budgetary changes.
- c) With regards to ongoing community protests, the delegation directed that DoHS should consult with the relevant traditional leaders and chiefs for any assistance they may offer for this matter to be addressed.

- d) The delegation strongly opposed the negotiation talks with the 'business forum' (mafias) as that would be tantamount to legalising criminal behaviour that is currently affecting subcontractors and ultimately service delivery.

3. BRIEFINGS BY MUNICIPAL GOVERNMENT

3.1. UGU DISTRICT MUNICIPALITY

3.1.1. Observations

- a) The delegation observed that the District Municipality has been experiencing water supply interruption challenges within its operational area due to several concurrent factors.
- b) The delegation observed that to address water issues within the District, a strategic 6-Point Plan was developed, which was directly aligned with the Provincial Water Master Plan of KwaZulu-Natal. Through the 6-Point Plan, the District has identified pipeline replacement as one of the key components in providing a sustained and reliable water supply.
- c) In November 2022, during the Taking Parliament to the People Programme in Ugu District, the Minister of Water and Sanitation committed an additional R150 million WSIG funding for the 2022/23 financial year.
- d) The delegation noted that the major Water Supply and Sanitation (WSS) services within the District were split up into eleven WSS areas within the four local municipal boundaries, namely Ray Nkonyeni, Umdoni, Umzumbe and uMuziwabantu local municipalities.
- g) The delegation noted with great concern the unjustifiable budget allocated for the borehole projects across the District at roughly R800 000 per borehole, which was more than the usual estimated cost of between R50 000 to R150 000.
- i) The delegation noted that the WSIG Project has been extended to the upgrading of electrical panels and pumps. Manuals will also be distributed to the implementation and operations teams for future adequacy.

- k) The District water and sanitation war room was established in February 2022 to respond to the water plight in the District.

3.1.2.Executive Undertakings

- a) About 90% of installation and replacement of pumpsets at St. Helen’s Rock Pump Station has been successfully completed and pump sets 3 and 4 are successfully running, while the work on pump sets 1 and 2, will be finalised and completed by end the September 2023. High lift pump-sets have been delivered and are being installed, and the completion date was said to be 15 September 2023.
- b) Ugu District was one of the municipalities that would be prioritised for the War on Leaks Programme to be implemented through Expanded Public Works Programme (EPWP) in collaboration with CoGTA to be completed this year.
- c) Various water conservation and water demand management measures were underway, including the refurbishment of mechanical and electrical infrastructure and the refurbishment of bulk meters and chamber valves to save water.
- d) The construction of Mabheleni pipeline and storage tank was successfully completed and the mechanical and electrical replacement project also kicked off successfully, with the completion date anticipated for the end of September 2023.

3.1.3.Recommendations

- a) The ‘Water on Leaks’ Programme seems to be well-coordinated with a personnel action plan, however CoGTA should also ensure that jobs are created and proper certification/experience incentives are developed for the temporary workers.
- b) Furthermore, the delegation emphasised that there should be a direct communication between CoGTA and the District, so that there is no need for the middleman.
- c) The delegation recommended that the high expenditure on borehole project should be investigated more deeply. The delegation noted that there were numerous borehole projects across South Africa, which costed far less than these and as such there was a need for a standardised approach on such projects.

- e) The delegation recommended that the revenue debtor write-offs process needed to be guided by relevant legislation and due processes should be followed.
- f) The delegation recommended that in future monies should be used for the projects that they were earmarked for and not for other projects, like the case with the R150 million, which was earmarked for water projects but ended-up being used for electrical infrastructure.

3.2. ETHEKWINI METROPOLITAN MUNICIPALITY

3.2.1.Observations

- a) The delegation noted with concern that Ward 24 in the Chesterville continues to experience constant power outage and water cuts during the week and this had been occurring for quite some time now.
- b) The delegation noted that Umlaas Water Canal really needed some serious and urgent attention or some renovations.
- c) The delegation noted the existence of an indigent policy within the Metro, which assist in regulating the billing of different categories of residents and the plans to upgrade the billing system was welcomed
- d) The delegation noted the existence of a Call Centre in the Metro for residence to report service delivery problems and welcomed the proposal to further expand capacity to improve the turnaround times.
- e) Furthermore, the delegation remained concern about the slow spending trajectory on Human Settlements Grants. The delegation urged the Metro that funds should not be returned to the fiscus because of underspending at the expense of poor residence.
- f) The delegation raised a concern about the impact which the downgrading by the rating agencies has had on the Metro City.

3.2.2.Executive Undertakings

- a) The Metro noted that the Chesterville area needed some capacity upgrade to address power cuts and that it was currently working on the matter, however, but there were no clear

timeframes. Furthermore, it was planning to replace the underground water infrastructure in Ward 24 due to aging and that should resolve the water problem.

- b) The Metro requested the NCOP's support regarding the funding application from Transnet when this is tabled before Parliament for the Umlaas Water Canal upgrades
- c) The National DoHS had not responded to the request made by the Metro to finance the maintenance of hostels, including Teen Huise in uMlazi Township.
- d) The Metro had requested National Government's intervention with regards to the decision taken by the Provincial Government to implement Section 139 without providing support as required by Section 154 of the Constitution, and this had resulted in the Metro being downgrading in May 2023 by the rating agencies.

3.2.3. Recommendations

- a) The delegation recommended that the Metro should table a detailed report to the NCOP and the Provincial Legislature, within 90 days of the adoption of this Report, on how it intends addressing the electricity and water crisis in Chesterville, especially Ward 24 in the long term.
- b) The Metro should provide a comprehensive report on water leaks, this report must be tabled both in the NCOP and at the Provincial Legislature within 90 days of the adoption of this Report.
- c) The delegation recommended that the funding for Umlaas Water Canal should be prioritised, since the Canal was a strategic area to the Metro.
- d) The Metro should provide a detailed report to both the NCOP and the Provincial Legislature regarding the impact of indigent policy on rates collection, within 90 days of the adoption of this Report.
- e) The National DoHS should provide a detailed report to the NCOP on how it plans to assist the Metro to renovate the hostels to be in a better good condition for human settlement. The report must be submitted within 90 days of the adoption of this Report.

- f) The delegation recommended that the Metro should develop a clear communication strategy within 60 days of the adoption of this Report to convey all the good work done not only to the people of the eThekweni but to the public at large to encourage tourism.
- g) With regards to the decision of implementing Section 139 by the Provincial Government in stream of Section 154, the delegation recommended that Province should follow proper constitutional processes to ensure municipal support is provided to the Metro and Section 139 interventions should be used as the last resort.

4. OVERSIGHT VISITS

4.1. UMZUMBE CLUSTER “A” RURAL HOUSING PROJECT

Umzumbe Cluster “A” Rural Housing Project is a housing project consisting of 300 housing units in Wards 10, 16, 17, 18 and 19, with the projected budget of about R49 846 402.07. It was reported that R39 039 531.03 had already been spent and the current balance is R11 371 780.35. The project commenced in August 2021, however, due to failures of the initial contractor a new service provider was appointed on 14 June 2022. Currently, a total number of 192 houses have been completed, 292 slabs had been completed, 293 wall plates had been completed and 269 houses were at the roof top stage. However, due to some delays, the project completion date has been extended by six months (29 June 2024) pending the Municipal Council approval.

4.1.1. Observations

- a) The delegation noted that during the November 2022 Taking Parliament to the People Programme in Ugu District, that there was no progress on the ground due to challenges with Solida Construction, which resulted in delays and the ultimate termination of contract and the contract being re-awarded to Umpheme Construction.
- b) The delegation noted that the work was continuing on site and that a recovery plan was going to be submitted for the Municipal Council approval to catch up on the lost days.
- c) Furthermore, the delegation welcomed and noted the 40m² houses and that each house has two bedrooms, a kitchenette, dining area and a bathroom. These houses were also fitted with ceilings, wiring points, JoJo tanks and VIP toilets.

4.1.2. Recommendations

- a) The DoHS should develop a proactive and systematic approach within 60 days of the adoption of this Report, to better manage the work of the service providers and to take corrective action where necessary to avoid unnecessary delays and wastage of funds.
- b) The DHS should develop a clear public participation strategy within 60 days of the adoption of this Report, to engage all the relevant role players to prevent unnecessary interference by the public and business forums, which end up impacting negatively on project implementation.
- c) The delegation urged DoHS to fast-track the completion of this project, which has been delayed for six months already that the Municipal Council should ensure that the approval is granted within 60 days of the adoption of this report.

4.2. DUJAZANA TEMPORARY HOUSING PROJECT

During April 2022, the area of Ugu District was severely affected by heavy rains, resulting in houses within Ray Nkonyeni, Umzumbe, Umdoni, and uMuziwabantu Local Municipalities being flooded and heavily damaged. Eight household with 23 family members were affected and relocated to a shelter in Jesus Community Hall, Ward 23 and they were later moved to TRA's across the Ray Nkonyeni LM. Ray Nkonyeni was allocated fifty temporary shelters which have since been completed. A total budget of R14 133 208,88 has been allocated to this project through which 200 TRA units will be constructed. Current expenditure is at R10 437 350,66 and fifty-five families who prioritised through a new project for permanent shelters as part of the interventions to assist the flood victims.

4.2.1. Observations

- a) The delegation noted that the Ray Nkonyeni LM was initially allocated 200 out of the 266 units under the Disaster Housing Project and a further 100 units was later allocated, however none of those units had been completed..
- b) Moreover, the delegation was pleased with the current temporary structures used to accommodate displaced families.
- c) The delegation noted the administrative progress undertaken by DoHS to secure funding for the permanent structures and will continue to monitor progress.

- d) The delegation welcomed the fact that a proper profiling of beneficiaries was undertaken in Ray Nkonyeni LM to ensure that correct beneficiaries are identified for the project.
- e) The delegation noted the lack of information sharing between the DoHS and the beneficiaries for the housing project.
- f) The delegation welcomed that the DoHS had secured funding for the permanent structures but it was waiting for the Ray Nkonyeni LM to donate the land for building.

4.2.2. Executive Undertakings

- a) The Municipal Council is currently finalising the process of donating land to the Department to build permanent units for displaced families.
- b) Once the Municipality hands over the land to the DoHS, the Department would be able to conduct a feasibility study to determine whether residential houses can be built or not.

4.2.3. Recommendations

- a) The delegation recommended that the DoHS should make a follow up with Ray Nkonyeni LM on the progress of the Council's decision regarding the donation of land on a monthly basis.
- b) The delegation emphasised that the DoHS should constantly provide feedback to beneficiaries regarding the progress made about the project to avoid unnecessary community protests.

4.3. PORT SHEPSTONE POLICE STATION

The delegation conducted a follow up visit to the Port Shepstone Police Station, which was established in 1982. The delegation visited the Station during the November 2022 Taking Parliament to the People Programme and made specific recommendations for the executive to consider. The Station functions with 254 personnel and has 25 vacancies. The Station serves a total population of 85 537 in approximately 168km². The Station has good relationships with relevant stakeholders as they have monthly stakeholder meetings and there is also a good level of cooperation with the community. The Station had a backup power generator to assist during load-shedding and JoJo tanks that provide water supply for at least four days to alleviate the problem of water shortages. The vehicle fleet at the Station was in a good state compared to other stations in the area and six new vehicles were added during the current financial year.

4.3.1. Observations

- a) The delegation commended the very neat state of the victim friendly room, which was said to be much better when compared to other police stations in the area and that social workers were also conducting weekly visits to the station.
- b) It was noted that prior to the Taking Parliament to the People Programme visit in November 2022, two contractors had tried to attend to the leaking roof but could not succeed. The matter had been escalated to the National Office for further attention and nothing had been done.
- c) The delegation noted that the Police Station had been engaging with the Municipality to address the streetlights problem as this matter falls within the Municipality's jurisdiction and nothing has been done
- d) The challenge posed by drug addicts and drug dealers in the area was still concerning and the fact that these cases were mostly being withdrawn in court due to lack of evidence and some legal technicalities.
- e) The delegation remained concern that some police vehicles had exceeded 300 000km, which is the required mileage and that police vehicles still spend longer periods in the government garage for repairs and maintenance.
- f) The delegation welcomed the fact that one security officer was appointed in addition to the three officers who were already in place to control access in the Police Station.
- g) The delegation welcomed the two additional containers, which were provided to allow for more storage space in the Police Station.
- h) The delegation noted that some staff members had been seconded to the District Operations Command Centres and that this led to staff shortages within the Police Station.
- i) The delegation welcomed the fact that the new Court will be opened in November 2023 and the fact that the Province would help in providing the manpower to operationalise the Court.

- j) The delegation further noted that a water tanker had been provided to the Police Station to address the general challenge of water in the area, which was also beneficial to other police stations around the District.
- k) The delegation remained concerned about that the back-up generator was broken and as such the Police Station was using portable lights during load shedding.
- l) The delegation noted that the matter of the detectives' incentives was reported to the Provincial Coordinator as it was common across all police stations.
- m) The delegation remained concerned that there was insufficient supply of DNA kits throughout the police stations since the procurement processes were done at national level. Furthermore, forensic delays were still a challenge faced by the Police Station, and it was beyond its control.
- n) The delegation remained concerned that transportation of trail awaiting detainees to Westville remained a challenge for the Station and this was due to the nearby correctional service centre being declared structurally defective since 1997.

4.3.2. Recommendations

- a) The national office of SAPS, together with DoPW, should expediate the process of fixing the roof leaks as a matter of urgency and provide the NCOP with a report thereon within 60 days of the adoption of this Report.
- b) It was recommended that the Municipality should address the streetlights problem as a matter of urgency as it poses security risks for the Station and the community. The Municipality should provide the NCOP with a report thereon within 60 days of the adoption of this Report.
- c) The Police Station should make use of the war room to engage the Department of Social Development and other stakeholder for assistance where a collaborative effort could be developed to address the drug problem in the community.
- d) The delegation recommended that the District Office should ensure that more officers were appointed urgently to address the issue of staff shortage, instead of having only four police officers working overtime daily.

- e) The delegation emphasised that the matter of the broken generator, which serves as a backup for the Station, should be addressed within 60 days of the adoption of this Report by the Provincial Office.
- f) The delegation recommended that the D of Public Works (DoPW) should address the challenge of trial awaiting detainees as it poses problems for the Police Station.
- g) There was a need for the Operation Sukuma Sakhe Local Task Team to strengthen the support for the war room to be more effective in dealing with interdepartmental issues.
- h) The delegation recommended that the matter of detectives' incentives should be referred to the National Bargaining Council as the matter cuts across most police stations.

4.4. KWAXOLO WATER SCHEME: BULK WATER SUPPLY

The aim of the Project is to upgrade the existing infrastructure where there have been water shortages. It entails the construction of the Hannover Pump Station, constructing a 450mm Diameter Suction Line and 400mm Diameter Rising Main to a new Florida reservoir and constructing a 5ML Concrete Reservoir. The Project would serve people around the Ray Nkonyeni LM and its projected expenditure was R24.7 million. The project is said to be 95 %complete.

4.4.1. Observations

- a) The delegation welcomed the fact that a large portion of the Bulk Project under Phase 4 – 6 has been completed and is awaiting commissioning.
- b) The delegation noted the increase in the population, which has necessitated the upgrade of the bulk infrastructure to provide services to some additional 13 172 people that would benefit about five municipal wards within Ray Nkonyeni LM.
- c) It was further noted that all 3 projects have reached the practical completion stage with all the relevant equipment fitted.
- d) The delegation noted that the main Hannover Pump Station needs more electrical capacity for it to reach its maximum operation. This could be achieved by sourcing out electricity from the neighboring Province of the Eastern Cape and the Executive Mayor of Ugu District was engaging the Eastern Cape Provincial Government on the matter.

4.4.2. Executive Undertakings

- a) The Executive Mayor would continue to engage the Eastern Cape Provincial Government around sourcing and upgrading the electrification capacity of Hannover Pump Station from the Eastern Cape as the neighbouring power station.

4.4.3. Recommendations

- a) The delegation requested that the Executive Mayor should table a comprehensive report to the NCOP outlining all challenges affecting the Project.
- b) Further, the matter between the District and the Eastern Cape Government should be urgently resolved through intergovernmental relations as the Project should be completed within the allocated time.

4.5. UMLAZI AND BERM ACCESS ROAD

R102/ South Coast interchange was severely damaged by floods during April 2022. This resulted in some sections of the road being completely closed with no access beyond damaged areas. The affected section of the road is also a major access point from and to Umlazi Township and connects traffic to and from N2 Highway, Inkosi Albert Luthuli Freeway, Griffiths Mxenge Highway, Prince Mcwayizeni Drive and Pascoe Road. Traffic flow was extremely affected on these roads resulting in a high congested traffic volume with minimum flow as the motorists tried to maneuver around to find other possible routes in the southern areas.

The scope of the project comprised of repairs on nine washaways, provision of detour routes, removal of sand and rubble on the road, diverting sewer spillages, and drain water ponding on washaways. Temporary repairs started on 11 April 2022 to provide access to areas that were inaccessible. The projected expenditure of the project is R32 million, it commenced on 20 January 2023 and the projected completion date was 6 September 2023, and it was already completed at a time of visit.

4.5.1. Observations

- a) The delegation noted the destruction that occurred in the area due to heavy rainfall and flooding in April 2022, resulting in widespread damage to major roads and highways.

- b) The delegation further noted that due to the Umlaas River Canal exceeding its capacity, along with the surging of the Shongweni Dam; the collapse of bridges and embankments occurred, leading to heavy water spillages along the N2 highway.
- c) The delegation was concerned about how Umlazi Township was landlocked for almost five days due to the disaster, with few alternative access routes in place.
- d) The delegation noted the fact that the Ad hoc Committee on Floods from Parliament had visited the site on three occasions and offered support.

4.5.2.Executive Undertakings

- a) As the road belonged to the DoT, the authority requirement was necessary before undertaking the re-development of this large-scale project.
- b) Major pipe deviation developments were necessary due to damage of the water supply pipes to South Coast areas. The electricity cables which were severely damaged were also rearranged as a matter of urgency.
- c) A 300 mm new mattress, which would be a formidable base in the event of future flooding, was installed, preventing any flood destruction event from re-occurring.
- d) A collaborative effort between the Park Board, the relevant departments and eThekweni Metro Municipality was decided to facilitate the refurbishment and improving the aesthetics of the area, including returning the environment to its original state.

4.5.3.Recommendations

- a) A collaborative effort between the Metro, Department of Environmental Affairs and SANRAL was encouraged because of the disaster's impact on all parties.

4.6. TEMPORARY HOUSING OF FLOOD VICTIMS IN THE ASTRA BUILDING, RUSSEL STREET, DURBAN CBD

4.6.1. Observations

- a) The delegation noted that all 135 Mass Care Centers that were created by the Government Disaster Management Units to accommodate the April/May 2022 floods victims were since closed and victims were moved to Transitional Emergency Accommodation (TEAs), which consisted of 10 blocks of flats.
- b) The delegation noted that 5 of the 10 buildings were managed by the eThekweni Metro, while the rest were administered by DoHS and the Housing Development Agency (HDA).
- c) Furthermore, the delegation welcomed that scholar transport was provided for kids who reside in these TEAs.
- d) The delegation noted that a total of 803 beneficiaries, who are currently placed at the TEA in Astra Building, were receiving social grants. It was further noted that approximately 38% of beneficiaries were full-time employed, while 44 percent worked part-time. According to the Municipality, approximately 82% earned less than R3500 while 18% earned between R3500 and R7000.
- e) The delegation noted that the DoHS had spent approximately R318 million to date on construction of temporary residential units (R123.2 million), transitional emergency accommodation (R161.3 million) and acquisition of Montclair Lodge (R33.6 million) to cater for the April/May 2022 unprecedented floods victims.
- f) The delegation welcomed the fact that the profiling of the 286 families, who are staying in the Astra Building (TEA) has been concluded so that they can be linked to the acquired land parcels and the fact that profiling had also revealed that most of the victims were staying in informal settlements before disasters occurred.
- g) The delegation noted that a total of 12 land parcels were currently at detailed planning stage and that Water Use License Applications (WULA) for all 12 land parcels had been submitted through the eWULA system of the DoWS.
- h) The delegation noted that a letter had been sent to the DWS requesting approval to proceed with the submission of final Spatial Planning and Land Use Management Act 16 of 2013

(SPLUMA) applications while WULA applications are being processed and no response has been received.

4.6.2.Executive Undertakings

- a) The Metro committed that through collaborative effort with other spheres of government, once the DWS approves the final SPLUMA application, which is anticipated to be at the end of November 2023, the land parcels will be finalised.

4.6.3.Recommendations

- a) The delegation recommended that alternative land be identified to replace the land parcel below the flood line and that the Metro fast-track the process of the 12 land parcels, which were currently at the planning stage.
- b) The delegation further recommended that the DWS expedites the approval of the WULA application for the Metro to proceed with the submission of the final SPLUMA applications for the 12 land parcels. The delegation is of the view that this will assist in fast tracking the building of new permanent structures for beneficiaries.
- c) The delegation emphasised that the Metro, together with the DoHS, should ensure that the process of completing permanent accommodation for the floods victims was fast-tracked to avoid spending more resources on renting temporal structures such as Astra building. The delegation is of the view that the ownership of title deeds by floods victims will bring back their human right to dignity.

LIMPOPO PROVINCE

1. PROVINCIAL OVERVIEW

Limpopo Province covers a surface area of 125755km², which constitutes 10.3% of the total surface area in South Africa. Limpopo has a population of 5 927 million people, which constitutes 9.9% of the overall population of South Africa. Limpopo Province is divided into 27 municipalities, which includes five District Municipalities (Capricorn, Mopani, Waterberg, Sekhukhune, Vhembe) and twenty-two Local Municipalities. Limpopo province contributes 7.4% to the GDP of South Africa. The main contributors to the regional GDP are tertiary industries (52.4%), followed by primary industries (27.7%) and secondary industries (9%). The primary driver of economic activity in Limpopo is mining.

Limpopo recorded the second highest (44.5%) percentage of individuals that benefited from social grants in 2020. It is also the Province where the highest number (68.8%) of households received at least one type of social grant. The majority (96.2%) of households live in formal dwellings, whilst 2.8% live in informal dwellings. One per cent of households in the Province live in traditional dwellings. A total of 71.3% of households have access to tap water inside their dwellings, off - site or on - site. The percentage of households with access to water in Limpopo experienced a marginal decrease of 2.5% between 2002 and 2020. More than half of households in the Limpopo (58.7%) have access to improved sanitation. In 2020, less than a quarter (21.3%) of households in Limpopo had their refuse removed at least once a week. The majority (89.2%) of households who had their refuse removed on a weekly basis are located in urban areas, whilst only 6.2% of households are in rural areas received this service. Accordingly, the vast majority (89.2%) of households in rural Limpopo made use of their own refuse dumps to discard waste. The majority of households (97.2%) in Limpopo have access to electricity through the mains electricity supply.

2. BRIEFINGS BY PROVINCIAL AND NATIONAL GOVERNMENT

2.1. DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS

The Department reported on the performance of housing units, servicing of sites, blocked housing projects, military veterans programmes and community residential units in Mopani and Vhembe DMs in the 2023/24 financial year. Such projects were funded by the R946 million Human Settlements Development Grant (HSDG) and R281 million Informal Settlement Upgrading Grant (ISUPG) to deliver 7291 housing units and 1639 sites. It was reported that from August 2023, 2161 (45%) housing units, 820 (50%) sites, and 1009 (67%) title deeds were delivered. Mopani DM was identified as the

best performing Municipality while the implementation of projects related to sewer provision in Vhembe District was delayed. In addition to the normal housing projects, approximately 933 units under blocked projects were completed in 2022 and 366 units were expected to be completed this year. A total of 100 units were planned for the construction of houses for military veterans in the Province. Most projects in Vhembe and Mopani districts are in the planning phase.

The Province has experienced challenges regarding the availability of rural bulk infrastructure which impeded the servicing of sites, the lack of infrastructure database from the municipalities which delayed engineering services designs, inadequate capacity of planning units in both the department and municipalities, underperforming contractors and incomplete structural audits to inform interventions regarding blocked housing projects.

2.2. DEPARTMENT OF PUBLIC WORKS AND ROADS

The Department's presentation focused on the state of the provincial road infrastructure, the state of building infrastructure, key provincial infrastructure projects, measures to support the Musina Makhado Special Economic Zones (SEZ), provincial catalytic projects and the state of provincial building and land infrastructure. Measures to support the SEZ included the provision of road infrastructure in four roads namely the N1 to Mopani, the Mopani to Nzhelele nature reserve, the P92/4 to Musina and from Tshipise to Musina. The implementation of these projects was at various design and implementation stages. Regarding the backlogs on kilometres unpaved, the District requested additional funds from National Treasury. Approximately R850 million worth of projects were at the design stages.

Key provincial infrastructure projects including the Provincial Theatre Building Project and Limpopo Academic Hospital were expected to be completed in 2028. SANRAL reported that it manages around 3600 km of road in the Province. There were 21 routine active projects in various municipalities with 21 contractors. Over 100 projects in the Province would be under construction in the next few years. A budget of R565 billion was provided, with targeted labour of 6% (245 plus 281) and 20 local sub-contractors used. The challenges identified included business rescue, Covid-19 pandemic, relocation of Eskom, sewer leaking into the works, cracked buildings and trucks making illegal u-turns.

2.2.1. Observations

- a) Despite the challenges, SANRAL should be commended for the good quality of road infrastructure implemented in the Province.

- b) The SANRAL presentation on the D-roads did not appear to give a true reflection of what the Minister of Transport previously presented. Members noted SANRAL's explanation that the six D-roads projects were never transferred to it, however it is only assisting in implementing the 32 km of the road and the remaining 27km still needed to be designed. Also, such roads were not national, but provincial roads.
- c) The SANRAL presentation did not appear to give a true reflection of its funding challenges. SANRAL clarified that National Treasury allowed borrowing to a certain limit which currently stops them from continuing to borrow. SANRAL envisaged that by the end of October 2023, the National Treasury would have responded to its submission on how much it could borrow from the market.
- d) The damaging of road signs across the Province was increasing and appeared to be deliberate.
- e) The road from Makhado to Musina was a disaster and had become dangerous, normal routine maintenance did not work anymore and the road might need to be reconstructed or upgraded as it had reached the end of its life term. SANRAL needed over R1 billion to fix such a road, which must be funded by toll funds as it was a national road.
- h) There was increased freight on the road and trucks reduced the lifespan of the roads. Members noted that while the solution to increased freight on the road was within Transnet's ambit, the discussions between Gauteng and Limpopo to address this issue had started and that the Minister would be involved.

2.2.2. Recommendations

- a) SANRAL should address the D-roads to protect SMMEs and ensure efficient delivery of services.
- b) SANRAL and the relevant stakeholders must propose tangible solutions to address the challenge of reclassification of roads. If SANRAL could not take over all identified roads, then the municipalities should take over such responsibilities and that would require the implementation of the District Development Model (DDM).
- c) There was a need to reimagine the funding of SANRAL to address the backlogs as failure to do so might compromise the Province's ability to unlock economic opportunities.

- d) SANRAL supported that the funding model should be reviewed. The NCOP should discuss the toll funding issue.
- e) Integration of various modes of transport in the Province should be improved.
- f) The Province should follow up on the commitment made by SANRAL to address the road sign damages with relevant stakeholders.

3. BRIEFINGS BY MUNICIPAL GOVERNMENT

3.1. VHEMBE DISTRICT MUNICIPALITY

The District reported on water demand and supply, water and sanitation provision per municipality and support required to address challenges and capital expenditure to date. It was highlighted that the District serves 821 settlements, of which 89.7% reside in the rural areas. The District has been experiencing water shortage challenges caused by dilapidated and ageing infrastructure, high unauthorised water connections, climate change in relation to drought and boreholes, growing communities and load-shedding. The Municipality had 14 WWTW, of which six are operational and eight require refurbishment. The district requires funding support to complete projects in the local municipalities.

Musina Municipality experienced a serious challenge in water provision and was heavily reliant on underground water through boreholes, as opposed to sourcing water from the dam. Other challenges included theft and vandalism, however, the Municipality appointed armed security to guard the boreholes. Approximately 52 boreholes were dug. The water treatment facilities in Musina operated beyond capacity. Projects implemented in the current financial year, include the refurbishing of the Musina water treatment facilities through the WSIG. The Municipality needed a planning section that reviews the technical reports and there was a shortage of personnel which affected the implementation of projects.

The Mopani Municipality required refurbishment of the Nandoni and Nsami WTW, reticulation of villages and the provision of bulk services. The Municipality was implementing the projects on behalf of the DoWS and appreciated support from the Minister's office as it had clear timelines that would lead to the successful completion of the project in 2025. These projects are funded through the WSIG and be finalised as expected. The challenges included the cancellation of projects, poor performance, and stoppage of projects by various forums. The Zimbabwe engagement to get water from the

treatment plant across the border has been completed and awaiting final approval. The Municipality proposed the construction of the dam in the Letaba area, a project between Mopani, Vhembe and the DWS.

3.2.1. Observations

- a) There were serious water challenges in the District and municipalities were given the responsibility of providing water services. These challenges included poor water management, water catchment and poor environmental management.
- b) The Province still had a water scarcity problem while officials were given the responsibility to provide water and the budget was allocated.
- c) A promise made by the Minister of Water and Sanitation in October 2022, that in February 2023 the District would have a functional water supply, has not materialized.
- d) The District requested water from Zimbabwe to augment the current shortage as Musina only had 51 boreholes.
- e) The DoWS planned to supply water to villages and it appeared that there were no reticulation plans in place.
- f) There was a deficit of water provision in Makhado and Mopani municipalities.
- g) Addressing water challenges required consistent provision of electricity.

3.2.2. Recommendations

- a) TheNCOP needed to discuss the issue of municipalities being given the responsibility of providing water services.
- b) To address the water challenges, the awarding of contracts should comply with legislation and municipalities should employ properly qualified contractors to implement the water projects.

- c) The Provincial Treasury should assist the districts and local municipalities to ensure that contracts were awarded properly before monies were allocated.
- d) There was an urgent need for the Province to adequately execute its oversight mandate, enforce consequence management against those responsible for failure to provide water services and address criminality and dereliction of duty both politically and administratively. The NCOP should take this matter seriously.
- e) The District Municipality, with the assistance from the DoWS should speedily develop and implement a clear medium - to – long - term water supply strategy for the 55 villages promised water in Mopani Municipality.
- f) The DoWS should ensure that water project design and implementation incorporates and prioritises a plan for water treatment facilities to avoid a situation where raw water from the Nandoni Dam was provided to the communities. This matter should be taken seriously.
- g) Given water challenges, Musina Municipality should develop a very clear medium – to - long-term water development and management strategy to address the water supply problem.
- h) The Province should follow up on the challenges identified by the District Municipalities that should be resolved to enable efficient supply of water to the municipalities.

4. SITE VISITS

4.1. MUSINA WATER SERVICES AUGMENTATION INTERVENTIONS

Zimbabwe and South Africa expressed a willingness to share water from Phase II of Beitbridge WTW (96 ML/day, 4000 m³/hr, 35 million m³/annum). The project scope and impact included a pipeline crossing the Limpopo River from Beitbridge to Musina with a bi-directional line capacity to transfer 15 million m³/annum treated water from Beitbridge WTW to Musina terminal reservoirs and additional pumping capacity at Limpopo River intake, rising main to storage, expansion of electrical capacity, access roads improvements, security and information systems.

The project cost was estimated to be R1 billion, but the budget would be finalised after the detailed design stage was completed. The project was anticipated to be funded through various “off-take” agreements which might be a quick win for South Africa, but there was no official agreement between the two countries at the time of visiting the Project. Once the agreement was reached, there would be

a 21km pipeline with potable water constructed from Beitbridge WTW to Musina reservoir and connected to the existing network. Despite all processes that were stalling the project, the reconnaissance study was completed, and the feasibility/design stage would start following the anticipated signing of an agreement with Zimbabwe in 2023. It was anticipated that the feasibility study and design stage could be completed in 2025. Four main interventions were planned for augmenting water supply to the Musina area.

4.1.1.Observations

- a) Musina Water Services augmented the system by constructing an 8.1km pipeline pumping from boreholes on the embankment of the Limpopo River.
- b) There was a dire shortage of water supply as a result of the lack of reliable or sustainable water sources.
- c) The ageing infrastructure with leaking pipes (currently had 8 leaks around the pipelines), vandalism, theft of pumps and water meters and loadshedding affected the supply and quality of water.
- d) The municipality lost close to 8 ML per day.
- e) The command reservoir overflowing as a result of a shutdown for repairs on broken pipes resulted in water losses.
- f) Refurbishment of pipes starting in October and a proper plan for the construction of a parallel pipeline is needed.
- g) Venetia Mines drilled approximately ten boreholes of which six provided a high-yield and supplied the community with water, and four provided a low yield. The only area for high-yield water was at the river and on the banks. The reliance on borehole water was not sustainable.
- h) During the rainy season when the Limpopo River overflows, there was no catchment of excess water from the river resulting in floods. If there was a catchment, that water could be redirected to Musina.

- i) Two dams were planned to be constructed in Musina with one alongside Mutale, that would assist Musina.

4.1.2. Observations

- a) There was an urgent need to refurbish the aged and damaged infrastructure.
- b) There was a need to plan for the construction of a catchment along the Limpopo river.
- c) Working on reducing water leaks and consulting of engineers in order to properly relocate pipes was needed.
- d) There was a need to improve water quality.
- e) There was a need to investigate other alternative catchment areas such as at Punda Maria which were shallow.
- f) There was a need to look at increasing the percentage of water Musina got from Ngwanede Water Plant from 10% to 40%.
- g) There was a need to bring back water authorities to the municipalities in order to assist in resolving water shortage problems.
- h) There was a need to put timelines in place in respect of rectifying water leaks in the pipes.

4.2. N1 MUSINA RING ROAD

The 8km N1 Musina Ring Road Project by SANRAL commenced on 16 March 2016 and was completed on 8 August 2022. The purpose of the road was to divert the traffic, especially commercial cargo trucks, to the Beitbridge border from passing through the town of Musina. The relocation of protected tree species such as Baobab, Shephard and Marula as well as the landfill was done prior to construction. Three major bridge structures, including the feature bridge at the Nancefield interchange and two interchanges were constructed. Asphalt surfacing, including on – and – off - ramps, stormwater, subsoil drains and road devices such as guard rails, road signs, and fences and noise barrier walls were installed. The road deviated from the existing N1 section alignment just south of Musina. The old road tied back into the existing road just north of the town, hence forming a ring

road around its CBD. The original contractor was Basil Read (Pty) Ltd and the finalisation contractor was Raubex Construction (Pty) Ltd. The construction expenditure was R565 million. The project created 281 local jobs and 132 people were provided with accredited training certificates.

4.2.1. Observations

- a) The mMunicipality was pleased with the quality of the N1 Ring Road. The 72km stretch of road from Makhado leading to this section has not been constructed and was full of potholes.
- b) The 72km road from Makhado to Musina needed rehabilitation as it has reached the end of its lifespan.
- c) RDP houses that were planned for construction were removed and relocated, and the housing contractor replicated the houses.
- d) SANRAL, jointly with the Municipality, provided the families with relocation costs and families were given a one-year guarantee for defects as 80% of the houses had cracks and were inhabitable.
- e) SANRAL funding came from tolls and loans that were approved by the National Treasury.
- f) The Gauteng toll road affected Musina roads whereas Musina residents paid for tolls but their roads were in a bad state.
- g) It would be difficult to attract SEZs investors to a municipality with such a bad state of the roads.
- h) SANRAL confirmed that the agreement for the road to Musina Town was awarded but that SANRAL had reached its borrowing threshold.

4.2.2. Recommendations

- a) The 72km stretch of N1 road through Musina needed to be constructed as this defeats the purpose of renewing Musina.
- b) SANRAL should source funding for the 72km road as it was a national road under their ambit.

- c) Houses removed should be better than previously in order for owners to benefit and the condition of the houses should be related to the amount of money that was paid.
- d) SANRAL needed to come up with a plan to fund road construction instead of utilising loans.
- e) Local municipalities should approach the Roads Agency Limpopo for assistance with the local roads that needed redesigns and resurfacing.
- f) SANRAL should utilise the toll income and its budget to repair roads in Musina.
- g) SANRAL should explain its funding model so that it becomes clear and understood.
- h) SANRAL should devise a plan to access dividend funds for road maintenance.
- i) There should be an exception in getting a loan for the roads in Vhembe and those from Makhado to Musina.
- j) The Minister of Transport needed to be informed of the 72km stretch of road in order to devise a plan.
- k) This Project should be replicated across the Province for better socio-economic spinoffs.

4.3. ROAD D4: N1 TO ELIM TO VUWANI TO MALAMULELE

This was an existing surfaced/tarred road firstly constructed in 2006 and was approximately 102km from the N1 to Malamulele. The tarred road was damaged and dilapidated and had come to the end of its lifespan. The road rehabilitation from Malamulele to Vuwani to N1 was taking place in phases, with Phase 1: Malamulele to Vuwani with a budget of R20 million, and Phase 2: Elim to N1 with a budget of R20 million.

4.3.1. Observations

- a) The road rehabilitation progress in Phase 1 from Malamulele to Vuwani was at 70% completion and work would be completed on 30 October 2023.

- b) While progress on Phase 2 from Elim to N1 was at 10%, only an alternative access road has been regravelled to commence road rehabilitation work.
- c) The first 50 km of the road from the N1 to Elim to Ha-Mashao was filled with potholes and has eroded.
- d) There was no bush and road cleaning done on most parts of the road.
- e) Communities on the road had encroached on the parameters of the road, especially from Vleifontein to Elim.
- f) The road needed serious attention and could only be funded with limited budget, hence the project was implemented in phases per financial year.
- g) The delegation acknowledged the encroachment of communities on the parameters of the road and requested that local municipalities together with SANRAL should work together to resolve the matter.
- h) The road designs had shown that N1 to Elim Road is located at a high water area and this would cause danger if not properly addressed.
- i) The budgeting model of projects in Limpopo was insufficient to address the current surfaced road network.

4.3.2. Recommendations

- a) There should be regular road maintenance after all rehabilitation work was completed on the D4 Road.
- b) The rehabilitated road asset should be continuously maintained.
- c) Communities should be engaged to support the road rehabilitation project and allowed to be moved to suitable places.
- d) Bush clearing, cleaning of the road and replacement of road signage should be routinely done by the Department of Public Work, Roads and Infrastructure as this was their mandate.

- e) The road rehabilitation project should be expedited in view of the rainy season.
- f) In areas that had no road markings, this should be addressed as soon as possible for safety of road users.

4.4. HA-MPHAPHULI TRIBAL OFFICE

The purpose of the visit by the NCOP delegation to the Traditional Tribal Office was to inform the Tribal Council Office of their visit in the area. The NCOP delegation was warmly welcomed by King Vho Thovhela Mphaphuli and his Council members. This tribal office has been visited by former President Zuma and President Cyril Ramaphosa more than once, but the situation in the area has not improved. However, the tribal council was happy with the former District Mayor. Hon Mdaka, who ensured that most villages in the area have tarred roads.

4.4.1. Observations

- a) The Tribal Office did not have running water or electricity on its premises.
- b) Vho Thovhela Mphaphuli stated that he refused the provincial government from opening the office earlier in the year as a result of the lack of water connections, electricity and an occupational certificate.
- c) It was acknowledged that the Dam was built in 2004, but more than 10 villages in his area did not have any running water at all. No alternatives, such as water tanks, were provided for in these areas.

4.4.2. Recommendations

- a) Electricity and water should be installed in the Tribal Office as soon possible.
- b) An occupational certificate should be acquired by Limpopo COGHSTA and Limpopo DoPWR&I prior to officially opening the Tribal office.
- c) The Limpopo Provincial Legislature must ensure followed-up on these matters.

- d) The District Municipality of Vhembe should reticulate water to all the villages in the area, while providing alternative water sources in the meantime.

4.5. MULENZHE TRIBAL OFFICE

The purpose of the visit by the NCOP delegation to Mulenzhe Tribal Office was to inform the Tribal Council of their visit in the area. The NCOP delegation was warmly welcomed by Chief Vho Thovhela Ramovha and his Council members. The Council hoped that the visit by the NCOP delegation will bring solution to water and road challenges facing the community. The Chief raised that community graves and households were relocated to give way for Nandoni Dam construction with the hope that it will contribute positively to the community wellbeing. However, his community is not getting water from Nandoni Dam. Several Ministers have visited Mulenzhe area, but the community is still faced with water and road challenges.

4.5.1. Observations

- a) Mulenzhe area is constituted by 15 villages, which are not getting water from Nandoni Dam.
- c) Nandoni to Nsami Regional Bulk Water Scheme pass through Mulenzhe area.
- d) After negotiations with the current Minister, a T-bend pipe from Nandoni to Nsami Regional Bulk Water Scheme has been approved to supply clean water to Mulenzhe area.
- e) Roads in all the 15 villages are gravel, but negotiations are ongoing to have funds for tarring the three D Roads in the area.

4.5.2. Recommendations

- a) As the affected community, residents of Mulenzhe should get sustainable clean water supply from Nandoni Dam.
- b) The DoPW together with its provincial entity RAL and national entity SANRAL should ensure that funds are set aside for tarring of D3717, D3736 and D3642 roads in Mulenzhe area.
- c) Collins Chabane LM should also intervene through provision of ring roads in the Mulenzhe area.

4.6. NANDONI TO NSAMI REGIONAL BULK WATER SCHEME

The need for the transfer of water has arisen as a result of the critical shortage of water to Giyani as a result of the apparent failure of the Middle Letaba and Nsami Dam. A canal was constructed to augment the water supply to the Giyani WTW plant from the Middle Letaba Dam, but could not sustainably operate at full capacity. The DoWS was the project sponsor for the Nandoni to Nsami regional bulk water scheme where the provision of a raw water pipeline from Nandoni to Nsami would be constructed to augment the water supplied by Nsami Dam. The 40km pipeline with raw water from Nandoni to Giyani canal through to Nsami WTW was completed. The Department had indicated that everything would be finalised by the end of September 2023.

4.6.1. Observations

- a) Water was currently being pumped into the canal and blockages in the project had been resolved.

4.6.2. Recommendations

- a) The canal in Giyani should be fenced to safeguard the water and protect life.
- b) There should be continuous monitoring until the project was fully completed.
- c) There should be a full report of the 69 households that were relocated.

4.7. GIYANI WATER TREATMENT WORKS REFURBISHMENT

The Giyani WTW project supplied 30 of raw water per day. The Project is funded and implemented by the Mopani District Municipality. The refurbishment project commenced in January 2023 and the DoWS envisaged handing over the completed project in December 2023. The project was serving 55 villages. At the time of the visit, there were approximately 39 contracts in place funded by the DoWS and expected to be completed in December 2024, whereafter the first village would be reticulated. There were plans to upgrade the project to increase the capacity by 10ML to a total of 40ML of water and the upgrade was were funded through the conditional grant.

4.7.1. Observations

- a) The beneficiaries of the WTW project would benefit after the refurbishment of four filters.
- b) While water demand in the Giyani area remained very high, approximately 40% of the available water was lost.
- c) The Municipality lost approximately 12 hours of performance in 24 hours during load-shedding, and that in turn affected the efficient supply of water to communities. Nonetheless, the Municipality could consistently supply water to the first 14 villages without any interruptions.
- d) The project did not experience poor workmanship, however major leaks on the plant were discovered and resulted in water loss.
- e) The Municipality's request for an exemption from load shedding was at an advanced stage and the alternatives to load shedding would be considered in the next phase of the project that would commence in July 2024.
- f) It appeared as if the water provision performance of the Municipality had regressed over time.

4.7.2. Recommendations

- a) The Municipality should ensure that the refurbishment of this project was completed in December 2023 as planned.
- b) The Municipality should put load-shedding contingency alternative plans in place to ensure a consistent supply of water to the villages serviced.

4.8. CONSTRUCTION OF GIYANI WASTE DISPOSAL WASTE DISPOSAL SITE

The Project was registered in 2015. Greater Giyani Municipality appointed Lazwi Engineering for professional services for design, construction supervision and close-out. During the project design stage, the scope of work was revised based on the recommendations from the DoWS pertaining to compliance with engineering norms and standards. As a result of the revised additional scope in 2017, the new MIG registered funding was R68.2 million, with R14.8 million own funding and the total project cost was R82.9 million. Eternity Star Investment 231 was appointed for the construction of the Giyani

Waste Disposal Site Development. The contract amount was R69.8 million, and consultant fees were R12 million. The project cost was R81.9 million.

4.8.1. Observations

- a) The design of the waste disposal site was riddled with problems. There was a lack of supervision, and proper budget planning and monitoring of the progress of the contract.
- b) The DoWS and Limpopo Economic Development, Environment and Tourism (LEDET) discovered that the landfill was not compliant with their required standards.
- c) The leakage detector was not available, and the method used to manage solid waste was not adequate.
- d) There was uncertainty with regard to the terms of reference.
- e) There were unqualified contractors appointed and a lack of the necessary expert advice from the municipality resident engineers.
- f) There was no value for money derived from the work completed.
- g) The amount paid to contractors compared to the timeline was questionable and there was no consequence management.

4.8.2. Executive Undertakings

- a) The Municipality undertook to make the landfill compliant to the standards required by the DoWS and LEDET in order to be issued with the operating license.
- b) The Municipality would continue to be in consultation with all stakeholders to seek continuous guidance.

4.8.3. Recommendations

- a) An urgent meeting between COGHSTA and the Greater Giyani Municipality was recommended.

- b) To implore the Limpopo Portfolio Committee on Coghta to proceed with the matter after the Provincial Week.
- c) Qualified engineers should be appointed and the use of the resident engineers instead of consultants preferred.;
- d) A report on the detailed cost analysis of the Project and all the work that was paid for to be itemised and made available.
- e) The full report of what transpired and all the actions taken should be made available and all the engagements that occurred from the onset of the project until the end should be availed.
- f) Consequence management for those involved in fruitless and wasteful expenditure should be pursued.
- g) The contractors who are conversant with the terms of reference of the contract should be appointed in the future.
- h) Monitoring of the escalation of prices should be done on a regular basis as a result of the amount spent on the contract and there should be efforts to recover the money unlawfully spent.
- i) There should be a detailed plan on how the Municipality will complete the construction of the site with time frames set for the project to be finished in time.
- j) The Municipality should rehabilitate the land used as an interim dump site after the landfill was granted operating license.
- k) The Municipality was requested to fully comply with the remedial actions recommended by the DoWS and LEDET.

4.9. MAGEVA TO MAKUVHA ROAD

The 3km of the 35km road from Mageva to Makuvha was constructed from 13 January 2020 and completed on 19 February 2021. The purpose of the project was to upgrade the road, including pavement structure, portal culverts and new intersections. The Road Agency Limpopo (RAL) was given an equitable share to surface only 3km from Dzumeri to the end of Mageva

in the 2020/21 financial year. The amount of the contract was R34 939.90 all inclusive. RAL was able to engage SANRAL to assist in budgeting and planning to tar the remaining of the road. SANRAL was at the design stage of the Project, to construct the remaining 32km road. The team of engineers had been visiting the road to ensure that plans would suit the terrain and future demands. The estimated construction costs were R130 million.

2.9.1. Observations

- a) The road was constructed as an all - weather road, is safe and has improved access to surrounding communities.
- b) It would contribute to lower vehicle operating costs.
- c) The gravel road had single laned bridges.
- d) During rainy seasons, the bridges were not accessible as a result of water levels.
- e) The road had stabilising cracks.
- f) There was an anthill at the end of the 3km tarred road. The Department of Public Works, Roads and Infrastructure undertook to remove the anthill. There was no signage, reflectors and rumble strips to warn motorists regarding the anthill.
- g) Designs for the remaining 32kms are 50% completed and would be finalised in March 2024.
- h) The project for the 32km would be advertised for tender in April 2024 and construction will commence in January 2025. SANRAL should not change the implementation dates of the road projects as it has done in the past. The scheduled completion of the entire road would be in March 2027.

4.9.2. Recommendations

- a) The current designs should expand the bridges and create proper drainage.
- b) The cracks on the road needed to be repaired by crack sealing.

- c) Signage, reflectors and rumble strips should be installed to warn motorists
- d) In the meantime, the Limpopo Department of Public Works, Road and Infrastructure should maintain the gravel by grading the road.
- e) SANRAL should continue to provide stakeholders with feedback as they were impatient.
- f) More funds should be allocated to complete the entire road.
- g) Engineers should provide an explanation as to why the designs took long to complete.
- h) The Department should devise a road maintenance and management plan.
- i) The Department should provide a list of all the 3km roads that were commissioned.

MPUMALANGA PROVINCE

1. PROVINCIAL OVERVIEW

The Province covers a surface area of 76 495km which constitutes 6.3% of South Africa's land area. Mpumalanga lies in eastern South Africa bordering eSwatini in the Southeast and Mozambique in the Northeast. The Province also shares borders with four of South Africa's provinces, namely Limpopo in the North, Gauteng in the West, the Free State in the Southwest and KwaZulu-Natal in the South. The capital of Mpumalanga is Mbombela.

Mpumalanga is divided into twenty (20) municipalities with three district municipalities, namely Ehlanzeni, Gert Sibande and Nkangala. Ehlanzeni DM has four municipalities, and they are Bushbuckridge, City of Mbombela, Nkomazi, and Thaba Chweu local municipalities. Gert Sibande DM has seven municipalities, namely Chief Albert Luthuli, Dipaleseng, Dr Pixley ka iSaka Seme, Govan Mbeki, Lekwa, Mkhondo and Msukaligwa local municipalities. Nkangala DM has six municipalities, namely Dr JS Moroka, Emakhazeni, Emalahleni, Steve Tshwete, Thembisile Hani and Victor Khanye local municipalities.

Mpumalanga contributes only 7.5% to South Africa's GDP. The main contributors to the regional GDP are tertiary industries, contributing 44.7%, followed by the primary sector, at 23.4%, and the secondary sector, at 21.4%. The main industries supporting the Mpumalanga economy are mining and quarrying, trade, catering and accommodation, manufacturing, and general government services. By the end of the third quarter of the 2020/21 financial year, the official unemployment rate in Mpumalanga was 37.5%, whilst the extended unemployment rate was 49.7%. Mpumalanga has the highest rate of unemployment, followed by Limpopo, Gauteng, and the Eastern Cape.

2. BRIEFINGS BY NATIONAL AND PROVINCIAL GOVERNMENT

2.1. MEC FOR CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, HON M MSIBI

Water and Sanitation Infrastructure

The Province had made progress in the number of households with access to water, with an increase from 86% in 2021 to 87% in 2022. A total of 1 257 150 households had access to clean running water by the end of 2022. During the same period, the percentage of households with access to sanitation, particularly chemical toilets, was maintained at 63%. The remaining challenges included a lack of adequate water sources versus high and growing demand; ageing infrastructure requiring large

immediate investments; treatment works operating beyond capacity and other operational issues. Over the previous three financial years, the Province ensured that each year no less than R2 billion was set aside across various grants, including the MIG, WSIG, IUDG and the RBIG, to address the challenges of water and sanitation. Through this intervention, several bulk water infrastructure projects were completed in various municipalities in the three districts. The development of water and sanitation infrastructure remained a priority in the Province, hence no municipality was permitted to set aside less than 50% of its MIG allocation for projects aimed at addressing water and sanitation backlogs. DWS was assisting the Province with the implementation of high impact water projects to address bulk water challenges.

Electricity Supply Infrastructure

Despite the increase in access to electricity, from 1 264 696 (90%) households in 2021 to 1 313 505 (91%) in 2022, the Province was still experiencing shortages of electricity supply. Whilst grappling with continued load shedding, communities were advised to use electricity sparingly and to introduce energy-saving devices. Municipalities were also advised to consider the implementation of alternative energy measures to ensure that there would be backup power supply for the operation of essential infrastructure, such as water treatment works, during load shedding. The Province was convinced that, by working with the Department of Mineral Resources and Energy (DMRE), it would find a solution towards the implementation of alternative energy to augment Eskom's power supply to various municipalities. In this regard, the Department had resuscitated the Provincial Energy Forum to coordinate electricity infrastructure development.

Road infrastructure

Most of the municipalities in the Province were behind in the rehabilitation of road infrastructure. The total extent of the municipal road network was approximately 25 078,69 km, comprising approximately 5 257,97 km (21%) of tarred and paved roads and 19 820,72 km (79%) of gravel roads. Natural disasters such as heavy rains and floods were a major contributor to the dilapidated state of roads in the Province. Municipal roads across the three districts were in a poor condition due to excessive potholes and several roads, including damaged pedestrian bridges/culverts, required regraveling. In the 2022/23 financial year, through the MIG funding, a total of 72,65 km of roads were refurbished and upgraded whilst, in the 2023/24 financial year, the Department had approved municipal business plans for roads and storm water projects to the value of R700 million for resurfacing and paving of 108 km of roads. In line with the DDM, the Provincial Department of Public Works, Roads and

Transport adopted a Provincial One Plan on road infrastructure maintenance to implement projects on potholes patching, resealing and road resurfacing and regravelling.

Theft, vandalism, and the Construction Mafia

Despite government's efforts to build viable infrastructure for service delivery, theft and vandalism of infrastructure was a challenge. The Province had established the Provincial Infrastructure and Safety Committee, consisting of law enforcement agencies, SALGA, security managers from the three district municipalities and the provincial Department of Community Safety, Security and Liaison amongst others, to collectively deal with criminals sabotaging government infrastructure. Over and above the theft and vandalism, there was a serious problem with the construction mafia affecting the implementation of projects. This matter was being dealt with at a national level as it was a national crisis.

Improving Capacity for Infrastructure Development

Over the past 10 years, municipalities in the Province had been supported by the Municipal Infrastructure Support Agent (MISA). However, the availability of registered engineers in municipalities remained a challenge and the Department was working with municipalities and relevant professional councils to ensure that engineers were fully registered. The Department also participated in the appointment of General Managers in municipalities to ensure the appointment of qualified, registered and experienced technical candidates. There was a plan to reform the Community Works Programme (CWP) to respond directly to municipal basic services, in terms of artisans such as plumbers. The Minister of Cooperative Governance and Traditional Affairs (CoGTA) was also visiting municipalities in the Province that were identified as dysfunctional, as part of monitoring and support. The Department was working with the Development Bank of South Africa (DBSA), the DoWS, and MISA to support infrastructure planning and implementation in municipalities. The Department also partnered with SETA to roll out skills development programmes in all municipalities.

District Development Model (DDM)

The Province was doing well with the implementation of the DDM. The private sector was supporting government in building infrastructure for service delivery, including maintenance across various municipalities through the DDM One Plans. The Province adopted a Provincial One Plan informed by DDM One Plans of district municipalities, to ensure the full coordination of infrastructure development

in the Province. It was through the DDM that all sectors could effectively and efficiently respond to community infrastructure challenges in a collaborative manner.

Provincial Water Master Plan

Working closely with the DoWS, the Department produced the Provincial Framework for the development of the Provincial Water Master Plan. The DoWS complete the rest of the outstanding phases. This links directly with the need to align with the National Integrated Water Resource Management Plan. The Inkomati-Usuthu Catchment Management Agency (IUCMA) was also tasked to develop a Provincial Flood Disaster Management Strategy, following damage to infrastructure such as roads, bridges, and culverts, amongst others, during various flood disaster incidents. The Strategy would provide scientific assessment analysis and improved managerial expertise. This will allow the implementation of proactive risk reduction strategies through preventative measures and effective mitigating actions in disaster-prone areas. It would also analyse patterns of climate change threats for the Province and recommend disaster resilient infrastructure development for vulnerable communities. Each year, the Province would incur costs of more than R1.2 billion in damage to infrastructure. The Strategy would propose actions to proactively deal with possible infrastructure catastrophies in the Province.

2.2. DEPUTY MINISTER FOR WATER AND SANITATION

Provincial Overview of Water Resources

Mpumalanga is bordered by Mozambique and the Kingdom of eSwatini and all its rivers are part of internationally shared basins. The Komati- Usuthu basin is shared with Mozambique and the Kingdom of eSwatini; the Vaal basin is shared with Lesotho, Namibia, and Botswana; and the Olifants-Limpopo basin is shared with Zimbabwe, Mozambique, and Botswana. There are 26 main dams with a storage volume of just under 2.6 billion m³. The developed water resources are linked to other provinces through the Vaal, Olifants and Usuthu linkages transfer schemes. While the Province is one of the better watered in South Africa, the water situation is challenged by increasing demand and competing requirements. The drivers of water demand include the following:

- i. Several growing towns like Mbombela, White River, Middelburg, Emalahleni, and many other small towns and villages.

- ii. A large rural population, residing in some settlements are that are urbanising due to natural clustering.
- iii. Mining and power generation on the Highveld.
- iv. Irrigated agriculture (sugarcane and banana farms in the Lowveld).
- v. Afforestation on the escarpment.
- vi. International demands from the water resources shared with the neighbouring states of Mozambique and the Kingdom of eSwatini.

Challenges to water provision including ageing infrastructure and that the lack of maintenance was also reversing the gains made. Other challenges include theft and vandalism of infrastructure, corruption and collusion where water carting is done by the private sector and municipal debt to water boards were accumulating with many municipalities not able to pay.

Water Availability and Demand

The water resources of the Olifants, Inkomati and Usuthu River sub-catchments were harnessed by the construction of several large dams. However, the demand was more than the available resources. Various augmentation options were considered including transfer of water from the Vaal to augment shortages in the Olifant. The Crocodile East (in Mbombela) reconciliation identified a need for a new dam and a feasibility planning process was initiated. Mine water reclamation was implemented in the Olifant (Emalahleni and Steve Tshwete Municipalities).

Interventions to improve water resources in the Province include:

- i. Water conservation and demand management.
- ii. Removal of invasive alien plants.
- iii. Reallocation of water across and within water use sectors.
- iv. Optimisation of system operations.
- v. Inter-catchment transfers.

- vi. Groundwater development.
- vii. Development of water resource infrastructure.

Access to Water and Sanitation

While the Province had done well with regards to access to water services, more still needs to be done. In the Gert Sibande DM, 91% of households had access to water. In Nkangala DM and Ehlanzeni DM at 90% and 84% respectively, the total for the Province is at 88%. With regard to household access to sanitation, the Province was at 97%, with Gert Sibande DM at 97%, Nkangala DM at 98%, and Ehlanzeni DM at 95%.

2.3. SOUTH AFRICAN NATIONAL ROAD AGENCY LIMITED

Emergency repairs to N2

While the long - term project was the upgrade of the N2, emergency repairs were recommended to Sections 33 and 34 between the KwaZulu-Natal border (63.3km) and the Mkhondo LM border (48.8km). These sections were maintained under a three-year routine road maintenance contract running from 1 December 2020 to 30 November 2023. The original budget was R81 061 782, with special funding allocated in June 2023. At time of the NCOP Provincial Week, a total of R74 million was spent on the repair of pavement layers in the form of surface patching, base patching, cold mix temporary pothole infill and slurry works.

N2 projects in Design and Construction

The construction of the Panbult Interchange commenced in May 2023, with a duration of 23 months, including 3 months mobilisation. The estimated value of the project was R630 million. The scope included the relocation of N2 34 northwards; construction of pavement layers; construction of the Panbult Link Road consisting of a bridge; reconstruction of the existing P97/2 to tie in to the Link Road; construction of Amersfoort Road to a surfaced standard; construction of new access road to link with Panbult Link Road and Amersfoot Road; construction of a new road allowing access to the Motha family graveyard from the Link Road; and provision of temporary accommodation and services for the Motha family and temporary accommodation and services for St Andrews Primary School for the duration of the contract.

Another upgrade project on the N2, from Ermelo to the KwaZulu-Natal border, was at a design phase. The scope included the upgrading to a divided dual carriageway with new vertical alignment; improvement of intersections and accesses; and increasing capacity of bridges and major culverts. The project included five work packages, totaling 150,7 km, with a total estimated cost of R9. 259 billion. Tenders for these packages would be advertised between August and December 2023.

R23 Project

The project was to complete safety improvements on 4km of the R23 and build six new bridges, which were completed. Construction started in August 2021 with a duration of 18 months at an estimated cost of R281,874,566.65. The scope included reconstructing and upgrading the road to a dual carriageway including several geometric upgrades and four traffic circles; construction of six bridges including 4.3 km of approach roads; culverts and drainage improvements; ancillary works such as kerbs, guardrails, and signs; and traffic signals at an intersection. Of these works, 39% were earmarked for targeted enterprises.

3. OVERSIGHT VISITS

3.1. MIDDELBURG WATER RECLAMATION PLANT

Seriti Resources was responsible for the Middelburg Water Reclamation Plant, which was a 20 ML (average) per day water treatment facility that was commissioned in 2015. The capital expenditure of R1 billion and the operating cost of R15 per cubic metre was borne by Seriti Resources. The Plant was operated by Nafasi Water (Pty) Ltd, a 100% black-owned water technology company. It was designed to treat water from sources at the Seriti Middelburg Mine Services and water is blended in the holding dams at the Plant. The water goes through three stages of processing, each stage consisting of reactors; clarifier/s; ultra filtration and reverse osmosis. Some solid waste materials were produced and the sludge sold on to the agricultural sector. Of the 20 ML potable water produced daily, 2.5 ML was used internally by the Middelburg Mine Service and the balance was discharged into the Niekerkspruit.

3.1.1. Observations

- a) The delegation expressed appreciation for the fact that Seriti Resources, as a mining company, was giving back to the community by supplying water.

- b) Production challenges included the magnesium and calcium levels in the feedwater. A trial centrifuge unit was introduced in 2021, which ramped up production to 20 ML/day and a permanent unit will be installed by the end of 2023.

3.1.2. Executive Undertakings

- a) Seriti would fund the feasibility study to supply water to the Steve Tshwete LM. A working group consisting of Seriti and Municipal technical experts and would cooperatively managing the study. Jones and Wagner appointed a consultant to conduct the study.
- b) The two main infrastructure components were a chlorinator at the Plant and the construction of a 14km pipeline from the Plant to the Municipality.
- c) The study had a 145 - day civil investigation and design period and had been underway for 36 days at the time of the NCOP Provincial Week. The civil design period would be followed by an Impact Assessment and Water Use License Application.
- d) Following the completion of the civil design phase, the details to formalise an offtake agreement would be available.

3.1.4 Recommendations

- a) The process following the completion of the feasibility study should be fast tracked.
- b) The Project should be completed within the set time frames.

3.2 R573 MOLOTO ROAD UPGRADE

The Moloto Road upgrade was divided into three sections namely: Gauteng Section 1, Mpumalanga Section 2 and the Limpopo Section 3. The delegation visited section 2, which was 11km (from 24km to 36km) between Kwaggafontein and Vlaklaagte in the Thembesile Hani LM. The scope of the work on this project included upgrading the road from one to two lanes in each direction; erection of a concrete barrier in the median; light masts to be embedded in the concrete barrier; upgrading of intersections with roundabouts; and walkways and bus lay-bys. The planned structures included the upgrading of river bridges and major and minor culverts. The total contract value was R560 million, of which R248 million was spent at that time. The contract started on 15 February 2021, with an initial completion date of 15 February 2024. However, the revised completion date was April 2024. The

project was unbundled into six work packages for ease of implementation and sharing of opportunities with the community. The Project involved 49 locally appointed subcontractors who also receive technical training as a way of transferring skills. The spending on this initiative was at R 71 million against a target of R129 million. No less than 8% of the total project cost was set aside for local labour. Women, youth, and people living with disabilities also benefited from the project.

3.2.1. Observations

- a) The project was at 56% completion and all material used for the middle barrier separating the lanes to avoid illegal u-turning, was manufactured on - site by subcontractors.
- b) All steel fixers were local community members who gained technical training from the Project provided by SANRAL.
- c) Materials used were sourced from a local supplier (G1 and G5) who also received technical training in relation to the type and quality of material needed.
- d) Provision was made for livestock to cross underneath the road.
- e) The work package for Kwamhlanga and Kwaggafontein was out on tender for the appointment of a contractor.
- f) The biggest challenge was encroachment, where traditional leaders were alleged to allocate sites to people next to the project.
- g) Some community engagement meetings were disrupted by disgruntled members of the local consortium.
- h) People living with disabilities and military veterans were not fully participating in the project.

3.2.3 Executive undertakings

- a) The problem of encroachment is being resolved with assistance from the local municipality and the MEC, through engagements with the community.
- b) Meetings are being held with disgruntled stakeholders and the business forum to discuss the issues they raised and try to find solutions.

- c) Social engagements were held and R6 million set aside to attract more persons living with disabilities and military veterans to the project (R4 million for military veterans and R2 million for people living with disabilities).

3.2.4 Recommendations

- a) All stakeholders must ensure that the project is completed within the timelines committed to.
- b) The involvement of people living with disabilities and military veterans must be involved in the project.
- c) Consultation or involvement of local consortiums must be ensured to prevent future project disruptions.
- d) Engagements must take place with traditional leaders to prevent encroachment.

3.3 OPERATION VALAZONKE PROJECTS IN EMALAHLENI

Operation Valazonke was launched by the Minister of Transport and SANRAL in August 2022. As part of the programme, SANRAL hosts an application (app) where members of the public could report potholes. This information would then be consolidated and submitted to the relevant assets/road owners (municipalities and provincial departments) who would be responsible for implementation of pothole repairs. SANRAL is responsible for pothole repairs on national roads only, and reported that municipalities and provincial departments do not report back on reasons for not fixing potholes and/or progress on roads that fall under them. It emphasised that the budgets for implementing Operation Valazonke did not reside with SANRAL, but that departments and municipalities must use their own budgets to attend to reported potholes.

3.3.1 Observations

- a) The delegation was informed that there were no active Operation Valazonke projects in the Emalahleni LM.
- b) While the programme was previously successfully implemented under the former Executive Mayor, who had since passed away, there was no budget for the programme.

- c) Some mining companies were coming on board in terms of fixing potholes, as is happening in Mashishing.

3.3.2 Executive undertakings

- a) The MEC for Public Works, Roads and Transport would engage with the political leadership of Emalahleni LM to try and revive the critical Valazonke Programme.

3.3.3 Recommendations

- a) The delegation agreed that the implementation of Operation Valazonke should be revived in Emalahleni.
- b) SANRAL should assist with repairs at municipal level, as it has the necessary capacity.

3.4. REHABILITATION OF COAL HAUL ROAD P29/1 BETWEEN DELMAS AND OGIES

This was a project to rehabilitate the R555 coal haul road between Delmas and Ogies in the Victor Khanye LM in the Nkangala District. The scope included the reconstruction of 12.55 km of single carriageway, including the addition of surfaced shoulders. The road was used to haul coal between the Arbor mines and surrounding power stations. The existing pavement structure needed to be strengthened, by *in-situ* reconstruction of the top 300mm to a newly stabilised subbase layer and the addition of G1 base layer and asphalt surfacing. The widening of the shoulders followed the same pavement structure. In addition, all culverts were replaced with new pre-cast concrete culverts and *in-situ* cast concrete in/outlet structures. The road crossed several wetland areas and significant sub-soil drainage systems as well as rockfill drainage layers were installed.

Furthermore, new guardrails would be installed as well as road signs and markings. A previous contractor was terminated in September 2020 due to poor performance and the project went out on re-tender with a new contractor to complete the work being appointed on 15 November 2021. The initial planned completion date was 11 November 2022, but this date was revised to 29 September 2023 and the actual end date was November 2023. The initial amount awarded to the project was R158.7 million, with the amount revised to R169.4 million after approval of two variation orders of R3.8 million and R6.9 million, respectively. Expenditure to date is R75.8 million, or 45% of the total budget.

3.4.1 Observations

- a) The project was behind schedule, at 61% completion.
- b) Surfacing of the road commenced on 20 August 2023 and approximately 60% of the base layer was expected to be completed by the end of September 2023.
- c) An estimated R30 million was spent on 24 local SMMEs who benefited from the project.
- d) The targeted number of work opportunities was 97 and delivery was 80. These include 24 women, 49 youth and one person with disabilities.
- e) There was minimal progress made between September 2022 and March 2023 due to cash flow challenges of the main contractor. Progress improved since April 2023, but had remained behind the planned time frame.
- f) The contractor experienced challenges with obtaining quality borrow pit material for the G1 the base layer, but the issue was resolved.

3.4.2 Recommendations

- a) It must be ensured that contractors use quality material that is South African Bureau of Standard (SABS) approved.
- b) It must be ensured that the project results in transformation and economic access.

3.5 REHABILITATION OF COAL HAUL ROAD P36/1 BETWEEN DELMAS AND THE N12

The main work was to rehabilitate the R50 coal haul road between Delmas and the N12 in the Nkangala District. The scope involved construction of 40mm asphalt, imported 150mm G1 base, imported 300mm sub - base (C4), 150mm upper selected layers and the roadbed; removal and replacement of approximately 20 pipe culverts; construction of subsoil drains, side drains and channels; installation of concrete kerbing; construction of stone pitching and gabion erosion protection; erection of new guardrails; painting of new road markings and erection of new road signage; erection of a fence along the P36/1 road reserve; installation of traffic lights on two intersections; and refurbishment of the bridge on P36/1.

The amount awarded to the project was R130 million. The project started on 15 July 2020 and the planned completion date was 15 October 2021. However, the initial contractor was terminated due to poor performance and cash flow challenges. After lengthy engagements, the Project was ceded to a subcontractor to complete. Work resumed in March 2023, with a new planned completion date of 16 November 2023. At that time, R5.2 million was spent on 37 SMMEs who benefitted from the project and 62 work opportunities created for local labour.

3.5.1. Observations

- a) The project was behind schedule, at 52% complete.
- b) The contractor added three more teams as a measure to accelerate performance.
- c) The nominated subcontractor priced the outstanding works at higher rates than provided for by the main contractor (a variation order to detail the additional costs was submitted for consideration).
- d) There was a submitted claim by the contractor seeking, *inter alia*, an extension of time for practical completion, such that the revised completion date would have to be further revised.
- e) The revised completion date of the 16 November 2023 might not be realistic to due rainfall.
- f) There are borrow pit challenges noted, which also contributed to the delays.

3.5.3. Recommendations

- a) It should be ensured that the project is completed within committed timelines.
- b) It should be ensured that suitably qualified and reputable contractors are appointed for government work.

3.6 EMPULUZI/METHULA REGIONAL BULK WATER SUPPLY SCHEME

The Empuluzi/Methula Regional Bulk Water Scheme (RBWS) in the Chief Albert Luthuli LM was intended to augment water supply for both Mayflower and Methula. It was aimed at improving water quality and quantity to establish a sustainable water supply for 31 276 households (population of 116 350). The project entailed the construction of the Empuluzi Dam (planning phase); the upgrading

of the Mayflower WTW by 7.5ML to achieve a capacity of 10ML per day (under construction with the planned completion date of December 2023); the construction of a new 5ML WTW in Methula (completed); and the construction of 29.3km of bulk pipelines and two pump stations (under construction with the planned completion date of December 2023) and storage facilities. Due to size and complexity of the project it was sub-divided into eight phases, and it is estimated to cost R 1.3 billion and be fully completed in 2026.

3.6.1 Observations

- a) The Covid-19 pandemic delayed the commencement of the project by three months and flooding caused by tropical cyclone Dineo caused a delay of another month.
- b) Local business forums demanded 30% of the project, resulting in numerous project stoppages, while the community's demands for employment and other strikes outside the project caused further delays.
- c) Price escalations affected the performance of contractors.
- d) There was a delay of three months to obtain a works permit for the Mayflower upgrading.
- e) A fatality incident in April 2023 resulted in the closure of the site by the Department of Labour and Employment. By the time permission was received to continue, the above-mentioned work permit had lapsed, and an application was made to extend it. A response was expected by the following week.
- f) The high operational costs of diesel during periods of load shedding presented a challenge.
- g) Ageing infrastructure, such as AC pipes, leads to increased distribution costs.
- h) The completion of Methula WTW had resulted in communities in Ward 1, 2 and 3 having unlimited access to clean potable water, which had previously been a challenge. It has also resulted in increased water supply in Mayflower.
- i) Employment opportunities were created for locals and several SMMEs benefited from the RBIG programme.
- j) In the 2022/23 financial year, the Gert Sibande DM, as the implementing agent of the Schedule 5B Grants, achieved 100% expenditure on all the infrastructure grants.

- k) The delegation ascertained that the fatality that occurred was as a result of an eight metres deep trench collapsing. A subsequent investigation found that nobody was at fault and the family of the deceased, who had been employed by one of the local subcontractors, were supported.
- l) Notwithstanding poor municipal revenue collection, the District Municipality seemed to be using the available funds efficiently in the delivery of this project.

3.6.2 Recommendations

- a) The involvement of local communities in projects must be ensured.
- b) Locally sourced, cost-effective materials must be used.
- c) Sufficient safety measures must be put in place to prevent further fatalities at workplace.
- d) The appointment of suitably qualified technical staff must be fast tracked .
- e) There should be collaboration with the relevant departments to ensure the maintenance of infrastructure.

3.7 MAINTENANCE ON N17 SECTION 5

This was a completed rehabilitation maintenance project on 48km of the N17 from Chrissiesmeer within the Msukaligwa LM. The estimated value of the project was R173 million with a 28 month construction period, commencing in July 2021. The scope of work included bitumen-stabilised material (BSM) hand patching; *in-situ* BSM recycling; milling off existing surfacing; asphalt overlay; and ancillary works such as kerbs, stone pitching, and gabions as energy breakers.

3.7.1. Observations

- a) The delegation was very encouraged by the fact that this project, despite starting four months late, was completed three months earlier than expected.
- b) The contractor spent R58 million (33% of the contract value) on SMMEs and R10.8 million (6% of the contract value) on local labour.

- c) Three new projects were being planned for the N17, of which the first was already out for design.
- d) There were reportedly only minor challenges with unemployment, which were resolved through the PLC.

3.8 Paving of Msheveni and Thanjekwayo Streets in the Msukaligwa Local Municipality

The Project, to pave 1.78 km of Msheveni and Thanjekwayo Streets in the Msukaligwa LM, started on 15 February 2023 and, while the initial completion date was January 2024, the contractor was attempting to complete it by the end of November, before summer rains. The total value of the project was R17.5 million. SMMEs benefited from 36% of the contract value and 25 local people were employed in the project.

3.8.1. Observations

- a) The delegation was concerned that the project costed R17million for only 1.93 km. This was an indication that there were project delays and poor workmanship.
- b) Projects managed by the DoT and to some degree, provincial departments are mostly more successful, while projects that were managed at a local level often perform poorly.

3.8.1. Recommendation

- a) Proper project costing must be ensured to prevent wasteful expenditure.
- b) Implementation of the project must be accelerated.
- c) It must be ensured that there is no poor workmanship because of project acceleration.
- d) The involvement of national departments in projects implementation must be obtained to ensure successful implementation.

3.9 WILLOW CREEK HOUSING PROJECT

This was a Presidential Social Housing Project in the Msukaligwa LM. The Social Housing Regulatory Authority (SHRA) was the implementing agent.

3.9.1 Observations

- a) There was a lack of bulk sewer infrastructure, and the infrastructure was insufficient to accommodate this new social housing project.
- b) SHRA was reluctant to fund the project because of the absence of bulk infrastructure.
- c) The delegation was concerned that this project had not taken off.

3.9.2 Executive undertaking

- a) The provincial DoHS undertook to get all stakeholders involved in the project to agree on a single comprehensive plan of implementation.

3.9.3 Recommendation

- a) The DDM must be used to implement the project.
- b) Assurance must be provided that the Willow Creek Housing Project will take - off soon.

NORTH WEST PROVINCE

1. PROVINCIAL OVERVIEW

The North West Province covers an area of 104 882km² and has a population of 3 748 436. The Mahikeng (previously Mafikeng) is the capital City.

Most economic activity is concentrated in the southern region between Potchefstroom and Klerksdorp, as well as Rustenburg and the eastern region. Mining is the major contributor to the North West economy and represents almost a quarter of South Africa's mining industry as a whole. The Rustenburg and Brits districts produce more platinum than any other single area in the world. North West also produces a quarter of South Africa's gold, as well as granite, marble, fluorspar, and diamonds. North West is well known for cattle farming, while the areas around Rustenburg and Brits are fertile, mixed-crop farming land. Maize and sunflowers are the most important crops, and the province is the major producer of white maize in the country.

Mining contributes about 14.0% to North West formal employment and 32,7% to national mining employment (Stats SA, 2021). In the North West mining contributed 34,7% of all exports. The province boasts 1.2 million households with an average annual household income of R29 400. Access to electricity among households in the North West stands at 83.7%. The report also shows that 85.2% of households in the North West had access to tap water inside their dwellings. North West is divided into four district municipalities, which are further subdivided into 18 local municipalities.

2. BRIEFING BY NATIONAL AND PROVINCIAL GOVERNMENT

2.1. ACTING PREMIER OF THE PROVINCE, HON N MALOYI

Incomplete Projects

The Acting Premier mentioned that all incomplete projects will be completed. Secondly, there is going to be consequence management and people responsible for the incomplete projects who have been remunerated, will be prosecuted, if any wrongdoing is identified. Currently, there are contractors on many sites working to complete projects that were previously left uncompleted. The services of contractors who left the projects incomplete will be terminated.

Water Challenges

There is a steering committee appointed to resolve water challenges in the Province and to implement and monitor water projects.

Aging infrastructure in the Province

The DBSA and Infrastructure South Africa are working hard to resolve the challenge of infrastructure in the province. There have been meetings held between these parties and the Provincial Government to try and resolve the challenge of aging infrastructure. Further, The Department of Public Works and Roads should hasten the process of filling vacancies of people with skills in infrastructure development.

Load Shedding

The Chinese government has shown interest in working with the North West Provincial Government to resolve the challenge of load shedding in the Province. On the 15th of September 2023, a meeting will be held with the Chinese delegation, which will be aimed at strategising the implementation of load shedding solutions in the Province.

Crime and Corruption

There is a report which details corrupt activities in municipalities and departments. The SIU has received communication on these issues to enable them to conduct their investigation. Ditsobotla LM was identified as needing special intervention in this regard. There is a need for a task team to resolve and investigate the challenges in Ditsobotla Municipality.

Thuntsa Lerole

There is an initiative in the Province called Thuntsa Lerole. The Provincial Executive and the municipalities are expected to go to different wards to monitor service delivery projects that are linked to this initiative.

Veld fires

An assessment of the damage that veld fires have done has been launched so that the extent of the damage is determined, and rehabilitation of the affected areas is implemented.

North West Transport Investment (NTI)

The acting Premier expressed the view that this entity must be resuscitated. It must be empowered to generate its own revenue. It was added that many incompetent people have been appointed at NTI and all they have done was to steal funds from this entity. As a result, there will be an investigation into the operations of NTI.

Zama Zama's

There are illegal miners (Zama Zamas) in Orkney who are mainly illegal immigrants and are heavily armed. The community, together with the law enforcement agencies, should work in unison to resolve this criminality in the Province.

Traditional Leaders

There are constant disputes between Traditional Leaders on who should be a leader. There needs to be continued efforts to facilitate dispute resolution in this matter as this problem negatively affects communities.

2.2. DEPARTMENT OF HUMAN SETTLEMENTS: PROGRESS REPORT ON N12 INCOMPLETE HOUSES

The N12 project implemented by the Province is a flagship and catalytic project meant to address the housing needs of the community of Jacaranda in the City of Matlosana LM. The project was funded through the HSDG. The project was a multi-year contract to address approximately 38 500 housing backlogs in Matlosana. The expenditure and performance of the project were monitored by the project technical task team (TTT) from the national and provincial departments of human settlements and the HDA, chaired by the provincial engineer. The N12 project for housing in the Jakaranda community was stalled due to contractual issues. The Department has since taken over the implementation of

1667 top structures from the Matlosana LM and currently has four sub-contractors on site working on the project. The total project allocation is R989 357 295 with expenditure to date being R988 910 876.

2.2.1. Observations

- a) The NCOP delegation showed concern over the lack of completion of projects within the required timelines and wanted more clarity on when the final handover of the N12 will be held.
- b) There was a concern over the non-blacklisting and consequence management by the Department over contractors not honouring their contractual obligations and deserting projects before completion.
- c) There were concerns over the slow progress of law enforcement authorities in initiating criminal prosecution in instances where corrupt activities within the project were found and reported.
- d) Concerns were raised over the contractor of the N12 overstepping his/her mandate, leading to the company not being able to complete the project in the set timeframe.
- e) The project is dragging on too long and does not reflect sufficient progress since only Breaking New Ground (BNG) housing units, bulk services, and roads have visibly been done in the lapsed 7 years of the project.
- f) There exists a possibility of informal settlements mushrooming and disturbing progress in the project whereby the delays may end up with people hijacking the serviced sites and cause the project to be delayed further.
- g) The Municipality contravened the law by spending a portion of the allocation before the Department took over the project, as the Municipality was not accredited to take on such a project.
- h) The eruption of protests and volatile demonstrations in the area signified the lack of community participation and stakeholder engagement by the implementers from the initial stages of the project.

2.2.2. Recommendations

- a) The North West DoHS is to ensure that it devices plans to ensure that the appointed contractors complete projects in a reasonable timeline without interruptions or further delays to the project. The Department is also to ensure that the new set timeline for the N12 completion is adhered to.
- b) The DoHS is to ensure that the system of vetting of contractors is improved to ensure that the right and competent contractors are appointed and execute the projects accordingly.
- c) The Department should investigate thoroughly the expenditure incurred in the project from the transfer that was made to the Municipality and recover/reconcile any money that was spent outside the bounds of the law.
- d) The Department of Human Settlement is to provide a report with an updated timeline of when the N12 project will be completed and handed over to the affected community. This report should be sent to the NCOP by the 30th of September 2023.
- e) The North West DoHS is to ensure that the N12 project is concluded by the end of January 2024 and should send a progress report to the Committee by 31 January 2024.
- f) The premier's office together with the Department is to ensure that the completed N12 project is handed over to communities by February 2024.
- g) The Department together with law enforcement authorities is to ensure that the so-called business forums (i.e. construction mafia) who have been disrupting the construction site to extort money from the contractor are arrested and prosecuted. Report of the execution of this matter should be forwarded to the NCOP by 30 November 2023
- h) The Department is to ensure that it communicates with the Jakaranda community on the date when the project will be concluded. Minutes of such engagement with the community should reach the NCOP by 30 November 2023.

- i) The Department should investigate thoroughly the expenditure incurred in the project from the transfer that was made to the municipality and recover/reconcile any money that was spent outside the bounds of the law.
- j) The Department must only pay for the work that falls within the scope of appointment for the contractor whilst dealing with the effects of the council resolution authorizing a somehow total takeover of the work as alleged by the contractor.
- k) Eradication of shacks should be implemented where beneficiaries can be accommodated in the BNG units provided by the government. Shacks must only remain if registered, following verification of the need for such an assurance that they remain on the registered site of the beneficiary who signed a happy letter.
- l) Illegal occupation of land which leads to informal settlements should be prevented in the area reserved for this project up until the project is completed.

2.3. DEPARTMENT OF HUMAN SETTLEMENTS: PROGRESS REPORT ON N14 INCOMPLETE HOUSES

The N14 development was a provincial flagship project in Touvleg meant to deliver 360 housing units. This project was stalled due to several reasons including the contractor having financial challenges and some of the sites being located on a wetland. The contractor, however, is back on track and continuing with the project. The installation of internal services in Tshing Extension 9 and 10 in Ventersdorp has been completed. The appointment and introduction of a contractor to undertake bulk services augmentation in Tshing Extension 9 and 10 has also been completed. The Department is currently appointing five service providers to construct 1500 houses in Tshing Extension 9. The project value is R56 798 453 and expenditure to date has been R46 727 262.

2.3.1. Observations

- a) The NCOP delegation showed concern over the lack of completion of the N14 project within the required timeline and wanted to know when the project would be completed and handed over to the community of Tshing.

2.3.2. Recommendations

- a) The DoHS is to provide a report with an updated timeline of when the N14 project will be completed and handed over to the Tshing community. This report should be sent to the NCOP by the 30th of September 2023.
- b) The DoHS is to oversee that the N14 project is completed within the new set timeframe and ensure that it is being adhered to.
- c) The Department is to also ensure that the project stays within its allocated budget framework.

2.4. DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

- a) The Province was allocated a MIG budget of R2 billion for the financial year 2022/23, which was later adjusted to R 1.8 billion. Overall MIG expenditure for the financial year 2022/23 with accruals reported by municipalities is R1 658 645 255, which brings the overall percentage to 90%. In 2023/24 the Province was allocated a MIG budget of R2.1 billion.
- b) Eight (8) local municipalities lost a portion of their allocation in the financial year 2022/23 due to slow progress, namely Rustenburg, Moses Kotane, Madibeng, Ratlou, Ditsobotla, Mamusa, and City of Matlosana local municipalities. An amount of R163 million was lost due to withholding of funds.
- c) Three Municipalities benefited from additional MIG re-allocations due to good performance, by receiving an allocation of R75 million in total in the 2022/23 financial year. These are Mahikeng (receiving R 40 million), Naledi (receiving R 25 million) and Tswaing (receiving R 10 million) local municipalities.
- d) There is slow progress on infrastructure corruption and criminality arrests by law enforcement.
- e) Common reasons for poor performance in MIG expenditure in the Province were as follows:
 - i. Late appointment of service providers.

- ii. Dysfunctional Bid Committees, some of which do not convene meetings affect progress on the implementation of registered MIG Projects, in terms of the appointment of contractors.
- iii. Political and administrative instability which affected the implementation plan.
- iv. Community unrest due to sub-contracting issues.
- v. The appointment of service providers based on the lowest tendered amounts without risk analysis towards the rates and tendered amount. This led to underperformance by service providers, incomplete-stalled projects, and termination of contracts.
- vi. Non-payment of service providers on time in some instances, leading to service providers abandoning works on site
- vii. Reprioritisation of the MIG Implementation Plan just before the new financial year
- vii. The use of 30% Preferential Procurement Regulation (subcontracting).

2.4.1. Observations

- a) The delegation noted and was concerned about the gross under-expenditure in some MIG projects.
- b) There were concerns raised about people without the necessary skills to deal with large infrastructure projects being appointed in the District Municipality.
- c) The delegation showed concern over the Province's ageing and dilapidating infrastructure which the Province has been failing to maintain or replace before causing problems in communities.
- d) The delegation also showed concern that the Department was more invested in building new infrastructure instead of paying attention to the infrastructure at hand that is deteriorating.
- e) The delegation showed concern over Ditsobotla not being able to spend their MIG funds despite the challenges faced by the municipality.

2.4.2. Recommendations

- a) The MEC of CoGTA is to consider potential partnerships with other stakeholders (infrastructure South Africa, DBSA) as well as the private sector to assist the Provincial Government in fixing its infrastructure challenges.
- b) The Provincial Executive is to ensure that all the funds lost due to negligence and/or fraud during the MIG projects are recovered and follow-up on prosecutions with law enforcement is to be conducted.
- c) The provincial executive is to devise a strategy on how to foster community engagements to reduce incidences of protests and disruptions at construction/project sites.
- d) The MEC of CoGTA is to ensure that all the construction projects create job opportunities within the communities where these projects are taking place.
- e) The MEC of Cogta is to update the NCOP on engagements with stakeholders and commitments made by the private sector on resolving infrastructure challenges in the province. A feedback report is to be sent to the NCOP by 31 January 2024.
- f) The MEC of COGTA is to do a follow - up with law enforcement authorities investigating fraud and corruption concerning incomplete MIG projects in the province. Feedback on prosecution of the perpetrators is to be sent to the NCOP by 31 January 2024.
- g) The MEC of COGTA is to revisit all the MIG projects currently underway to ensure that they are in line with the integrated SMME strategy, including the promotion of local enterprises.
- h) The MEC of COGTA is also to ensure that all the MIG projects create local job opportunities in line with the project size and resource allocation and ensure effective skills transfer to the local community. A report on the alignment of the projects must be submitted to the NCOP by 30 November 2023.
- i) The Provincial Executive is to establish a strategy on how to address community unrest and disruptions at project sites. Minutes of community engagements about projects are to be submitted to the NCOP by 31 January 2024.

2.5. DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT ON THE NORTH WEST TRANSPORT INVESTMENT (NTI)

The Acting Premier convened a working team comprising the MEC Community Safety and Transport Management (COSATMA) and the Provincial Treasury to zoom into the NTI and resolve its challenges once and for all. The team meets weekly and is chaired by the Acting Premier. The entity is currently under business rescue and is managed by the Business Rescue Practitioner (BRP). The following progress has been registered to date:

- i. The BRP presented a rescue plan that will cost government R1,2 billion. The Department reviewed and narrowed the proposed budget to R550m for current commitments. The Department is conducting due diligence on the actual amount owed by NTI before any commitments are made. The Provincial Treasury has deployed an internal audit team to the NTI as part of this due diligence.
- ii. The Department, through the Provincial Treasury, has engaged the DBSA on a long-term funding solution for the NTI.
- iii. The Department is finalising an interim funding model for employees' salaries at the NTI.
- iv. The Department will be meeting with the BRP to discuss issues raised concerning the proposed Business Rescue Plan.
- v. The Department has been in discussions with the Department of Roads and Transport (DRT) in Gauteng owing to the services of the NTI in Gauteng.
- vi. A proposal has been shared with the DRT for their involvement in the running of the NTI on a shareholding basis with the North West provincial government.
- vii. There are several allegations made against the BRP such as selling NTI assets without consultation with the shareholder, opening of separate bank accounts, and conducting NTI business of with his family members.
- viii. NTI is continuing to make losses monthly and is struggling to pay salaries including third-party payments like SARS and pension funds.

- ix. The MECs for Transport in North West and Gauteng have crafted a turnaround plan which was finalised in March 2023. This turnaround plan is intended to be part of the BR plan once the BRP has been removed from office.

2.6. THE CURRENT STATE OF THE TWO INTERNATIONAL AIRPORTS GD MONTSHIOA AND PILANESBURG INTERNATIONAL AIRPORT

The Department of Community Safety and Transport Management (COSAMA) is mandated to operate the two provincial airports, which are George Dick Montshioa Airport and Pilanesberg International Airport. George Dick Montshioa Airport was licensed to operate as a Category Five airport and Pilanesberg International Airport was licensed to operate as Category Six airport. Due to non-compliance with the regulatory prescripts of the South African Civil Aviation Authority (SACAA), the two airports were downgraded to Category 2 licensed aerodromes. Over and above this, Pilanesberg Airport is designated as a port of entry, thus operating as an international airport. There was a recent fire incident at the Pilanesberg International Airport. The cause of the fire is still to be determined by investigations that are underway. The Department will report back to the Hon Premier and NCOP as soon as a complete report is submitted. The Department of COSATMA is finalising a turnaround plan for the two airports.

2.6.1. Observations

- a) The members requested a copy of the organogram of the NTI as they are concerned about workers not receiving salaries.
- b) There were concerns about the NTI seeking an R1.2 billion bailout from the government when it's supposed to be a business that sustains itself.
- c) The NTI is a burden to the Province as it has been relying on bailouts since 2018 to date whereas its main base for existence is to conduct transportation of its customers in return for profit and sustainability of the company. There were concerns over previous bailouts by the government to the NTI, yet there's no improvement in governance. The MEC of Finance reported over R200 million in bailouts to NTI, with another R30 million recently approved for salaries and purchasing diesel. The provincial government stated it does not have any further funds to bail out NTI. Unfortunately, bailing out of NTI will only come from the reduction of the budgets of the Departments of Education, Health, and Social Development, which is unsustainable as these departments also have budget shortfalls.

- d) There were concerns over the acting CEO and CFO not having a good working relationship with the Business Rescue Practitioner.
- e) The delegation called for an investigation of all the creditors of NTI. It is believed that there are shell companies that siphon money out of NTI for personal benefit.
- f) There were concerns over the lack of revenue streams for NTI and that the entity was only sustained by its contract with the Gauteng Province.
- g) Most of the scholar transport buses are visibly unroadworthy.
- h) The BRP was appointed to deliver a workable business plan within 3 months from his appointment but failed to deliver and litigation arose to that effect yet he is still in office beyond 6 months.
- i) The upgrading and maintenance of the two airports (George Dick Montshioa and Pilanesburg) is an unworthy exercise as they are currently not serving the purpose intended for and may lead to a serious financial burden for the Department.

2.6.2. Recommendations

- a) The DoT in the province is to evaluate the long-term feasibility of NTI's business continuity, working together with the BRP.
- b) The DoT is to address the challenges around the scholar transport problem in the Province and must submit the SIU investigation report on scholar transport to the NCOP. Regular and frequent inspection of scholar transport buses should be implemented and buses without roadworthy certificates should be impounded as they pose a danger to the learners in need. The inspection report on the roadworthiness of the buses should be sent to the NCOP by 31 January 2024
- c) The DoT is to oversee the payments of salaries of NTI workers as a matter of urgency and must further investigate the issue of ghost workers at NTI. The Department (COSATMA) is to ensure that NTI workers are paid all their outstanding salaries by 31 October 2023. The NCOP should be updated on the matter by 01 November 2023.

- d) The Department is to closely monitor the work of the BRP and its efforts to return the company to sustainability. The MEC for Finance must investigate the worth of retaining the NTI as a business and report the potential business interests it may cater to upon rescue. This process must be concluded by 31 January 2024.
- e) The Department (COSATMA) should monitor the work of the Business Rescue Practitioner to implement the contractual timelines agreed upon and adhere to the terms of reference as per his appointment. A report on the update of the work of the business rescue practitioner must be submitted to the NCOP by 30 November 2023.
- f) The feud between the Business Rescue practitioner, CEO, and CFO of the entity should be handled appropriately as it delays progress in the entity thus the BRP failed to table a business plan in three months as initially agreed on in the contract.
- g) All pending investigations into corrupt activities at NTI by the SIU and other law enforcement authorities must be concluded and reported back to the NCOP by 31 January 2024.

3. BRIEFINGS BY MUNICIPAL GOVERNMENT

3.1. DITSOBOTLA LOCAL MUNICIPALITY

The Municipality was under Section 139⁴ four times and the Council was dissolved just under one year after taking office. The current Council has only been in office for nine months, after the by-elections in December 2022. The Municipality has a high vacancy rate among senior staff and there is both political and administrative instability within the Municipality. Salaries have not been paid and several administrators appointed to intervene in the municipality have been threatened, faced attempts to have their reputations harmed and chased away constantly. There is high corruption within the Municipality and the MEC for COGTA stated that there was engagement with law enforcement authorities to act against maleficence in the Municipality. There are continuous service delivery protests and barricading of roads by communities due to the lack of services by the Municipality.

Eskom cut the Municipality's electricity supply and communities had no electricity for several weeks. The Minister of Electricity was called to intervene however, the problem of growing Eskom debt

⁴ Of the Constitution of the Republic of South Africa, 1996.

continues to persist. The Municipality also owes large amounts of money to the Water Board. There's a team that had been tasked to apply for debt relief with Eskom for all municipalities in the North West. The municipalities collectively owe Eskom R6 billion and counting. Creditors who are supposed to be paid within 30 days are being owed for more than 600 days by the Municipality.

The Municipality is also affected by veld fires whereby farmers lost their livestock. The Premier indicated that he has established a task team to immediately complete an assessment of the extent of damage the fires have caused, and the intervention needed.

3.1.1. Observations

- a) Concerns were raised about the issue of ghost workers in the Municipality and the lack of consequence management in respect thereof.
- b) There were concerns over the lack of intervention by the District Municipality over the Ditsobotla 2020 investigation by the Public Protector.
- c) There were concerns over the intervention team sent by the Province to improve governance within the Municipality as it was not bringing the desired results. There were also concerns that the diagnosis of the root cause of dysfunctionality of the Municipality had not been identified hence the problems will persist despite interventions. Members also raised concerns over the recycling of administrators, who have failed in other municipalities, to the Municipality.
- d) Concerns over poor revenue collection by the Municipality were raised. It was indicated that services paid by the community are based on estimations and there's a lack of coherence in terms of collection of revenue.
- e) There's a concern about the power of appointed administrators in the municipality who, at times, hold more decision - making power than elected officials.
- f) There were concerns that political parties have failed to discipline their members who are councillors in the Municipality and their infighting brings dysfunctionality to the Municipality.
- g) There were concerns over sabotage and vandalism in the provision of water in the Municipality, whereby service providers intentionally caused dysfunctionality in the provision of water, so as to have their contracts extended.

- h) Concerns were raised over high levels of service delivery protests in the area, bringing frequent road closures and negatively affecting the economy, in addition to the growing water crisis in the area.
- i) There were concerns about the Municipality turning a plot into a dumping site for waste without consultation with the local community.
- j) There were concerns over the poor rehabilitation of veld in the Municipality after fires . This will eventually cause water pollution in the nearby dams and underground water that people drink from, leading to waterborne illnesses.
- k) There were concerns over companies relocating from the area or closing due to poor service delivery.

3.1.2. Executive Undertakings

- a) The municipalities will buy their own water trucks and will no longer issue tenders for trucks, because of high levels of sabotage.

3.1.3. Recommendations

- a) The MEC for CoGTA and the District Mayor are to share all the intervention reports on Ditsobotla LM with the NCOP.
- b) The so-called 'business forums' or 'construction mafia' are disrupting projects that will benefit communities through extortion and it is indicated that politicians and employees are involved in this criminality. The MEC for CoGTA is to continue to engage law enforcement on how to defeat these criminal syndicates.
- c) The Municipality is to address the issue of ghost workers and ensure the eradication of these ghost workers.
- d) The MEC for CoGTA is to submit an assessment report on the extent of damage caused by veld fires in the Ditsobotla LM and implement rehabilitation measures as a matter of urgency.

- e) The Municipal Task Team deployed by the Province is to ensure that stability is maintained within the Municipality and that salaries are paid on time. It must also account for all the work done to improve systems and service delivery by the Municipality.
- f) The Municipality is to ensure that workers' salaries are paid by 30 October 2023. The Premier is to meet with MEC for Finance to discuss possible interventions.
- g) The Department of CoGTA is to share all the intervention letters of the municipality with the NCOP by 30 October 2023.
- h) Arrangements with Eskom and water boards on settlement of debt / debt relief are to be finalised by 31 October 2023.
- i) The quarterly progress report of the Intervention Task Team at Ditsobotla is to be shared with the NCOP every quarter starting from 02 January 2024.
- j) The Premier is to ensure that recommendations of the Auditor General's report and the Public Protector's report are fully implemented by 30 November 2023. The report on the implementation should be sent to the NCOP by 01 December 2023.

3.2. BOJANALA DISTRICT MUNICIPALITY AND MADIBENG LOCAL MUNICIPALITY

- a) There were frequent project delays in 2018 due to non - payment of the contractor by the DoWS. Other delays were due to labour disputes and community protests about jobs.
- b) Phase one of the refurbishment of the Brits WTW was completed in 2014, however, due to poor maintenance, some components need refurbishment at an estimated cost of R28 million.
- c) Phase two of upgrading the raw water pump station (mechanical and electrical works) was completed in November 2020.
- d) In Phase Three of upgrading the Brits WTW from 60mL/day to 80mL/day including process trail, it was reported that civil works are at 95% completion, electrical works at 33% completion, and mechanical works at 74% completion.

- e) Phase four requires the upgrading of the raw water pipeline and the distribution pipeline to the command reservoirs.
- f) The contract value is R845 million (revised) and expenditure to date is R693.2 million (82% expenditure).

3.2.1. Observations

- a) The delegation was concerned about the completion of the project by January 2024, and the Chief Executive of Magalies Water committed that the project would be completed on time and handed over.
- b) The delegation enquired whether all the upgrades would resolve all the water challenges in Madibeng.
- c) The delegation was worried that, although the pump station would be completed, the phase for the pipeline distribution system to pump water to communities had not commenced. This indicates that there will be a completed pump station, but no water will get to the community.
- d) The delegation stated its dissatisfaction about the project delays as this project should have been concluded years ago, yet it is still not concluded. They were concerned that the project might not be concluded by the new deadline of January 2024, yet communities are suffering because of a lack of quality water supply. The project was supposed to be completed by 2017.
- e) There was a steering committee formed for the Brits Water Project yet there is no report or feedback on the findings of the steering committee.
- f) The delegation wanted more information on the names of subcontractors, which contractors failed to complete their work on time, and what measures were taken against such contractors.
- g) There were concerns over the untreated sewage flowing into the Crocodile River. The delegation wanted to know if the matter had been attended to.
- h) The delegation was concerned that from project implementation, there was no plan to include building the distribution system of water to communities. This shows a serious flaw in the project which was responsible for the water distribution system to the communities.

3.2.2. Executive Undertakings

- a) The mining companies will complete the design of phase four of the Project and once accepted by the DoWS, they will complete phase four with their budget.

3.2.3. Recommendations

- a) The Municipality is to ensure that there's no vandalism to the plant after completion and a security plan is needed.
- b) Magalies Water is to ensure that water quality tests are conducted before the completion of the Project.
- c) Magalies Water is to ensure that by 31 January 2024, the project is Completed and handed over to the Madibeng Municipality.
- d) The DoWS is to ensure that phase four of the project is completed by 31 March 2024.
- e) A maintenance and security plan for the water treatment plant must be completed when the Project is handed over to the municipality by 31 January 2024.
- f) Consequence management towards project managers and contractors must be taken for any further delays in the project completion timelines.
- g) Magalies Water is to submit a detailed report on the names of subcontractors, as well as the nature of work done by them.
- h) A report on the timelines of the Project, including its inception date, funds committed, and possible completion of the project should be submitted to the NCOP.
- i) A comprehensive report on the work done by the Water Steering Committee should be submitted to the NCOP.
- j) A detailed report on the results of the tests taken on the quality of water in Madibeng should be submitted to the NCOP.

4. OVERSIGHT VISITS

4.1. UPGRADING OF NELSON MANDELA DRIVE IN MAHIKENG

The upgrade of the Nelson Mandela Drive in Mahikeng involves the refurbishment of the busiest road in Mahikeng and an economic transport arterial road, carrying large volumes of traffic, especially during peak hours. The Department appointed Khosivuyo Logistics CC in 2022, to carry out special maintenance along a 4km stretch of the Nelson Mandela Drive between Danville and Dada Motors, with a contract value of R47 million. The Department's project schedule indicates that the Project is already running behind schedule. To date, the contractor, as per the project plan, should now be in the third section of the road, yet the first section is still far from completion. Recent reports indicate that the contractor had under - quoted for the Project and that a request for a variation order is being considered. It shows that neither the Department nor the contractor knew the full extent of the project scope and that the bill of quantities was not thoroughly verified before submitting the bid or awarding the contract. The request for a variation order now, almost a year into the Project, leaves more questions than answers, especially considering the scope of the Project that should have been completed by now. The delays and other problems with this Mahikeng project necessitate closer project monitoring, evaluation, and oversight.

4.1.1. Observations

- a) It was reported that project delays were due to the contractor not having the necessary machinery and equipment to complete the project as well as community disruptions at the project site, seeking beneficiation from the project.
- b) The delegation felt that the Department could not account for the high project costs of over R20 million per kilometer of road constructed.
- c) The delegation was concerned over the lack of community consultation over the project and lack of employment opportunities that were supposed to be created by the Project, which often led to protests at the construction site.
- d) The delegation was concerned over high levels of reported road accidents because of delayed project completion deadlines and a lack of visible staff at the construction site.
- e) There were concerns over poor planning in terms of stormwater management.

4.1.2. Executive Undertaking

- a) The project leader stated on record that the project will be concluded and handed to the government by December 2023.

4.1.3. Recommendations

- a) The project is to be handed over to government by 31 December 2023. The NCOP is to be notified by the Department once the project has been handed over.
- b) The Department is to ensure that employment opportunities and skills transfer occur for the duration of the project.
- c) The Department is to ensure that more employment opportunities for locals are created by the project.
- d) The Department is to ensure that the project deadline of December 2023 is adhered to.
- e) The Department is to continue holding community engagements over the project milestones.

4.2. SEWEDING SEWER SPILLAGE IN MAHIKENG

The pipeline is made of asbestos and is 56 years old. In the last 2 months, it has collapsed at four different points. Points 1 and 2 have been fixed in collaboration with the Municipality, however, Points 3 and 4 are undergoing necessary processes to fix. The Municipality has appointed an engineer to assess the pipeline and it indicates that 45km of the pipeline is aged and dilapidated. The current challenge concerns the 5,5km pipeline which requires immediate intervention. The 5,5km pipeline will cost approximately R65m to replace and approximately R45m to repair, meaning that there is a need to balance between fixing and replacing. A technical report for DoWS has been prepared, and the Municipality intends to replace the 5.5 km pipeline through MIG. The project was due to be advertised within 14 days of the NCOP Visit Week. This will be the start of Phase 1 and Phase 2 will be subject to funding availability to replace the entire bulk outfall sewer extending 45km. The District Municipality is exploring alternative funding sources including but not limited to DWS, DBSA, NW COHGSTA, and others.

4.2.1. Observations

- a) The delegation was concerned about sewage spilling into people's yards, posing a health risk.
- b) The delegation was also concerned over the lack of urgency in addressing the sewer spillage.
- c) There is growing community discontent over the matter, which has led to frequent protests.

4.2.2. Executive undertaking

- a) The Department of CoGTA is to ensure that resources are immediately availed to address the spillage urgently.
- b) The District Municipality and the Mahikeng LM are to address the sewer spillage as a matter of urgency to avoid further deterioration.
- c) An emergency intervention will be undertaken to clean up all the yards that were affected by the sewer spillage.
- d) The 5.5km pipeline needs to be replaced as a matter of urgency.

4.2.3. Recommendations

- a) Removal of sewer spillage should be concluded by 31 October 2023.
- b) The project to replace the 5.5km pipeline should commence as a matter of urgency and an update on the progress of the project must be sent to the NCOP by 30 November 2023.
- c) The local and district municipalities are to hold dialogues with the affected community to provide an update on the Project's progress. Minutes of community engagement dialogue are to be sent to the NCOP by 30 November 2023.

4.3. N12 JAKARANDA INCOMPLETE HOUSES – MATLOSANA LOCAL MUNICIPALITY, KLERKSDORP

4.3.1. Observations

- a) There were concerns raised as to whether there are plans in place to remove the shacks in the area once the houses are completed.
- b) The delegates wanted to know the timeframe for the completion of the Project and how much money has been spent to date.
- c) There has been some spillage of sewerage in the area, and the delegations wanted a solution to resolve this problem.
- d) There were concerns over the contractor not doing work within the company's scope, and delegates wanted to know who gave the contractor instruction to work beyond the company's scope and whether any payments were made by the Department for this.
- e) There were concerns over the Municipality not updating the affected community on the progress of the project.
- f) Concerns were raised over the criminal network termed 'the construction mafia' extorting contractors, disrupting the project and intimidating workers at sites as well as municipal officials, and often demanding 30% of the project revenue as a protection fee. The same network of these criminal syndicates also visits municipal offices unannounced, threaten and assault senior officials and demanding tenders.

4.3.2. Executive undertakings

- a) Following meetings held between Matlosana Municipality and the North West Department of CoGTA, a task team has been set up to investigate matters relating to the irregularities in the project including contractual issues, delays in the project completion, job creation for locals, criminality and extortion, delayed payments to the contractor, and the scope of the contractor.
- b) This team will have three groups being the legal team (which will deal with legal matters of the project, the finance team (which will investigate how money was utilised) and the technical team (which will deal with the technical engineering issues). There will be engineers from the

provincial and national government . The Municipality will be working with this team and will provide them with all the necessary information.

- c) There is also a steering committee which is composed of the HDA, the Department of CoGTA, and the Municipality to resolve the challenges of the project.
- d) The Department of CoGTA has decided that it will be responsible for the top structures of the houses that will be built at Jakaranda. This was confirmed by a letter written by the former HOD of CoGTA, committing that the Department will work on the top structures of the houses that will be built.
- e) The Department of CoGTA is to continue monitoring the N12 project to ensure that it completes the Project by its deadline of 2024.
- f) The Premier stated that they are addressing the issue of criminal syndicates disrupting projects for extortion.

4.3.3. Recommendations

- a) There must be regular visits by MPLs to the project to monitor progress and regularly inform the NCOP on progress made by 31 January 2024. The Department of CoGTA is to supply the NCOP with the updated timelines for the N12 Project completion by 31 October 2023.
- b) Money should be recovered from the contractor for the monies paid for the work done outside the company's scope. The matter must also be referred to law enforcement authorities if there's evidence of criminality in the matter. An update on the matter must be submitted to the NCOP by 30 November 2023.
- c) The Department of CoGTA is to outline plans on how it will work together with law enforcement to address the construction mafia by the end of this financial year (31 March 2024).
- d) The steering committee report by the Department of CoGTA must be sent to the NCOP by 31 October 2023.
- e) The Department of CoGTA is to supply the NCOP with evidence of community engagements on issues around the project.

4.4. CONSTRUCTION OF THE 25ML RESERVOIR – JB MARKS LOCAL MUNICIPALITY, POTCHEFSTROOM

The construction of the new 25ML Ikageng Reservoir will have the following impact:

- i. Eliminate the risk of water shortage in the Ikageng proper network.
- ii. Compliance with the Dolomite Risk Management Strategy.
- iii. Increase the water storage for Ikageng proper network and Potch Industria ten - fold and increase the sustainable water supply for that area.
- iv. Reduce the peak demand and required pumping load on the Ventersdorp Road pumping station.
- v. Increase the storage time of Eesterandjies.
- vi. Provide a higher level of service to the Sonderwater area and other higher - lying areas that are to be new reservoir zones.
- vii. Add major improvements to sectorised and discrete water networks, allowing improvements in water supply capabilities.

4.4.1. Observations

- a) The delegation was concerned about low employment figures in the project despite large sums of funds being invested.
- b) The delegation also stressed the issue of outsourcing contractors from other provinces who do not transfer skills to the North West communities. The delegation highlighted that local SMMEs must be sub - contracted to benefit the local community.
- c) There were concerns raised about the growing trend of building new infrastructure without maintaining the existing ones, often leading to a breakdown in systems (i.e., sewer spills and water shortages). There is currently a problem of raw sewer spilling into the Vaal River as a result of a broken and neglected pump system in Potchefstroom.
- d) The delegation requested an updated report on the completion timelines for the water project.

4.4.2. Executive Undertakings

- a) The JB Marks LM is to ensure that employment opportunities for the community of JB Marks are created.
- b) The JB Marks LM is to ensure that up – and - coming SMMEs are appointed and provided with the necessary skills that will remain with the local communities. This will allow them to be able to maintain the reservoir in the future without having to outsource the service from other provinces.
- c) The Department of CoGTA is to attend to the broken pump system in Potchefstroom on Friday, 15 September 2023.

4.4.3. Recommendations

- a) An updated employment and skills transfer plan for local SMMEs, and individuals is to be drafted and incorporated into the project by the JB Marks LM. The draft plan must be sent to the NCOP by 31 October 2023.
- b) A revised report on how many employment opportunities, directly and indirectly, will be created in each of the six phases of the project must be compiled and sent to the NCOP by the 31st of October 2023.

4.5. N14 HOUSING PROJECT – JB MARKS LOCAL MUNICIPALITY, VENTERSDORP – SITE VISIT

4.5.1. Observations

- a) A total of 156 houses have been completed, with 200 outstanding or partially completed.
- b) Electricity is still to be connected by the Municipality in some of the houses.
- c) Bulk services (water, sewerage, waste disposal, sewage treatment facilities) are yet to be implemented as the budget required was R67 million, whilst the Municipality only has R8 million at its disposal.

- d) Concerns were raised over the possibility of groundwater pollution on the Ext 10 VIP toilets erected.
- e) The delegation probed the timelines of the construction of the Electricity Substation, and whether Eskom is on board.
- f) The delegation further questioned whether there is stakeholder facilitation for proper engagements with the communities affected by sewer spillages and who are to be relocated to a safer area.
- g) The Department failed to outline the project timelines, by clearly stipulating the completion of the Project.

4.5.2. Executive Undertakings

- a) The Department of CoGTA indicated that it will cover the shortfall funds for the bulk services of the project.
- b) The project manager stated that by 31 December 2023, the Project will have been concluded and houses will be handed over to the community.
- c) The municipality is to speed up the electricity connection in all the houses still without electricity.

4.5.3. Recommendations

- a) The Department of CoGTA and the municipality are to finalise the issue of bulk services and provide a report to the NCOP on the matter by 30 November 2023.
- b) The project is to conclude by 31 December 2023 as stated by the project manager and an update on the handover to communities is to be provided to NCOP by 31 January 2023.
- c) The municipality must have installed electricity for all outstanding households by 31 December 2023 when the project concludes.

4.6. BRITS WATER TREATMENT PLANT SITE VISIT

4.6.1. Observations

- a) The delegation noticed that some areas that were being expanded at the site were not yet completed, and raised doubt as to whether they would be completed within a set timeframe.
- b) The delegation was concerned over the long delays of the Project and raised doubt about the management's promises that the project would have been concluded by January 2024.
- c) There were complaints from several employees at the site, indicating that they had no access to Unemployment Insurance Fund (UIF) benefits.

4.6.2. Executive Undertakings

- a) The DoWS is to ensure that the project is concluded by 31 January 2024
- b) The DoWS is to address workers' concerns at the site.
- c) The management of Magalies Water is to take full responsibility for the completion or non - completion of the project within the set timeline.

4.6.3. Recommendations

- a) The project is to be concluded and handed over to the municipality by 31 January 2024.
- b) If the project is not completed by 31 January 2024, consequence management against all those involved in the project should be enacted.

4.7. MOTHUTLUNG SEWER PLANT SITE VISIT

4.7.1. Observations

- a) There were concerns that the project was far worse than it was on the NCOP's last visit in 2021. This was after R6 million was used to refurbish the Plant.

- b) It was reported that a fence was built around the Plant but was vandalised by the community.
- c) The Plant was highly exposed, posing a threat to the community, more especially to children who use the site as a play area.

4.7.2. Executive Undertakings

- a) It was reported that the plant was rerouted to Brits as there are ongoing disputes with the Local Tribal Authority. The cost of rerouting is approximately R45 million.
- b) The delegation requested immediate rehabilitation of the site.
- c) It was indicated that the matter would immediately be elevated to the Department of CoGTA.
- d) The Municipality is to ensure that the area is closed off and that no members of the community have access to the site.
- e) The Municipality is to engage with the Local Tribal Authority on any work conducted on the site to get the authority's buy - in and support.

4.7.3. Recommendations

- a) The Department of CoGTA is to intervene in the handling of the sewer plant and to oversee the full rehabilitation of the plant. An update on the rehabilitation of the plant must be sent to the NCOP by 30 November 2023.
- b) More information on the rerouting of the plant is to be made available to the NCOP by 30 October 2023.
- c) The municipality is to approach the Local Tribal Authority to discuss the rehabilitation and closure of the plant. Minutes of the Municipality's engagement with the local tribal authorities are to be sent to the NCOP by 30 November 2023.

NORTHERN CAPE PROVINCE

1. PROVINCIAL OVERVIEW

The Northern Cape is divided into 31 municipalities, which includes: Five District Municipalities (Frances Baard, John Taolo Gaetsewe, Namakwa, Pixley ka Seme and ZF Mgcawu). It has 25 local municipalities. The province is the largest and most sparsely populated province of South Africa. It covers a surface area of 372 889 km², which constitutes 30.5% of South Africa's land area. It is bordered by Namibia and Botswana to the north, and also by the North West, Northern Cape has a population of 4 123 million people, which constitutes 6.9% of the overall population of South Africa. The dominant age group is 10-14, representing 9.8% of the total provincial population.

Northern Cape contributes only 2% to SA's GDP and the main contributors to the regional GDP are tertiary industries contributing 54.8%, followed by the primary industries at 26.5% and the secondary industries at 9.1%. The main industries supporting the Northern Cape economy are mining and quarrying; general government; finance, real estate and business service; and transport, storage and communication.

The majority (86%) of households live in formal dwellings, whilst 12.3% live in informal dwellings. Only 0.5% live in traditional dwellings. 91.8% of households have access to tap water inside their dwellings, off-site or on-site. In terms of functionality of water services supplied by the municipality, more than 41.4% of households who received water from the municipality reported interruptions to their water supply in 2020. The majority of households in the Northern Cape (86.9%) have access to improved sanitation. 74.5% of households have access to flush toilets, whilst 12.5% make use of pit latrines/toilets with ventilation pipes. A further 10.7% of households use pit latrines/ toilets without a ventilation pipe; whilst 1.2% do not have access to any sanitation facilities. In 2020, more than half (61.4%) of households in the Northern Cape had their refuse removed at least once a week. The majority of households who had their refuse removed are located in urban areas, whilst only 20.8% of households in rural areas received this service on a weekly basis. Accordingly, a quarter (25.2%) of households in rural Northern Cape made use of their own refuse dumps to discard waste. The average percentage of households with access to water has decreased from 90.9% in 2012 to 89.1% in 2020.

2. BRIEFINGS BY NATIONAL AND PROVINCIAL GOVERNMENT

2.1. Opening remarks by the Premier, Dr Z Saul

2.1.1. Observations

- a) A Technical and Political Steering Committee, co-chaired by the Minister of Water and Sanitation and the Premier, has been established. The Steering Committee is tasked with addressing water and sanitation challenges in the Province.
- b) The Sedibeng Water Board was disestablished in 2022 and its operations, liabilities, historical debt and staff transferred to Bloem Water, later renamed to Vaal Central Water Board (“the Board”). Service Legal Agreements between the Board and respective municipalities outline the service obligations of the Board. The Board however took over from the Sedibeng Water Board in circumstances where there was not clear assignment of service responsibilities.
- c) The Province has been allocated a Municipal Infrastructure Grant (MIG) of R501, 370,000.00 for the 2023/24 financial year. However, 15% of this MIG allocation is still not committed and it was acknowledged that this was due to a lack of planning by Municipalities. Uncommitted funds include the amounts of R15 200 650 uncommitted in the Joe Morolong LM and R16 229 050.00 uncommitted in the Ga - Segonyana LM.
- d) The Boegoe Bay Port and Rail Infrastructure Development is a catalytic project that will be launched by the end of the year, funded by several investors. It is a R16 Billion capital investment project to develop the 10th port in the Country. It will be the first natural deep-water port which allows for cargo of bigger sizes, which is ideal for the bulk commodities produced in the region. Part of this will include the development of 450 km of rail network from the Hotazel to Boegoe Bay. This will also assist with moving the transportation of commodities from the province’s road to rail.

2.1.2. Recommendations

- a) During the National Parliament Three Sphere Planning process, the limited ability of municipalities to plan and prepare a pipeline of projects has been identified as a challenge and municipalities in the Province must increase its capacity for planning and project management so that grant funding can be utilised and committed to projects as soon as the funding becomes available.

- b) The contractual agreements between the Vaal Central Water Board and the municipalities it has to service should be finalised so that the Board can adequately do its client service planning.

2.2. MEC FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, MR B VASS, AND THE PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS

2.2.1. Observations

- a) The MEC expressed his appreciation to the Department of Water Affairs and Sanitation for assistance with the Water Board transfer and Eskom supply; and to the Department of Agriculture, Environmental Affairs and Land Reform for assistance with the Drought Intervention Plan.
- b) The MEC highlighted that most municipalities in the Province are in financial distress, the vacancy rates at municipalities are high and there is a lack of adequate funding for infrastructure projects, further exacerbated by the rapid development of informal settlements in the Province.
- c) The 2023/24 MIG allocation has been allocated to priority projects being water projects (24% of the allocation), sanitation projects (24% of the allocation), roads and stormwater projects (19% of the allocation) and 18% of the allocation for other projects including sport facilities, cemeteries, solid waste management sites and community lighting.
- d) Amongst the larger MIG budgeted projects for the 2023/24 financial year is R29 000 000.00 budget for the upgrading of the Bulk Water Supply in Gantantelang in the Ga – Segonyana LM during the 2023/24 financial year. R27 371 274.07 is budgeted for Dithakong Phase 2 Sanitation Project in the Joe Morolong LM and R19 000 000.00 has been budgeted for the Campbell Waste - Water Treatment Works.
- e) Most of projects implemented by the Independent Development Trust, the entity of the Department of Public Works and Infrastructure, have been completed including two schools and several clinics.

2.2.2. Recommendations

- a) Where the lack of energy supply lines to water works are preventing the provision of water, the Department should assist the Municipality in liaising with Eskom to commission such power

lines. Areas in the Dikgatlong Municipality is one example where an energy supply line is necessary to ensure that the pump station works effectively.

2.3. NATIONAL DEPARTMENT OF WATER AND SANITATION

2.3.1. Observations

- a) Grant funding is released in tranches and where a municipality has not committed funds or it was not spent in accordance with Division of Revenue Act specifications, withholding funds is the most effective form of monitoring and ensuring performance by municipalities. This however reflects negatively on the Department's expenditure patterns.
- b) The province is regressing in respect of its green drop status, with an increase (from 27 to 46) in the number of wastewater treatment facilities that are listed as critical risks. The high-risk treatment plants are located in Barkly West, Hartswater, Jan Kempdorp, Kuruman, Mothibistad, Dibeng, Warrenton, Pampierstad, Douglas and Hope Town. At the same time 39 water supply systems in the Province are in the critical risk category in the Blue Drop assessments.
- c) A number of municipalities in the province have high non - revenue water losses. These include municipalities such as Joe Morolong LM (85% non-revenue water loss), Ga – Segonyana LM (73% non - revenue loss) and Kgatelopele (72.6% non - revenue loss). This might be as a result of incorrect billing and metering systems, high indigent registers, and neglected infrastructure maintenance.
- d) Debt owed to the Department by municipalities has increased and is currently at R325 140 519.41. The Department attempted to implement a debt incentive scheme in terms of which interest on outstanding debt is frozen when a municipality joins, as allowed for in National Treasury Regulations. Sol Plaatje, Siyathemba and Dawid Kruiper local municipalities are participating in the scheme and are honouring their commitments. Water boards have an average debt recovering rate of 67% from municipalities and have indicated that they will not be able to continue to render services if no income is received. Some municipalities have already been issued with notices of impending water restrictions due to outstanding debt.
- e) Through the DoHS Bucket Eradication Programme (BEP) launched in 2012, 9669 bucket toilets have been eradicated with the eradication of 596 buckets in Campbell still outstanding. An additional 7665 buckets have been identified for eradication. The bulk services cost necessary

to address the backlog amounts to R816 837 664.00 and the Department has calculated a shortfall of R 490 192 336.00 in this regard.

- f) During its presentation on the Campbell Area, the Siyancuma LM added that with a population of 1763, the area has no bulk water infrastructure. The Municipality has appointed PSP Consult for the planning and design of oxidation ponds and outfall sewer lines. The provision of waterborne sewer reticulation and yard connections to eradicate buckets is to be completed by June 2026.
- g) DoWS Response to question raised in Kgatelopele and Ga-Segonyana local municipalities.

Kgatelopele Local Municipality

- h) The Daniëlskuil wastewater treatment work and outfall sewer projects were registered as RBIG projects. The bulk sewer upgrade is required due to a 3500 housing development project. The estimated total project cost is R179 169 482.
- i) The DoWS allocated R62 367 000.00, R105102 000.00 and R132 809 000 over a period of three years MTEF of 2021/22.
- j) On the matter of co-funding, the National Treasury cannot approve a waiver of co-funding application for phase one. Their decision is that there is no RBIG allocation in the 2023/24 Medium Term Revenue and Expenditure Framework, hence National Treasury states that there is no basis to consider a waiver legally.
- k) The municipality is encouraged to engage the DoWS for a recommendation for their future waiver proposal.

Ga-Segonyana Local Municipality

- l) The Northern Cape DoWS received an average of R340 million. The Municipality received on average R34 million per financial year, which is the second highest allocation for a municipality after Joe Morolong LM.
- m) Currently the Province is over committed with registered ongoing WSIG projects. The Northern Cape DoWS can only re-allocate funds from poor to good performing municipalities, which the municipality has benefited from in various financial year.

- n) The Kathu bulk water supply project has an estimated cost of R500 million. The Kathu bulk water supply phase one (Sesheng) was registered as a RBIG project and is estimated to cost R100 million.

2.3.2. Executive Undertakings

- a) In taking a collaborative approach, the DoWS, will be supporting district municipalities with the development of five-year water reliability plans and will support local municipalities with the development of water service development plans.
- b) MISA has been appointed to assist the 39 critical risk water treatment facilities with registration and authorisation, as an alternative to first resorting to more stringent enforcement and registering criminal cases. However, the process is experiencing difficulty due to lack of cooperation and availability of information to facilitate the incremental compliance authorisation process.

2.3.3. Recommendations

- a) The Department acknowledged that contract administration on its part is sometimes lengthy. The Department should implement business optimisation measures and then track the effect on contract administration.
- c) Municipalities must update and verify its indigent registers to ensure that only deserving houses can access indigent support.
- d) The Minister of Cooperative Governance, Human Settlements and Traditional Affairs must intervene so as to ensure that municipalities enter into debt settlement plans as the decision to form part of the incentives schemes requires political leadership on the part of municipal office bearers.
- e) Facilitating the authorisation process for water treatment works should be included in the performance agreements of Senior Managers responsible for Technical Services at municipalities.
- f) The Kamiesberg LM should note the concerns of the Rooifontein community about the possible effect of nuclear waste from the Vaalputs National Radioactive Waste Disposal Facility has on

the water quality. Outcomes of tests to confirm the water quality should be shared with the community.

- g) The Vaal Central Water Board should ensure that whilst is exploring the Section process

2.4. PROVINCIAL DEPARTMENT OF ROADS

2.4.1. Observations

- a) The Provincial Road Network stretches for 26 610.85 km, of which 2 2938.33km are paved. Most of the roads have reached the end of their 20-year lifespan. In respect of the paved roads, 9% of roads in the province are categorised as poor and 1% is categorized as very poor.
- b) Frances Bard and Pixley Ka Seme Districts are most affected by the transportation of minerals through what is known as the Manganese Corridor from the Kalahari fields to the Coega Port outside Port Elizabeth. The use of the roads by these cargo trucks damages the road infrastructure and limits the free movement of light vehicles and delivery trucks which in turn affects other business in the Province.
- c) The Province took a decision to transfer certain portions of roads to the South African National Road Agency (SANRAL) because the Province does not have adequate funding to maintain the roads. It was also informed by the need to ensure that the roads connected to the Boegoe Bay Port and Rail Infrastructure Development can meet the needs of the development.
- d) The Province has identified three strategic roads for maintenance and rehabilitation including the R31 from Hotazel to Askham. The R380 from Hotazel to Kathu is also considered a strategic road and it is currently under rehabilitation although challenges have emerged with the contractor.
- e) The Department highlighted the upgrading of the Main Road 947 between Rusfontein and Laxey (Phase 3) as part of the John Taolo Gaetsewe project. The project consists of the upgrading of a 12km gravel road to surface standard road. The project is currently at 98% completion and 68 local people were hired as part of the workforce for the project.
- f) Operation Vala Zonke is a labour - intensive programme to fix potholes throughout the Country. For the 2022/23 financial year 3240.18m² of road has been repaired through the programme, constituting 67% project completion. A budget of R5 500 00 has been assigned to the project for roads in the John Taolo Gaetsewe DM.

- g) As part of the S'hamba Sonke Programme (Moving Together: Accelerating Rural Development Through Access and Mobility), Phase 2 of the Batlharos Sidewalk Project involved paving of 2km (1.5m width). The project is located close to the Batlharos Hospital and provides safer passage to non – motorised road users. A budget of R 8 100 000 has been assigned to the project and the project is currently at 5% completion.
- h) Phase 3 of the upgrade to the Main Road 947 between Rusfontein and Laxey is currently underway. R94 .3 million has been budgeted towards the project which is currently at 98% completion. Sixty - eight (68) people have been employed on the project.

2.4.2. Recommendations

- a) The Municipality should employ nanotechnology in other areas as well given the benefits illustrated for completed roads projects.
- b) Even though sections of roads in the Province have been handed over to SANRAL, municipalities still have responsibilities in respect of certain roads intersecting national roads. Certain four - way intersections within the Ga - Segonyana LM have been reported as being unsafe and the Municipality should address any unsafe portions of intersections.

3. BRIEFINGS BY MUNICIPAL GOVERNMENT

3.1. EXECUTIVE MAYOR OF THE SOL PLAATJE MUNICIPALITY, MR K SONYONI AND THE MUNICIPAL ADMINISTRATION

3.1.1. Observations

- a) The Goga Pump Station was reported to be fully functional and not discharging water onto the R31 Road. Water on the road is said to be caused by pressures in the bulk infrastructure system.
- b) The Municipality has applied for Bulk Infrastructure Fund (BIF) funding to the amount of R1.6 billion which will be utilised for water and sanitation projects should the application be successful.

- c) Members raised concern about the impact of vandalism, such as that which occurred at the pump station at White City, that takes place throughout the province. The Municipality responded that security measures has been put in place at the White City pump station.
- d) A compliant has been lodged with the South African Human Right Commission in respect of the Platfontein Community that was severely affected by a sewerage spill. Legal Proceedings have also been instituted and the DoWS has received a subpoena to provide certain information in respect of the SAHRC investigation.

3.1.2. Recommendations

- a) The Municipal Council should implement its own resolution in terms of which all houses affected by sewer spillages in White City are to be compensated.
- b) The Municipality should prioritise infrastructure improvements to areas, such as Mahogany Street and Camelia Steet, where households continuously struggling with sewerage spillage.

3.2. EXECUTIVE MAYOR OF THE GA - SEGONYANA LOCAL MUNICIPALITY, MR NEO MASEGELA, AND THE MUNICIPAL ADMINISTRATION

3.2.1. Observations

- a) The water sources in Wrenchville and Bankhara Bodulong were assessed to be inadequate to meet the water needs of the community. This is exacerbated by storage inadequacies, load shedding, vandalism, and a local shortage of necessary skills (fitters and millwrights) to work on projects.
- b) To address unmetered connections and illegal water connections, the Municipality has installed pre-paid water meters, undertaken water audits and increased enforcement through imposing of fines for unpermitted water connections and reselling of water.
- c) Poor operations and management of water infrastructure on the part of Bloem Water negatively affected water reticulation and the provision of water to communities in 33 villages. A Council resolution was therefore taken to commence with the process to take over the water services

provider function. The municipality is currently providing water to the areas of Bankhara – Bodulong, Hope Town and Wrenchville.

- d) Water Services Infrastructure Grant (WSIG) project highlighted include the construction of a new community hall in Seoding. The project will include construction of 600m² community hall with a stage, storeroom, offices and ablution facilities and 1,8m high class 4 security fence. The total project amount of R 20 759 512.73 contained in the approved business plan is, however, expected to escalate due to delays in project administration.
- e) Several housing projects are currently in the project conceptualisation stage but cannot be implemented because of the lack of funding and inadequate capacity in bulk infrastructure.

3.2.2. Response by Vaal Central Water

- a) Vaal Central Water Board had engagements with Ga-Segonyana municipality with regard to the proposal of taking over Section 30 (of the Water Services Act, 108 of 1997) operations in Mothibistad. The outcome of the engagements was that the municipality will have to formally write to Vaal Central about its intentions.
- b) The Scheme supplies water from underground sources (boreholes) to 81 boreholes. Thirty-Seven (37) of the boreholes are electrically operated and the rest are diesel operated. With the current loadshedding schedule reaching stage 6, the supply of water is impacted.
- c) Vaal Central has attended to maintenance challenges and 70% of the boreholes are functional. Vaal Central has also attended to the fleet challenge for the teams to be able to attend to the breakdowns. A tanker has been located to Mothibistad since November 2022.
- d) Vaal Central is working with the municipality until the end of the 2024 financial year while engaging the stakeholders regarding the handover of services.

3.2.3. Recommendations

- a) The Municipality identified a skills shortage and indicated that it must compete with more attractive employment opportunities offered by the mines. The Municipality should identify bursary opportunities such as those offered by the Department of Public Works and Infrastructure through which to prepare a pipeline of skills for future projects.

- b) The Municipality is currently addressing the improper disposal of sewage from septic tanks by imposing penalties and registering criminal charges. It is necessary to also ensure community awareness about proper disposal and the negative health and environmental effects of improper disposal.
- c) The Kumba Social Labour Plan is best practice on corporate social responsibility and the model should be shared with other municipalities that have large companies and industries within its geographic area.
- d) Whilst the Ga - Segonyana LM is exploring taking over the water provision functions; the Vaal Central Water Board must put in place interim measures to minimise the impact of the restructuring process and to increase its operational and maintenance capacity so as to ensure the provision of water in the area.
- e) The Select Committee on Cooperative Governance and Traditional Affairs, Water and Sanitation and Human Settlements should return to the John Taolo Gaetsewe DM to follow up on the governance matters identified during the Visit Week.

4. OVERSIGHT VISITS

4.1. HULL STREET SOCIAL HOUSING PROJECT

The Hull Street Social Housing Project is located in the Sol Plaatje Municipality and the South Africa Swedish International Housing Company (SASIHC) is the Implementing Agent. The project is funded through the Development Bank of South Africa (DBSA) and the Northern Cape Department of Cooperative Government, Human Settlements and Traditional Affairs. The project was launched in July 2022 and phase one, with 362 units, is scheduled for completion in 2025. The first 95 houses of phase one are envisaged for completion before the end of March 2024. A further 228 units are in the pipeline and ready for implementation for phase two of the project once funding becomes available. The initial project costs of R 145 million for phase will have to be adjusted to R167 000, to reflect price increases.

4.1.1. Observations

- a) After construction commenced, water seepage into the construction site required a geo-technical solution to first be implemented before construction of the housing units could continue.

- b) The project caters for households earning a monthly income of between R1 850.00 and R22 000.00. Persons may not opt for a unit where rental would cost more than 30% of their monthly income. This assists families with financial planning and ensures that families are able to meet other necessary financial obligations.
- c) The project is located within one kilometer of the Central Business District. Social Housing that is located close to opportunities and services and provides mixed income opportunities is a tangible way to redresses apartheid segregated planning.
- d) More than 95% of the labour force and 80% of professionals appointed to the project are from the Sol Plaatje area and all subcontractors to the project are from the area. The workforce is constituted of approximately 95% young people, with a 4% female and 96% male split. One percent of the workforce is disabled.
- e) As an accredited Social Housing Agency, SASIHC will also be responsible for tenant property management and the maintenance of the units. A five-year maintenance plan will be put in place, however emergency maintenance is also provided for.

4.1.2. Executive Undertakings

- a) There is currently a database of 684 applicants who wish to form part of a social housing project, which illustrates the demand for affordable and decent rental accommodation. The Provincial Department of Cooperative Governance, Human Settlements and Traditional Affairs completed a demand study and identified that the areas of Khatu and Gamagara are ideally suited for social housing, and it was indicated that this will be explored further.
- b) The Provincial Department of Cooperative Governance, Human Settlements and Traditional Affairs undertook to support other organisations to attain accreditation as registered Social Housing Agencies so that the capacity to implement such projects can be supplemented.

4.1.3. Recommendations

- a) The Provincial Department of Cooperative Governance, Human Settlements and Traditional Affairs should ensure that credible geo-technical assessments are done prior to the

commencement of projects so that projects are not delayed when adverse geo-technical conditions are identified.

4.2. VAAL GAMAGARA BULK WATER SUPPLY SCHEME

The scheme was built between 1968 to 1972 and has reached the end of its useful life hence the Vaal Gamagara Phase One (operational from Roscoe to Blackrock) was initiated by the DoWS and completed in June 2022. The scheme supplies water to Dikgatlong, Tsantsabane, Gamagara and Joe Morolong municipalities. The scheme is augmented by underground sources from Kolomela Mine in Postmasburg and Sishen Mine in Kathu and has created direct job opportunities for 80 people. An amount of R10 billion will be made available by the DoWS when phase 2 is implemented. The project will be implemented as a Public Private Collaboration between Government and Mining Houses in the Northern Cape and the total capital costs is estimated to be roughly R8,108 billion.

4.2.1. Observations

- a) The scheme was designed to supply 34ML/day; however, the demand is 60 ML/ day. During peak season the scheme struggles to meet the demand, and areas such as Olifantshoek and Kalahari East are mostly affected by water shortages.
- b) A subsequent implementation agreement was reached in terms of which Sedibeng would administer a capital raising fund where the water board would raise 56% from the mines and 44% would be funded by Government. Ministerial intervention was sought by the Mining Leadership Forum to ensure that the Department commit to a public-private collaboration regarding the implementation of Phase 2. A Memorandum of Understanding between the DoWS, DBSA, Bloem Water and Northern Cape Mining Leadership Forum has been prepared to this effect. To meet the 44% public sector funding commitment a Budget Facility of Infrastructure Fund (BFI) application was submitted to the Infrastructure Fund.
- c) Delportshoop WTW is operating at 16ML / day due to aged pipeline constraints at Silverstreams. The entity in partnership with the Mining Leadership forum is attending to the emergency repairs of sections of pipeline at Silverstreams. These repairs will be a major boost in resolving the water challenges faced by the region.
- d) The Entity is unable to fulfill its financial obligations as it is owed more than R133 million by municipalities it is servicing. Notices of restrictions have been issued and municipalities are requested to service the current accounts and a portion towards historical debt.

4.2.2. Executive Undertakings

- a) The Vaal Gamagara Regional Bulk Water Scheme is currently busy with a feasibility Study before they can start with phase three of the project which will include Ga-Segonyana and Joe Morolong LM.
- b) Engagements on Service Level Agreements are ongoing, and some municipalities are concluding their payment plans agreements.

4.2.3. Recommendations

- a) The National Council of Provinces and the Provincial Legislature through its oversight must ensure that a cohesive Integrated Master Plan that connects all sectors of the economy and society are in place.
- b) Intergovernmental Relations structures must be strengthened, meet regularly and be effective. The Provincial Department of Agriculture and Provincial DoWS must find lasting solution to the challenge of water for livestock.

4.3. DANIËLSKUIL PUMP STATION AND RHODES STREET PUMP STATION, KGATELOPELE LOCAL MUNICIPALITY

Kgatelopele LM is located within the ZF Mgcau DM. The Municipality was allocated a Regional Bulk Infrastructure Grant of R132,809 million for the 2023/24 financial year. The projects planned by the Municipality for the 2023/24 financial year includes the rehabilitation of the Oold Wastewater Treatment Works, upgrading and construction of outfall sewer lines. The municipality envisages that unreliable sewerage disposal for residents will be addressed with completion of the abovementioned projects.

4.3.1. Observations

- a) The Kgatelopele Municipality is busy with phase one of the project of upgrading and replacing the existing outfall sewer lines. The project consists of replacing the existing 1270m long, 100 mm Asbestos pipes in Kuilsvill Pump Station and the replacement of 2480m long, 150mm asbestos pipe in Daniëlskuil pump station (Rhodes Street pump station).

- b) R12 million has been allocated for the sewer line upgrades and the contractor was appointed on the 10 May 2023. The envisaged project completion date is 20 September 2023.
- c) A 3m High concrete Palisade Security Fence around the existing Wastewater Treatment Works is being built for the two sides and construction of security gates and access gates is being undertaken.

4.3.2. Executive undertakings

- a) After completing phase one, the Municipality will need to implement phase two which will entail the rehabilitation and reconstruction of the old wastewater pond in the current oxidation ponds. The purpose is to enlarge the capacity of existing sewer purification works to accommodate more sewerage inflow. The option chosen by the municipality in implementing phase two is to upgrade the existing sewerage ponds since it is more feasible.
- b) The municipality needs funds to complete the entire project (Phase One and Phase Two) as the funds that were allocated for the Regional Bulk Integrated Grant project in the DORA have been reallocated to other municipalities. The budget shortfall is R 116 802 482.54.

4.3.3. Recommendation

- a) The NCOP will have to hold engagements with National Treasury about the review the fiscal model of local government, which is said to have to greater extent, contributed to the worsening of some aspects of governance challenge in local government. Special attention will have to be dedicated to assessing the reallocation of Regional Bulk Infrastructure Grant (RBIG) to other municipalities, its impact on service delivery.

4.4. S'HAMBA SONKE PROGRAMME (SIDEWALK PAVING IN BATLHAROS) PHASE 2.

The S'hamba Sonke programme is dedicated to road maintenance on secondary roads and rural roads with particular emphasis on potholes, using Labour intensive methods of construction. The project is budgeted for R8 100 000. A new formula to allocate funds is being applied in all provinces. It is based on extent; topography; road traffic and weather conditions. These factors reflect the different costs of maintaining road networks in each province.

4.4.1. Observations

- a) The project consists of paving a 2km sidewalk (1,5 width) and it is near the Batlharos Hospital and school. A decision was taken to use Freeway cap which will accommodate for a wider sidewalk.
- b) The project uses local constructors and has employed 40 local people on the project.
- c) The duration of the project is envisaged to last for 8 months and it intends to address the unemployment challenge facing the region since it is Labour intensive.

4.5. VALA ZONKE PROJECT IN MAPHINIKI

Operation Vala Zonke was launched on the 8th of August 2022. The project is labour intensive programme which will target physical works including resealing, blacktop patching, potholes repairs and maintenance of gravel roads.

4.5.1. Observations

- a) The Department of Roads and Public Works uses internal teams to carry out the work, which members complemented.
- b) Work opportunities created by the project are currently standing at 80 in the Gasegonyana Municipality as from 1 September 2022.
- c) The project targets provincial road network within the John Taolo Gaetsewe District.
- d) The delegation raised concern about the four- way stop at R31 between Kuruman and Kathu which is not complete after years the project has been going on.
- e) The delegation further raised their concern about project disruption in most road related projects.

4.5.2. Executive Undertaking

- a) The rollout of this programme is the implementation of an integrated, rigorous, and comprehensive plan that will drive interventions to ensure that the DoT improves the overall condition index of roads at local and provincial authorities.

4.6. KURUMAN BULK WATER NETWORK

The site visit took place to the Kuruman Booster Pump Station which forms part of the Kuruman Bulk Water Supply Network. The Booster Pump Station together with the Monitor Control Centre (MCC) will control the network. The project will increase reservoir capacity from 6ML/day to 24 ML/day. It also included the installation of 13 km bi - direction lines.

4.6.1. Observations

- a) Dry Commissioning of the project has already taken place and project hand - over is scheduled for October 2023. The project was funded by the DoWS and several mines.
- b) There was a delay in handing over the project because the construction of the bi-direction lines was delayed.
- c) Due to vandalism the municipality has had to incur costs of installing alarms and replace copper pipping with aluminum pipping at certain water works.
- d) The Kuruman Regional Wastewater Treatment Works is currently at project feasibility stage. The project is envisaged to result in a capacity upgrade to the existing works from 6ML/day to 20 ML/day.
- e) The Pump Station will ensure water reticulation to the Promised Land Housing Project that it current being implemented.

4.6.2. Recommendations

- a) As indicated by the Municipality, the system was designed in 2012, during a time when load shedding was not implemented. The Municipality must expedite the process of designing an alternative energy source for the MCC because once the system goes online, it will not be able

to operate during load shedding. Alternative energy sources should also be explored for the Waste Water Plants in the Province.

- b) The Municipality must further pursue its proposal to partner with the mining companies to fund or co-fund security cameras at key infrastructure such as the Booster Pump Station.

WESTERN CAPE PROVINCE

1. PROVINCIAL OVERVIEW

The Province has a surface area of 129 462km² and a population of 6 279 730. It is the fourth-largest province in South Africa by surface area and also ranks fourth in population. The Western Cape is divided into one metropolitan municipality (City of Cape Town Metropolitan Municipality) and five district municipalities, which are further subdivided into 24 local municipalities. The Western Cape has the third largest economy among the nine provinces of South Africa. The Province contributed approximately 14% to South Africa's GDP in the first quarter of 2022. The main economic activity in the province includes a well-established industrial and business base, finance, real estate, ICT, retail and tourism, agriculture and fisheries.

In the Province 93,2% of households have access to safe drinking water in the country, above the national average of 84,5%. There are significant differences amongst the Province's municipalities. Laingsburg had a negligible proportion (1,9%) of households without access to safe water, while 13,4% of households in Breede Valley reported that they did not have access to safe drinking water. Knysna (10,8%), Kannaland (10,7%), Saldanha Bay and Beaufort West (both 10,0%) also reported high proportions of households without access to safe drinking water. In 2016, the majority of households in all the municipalities reported to be utilising a flush toilet. The percentage of households by province who reported that their main toilet facility used was a bucket toilet – either collected by the municipality or emptied by the household, was 3,6%.

The Western Cape reported the highest proportion (97,0%) of households with access to electricity, although significant differences between municipalities exist. Saldanha Bay had the highest proportion (13,0%) of households with no access to electricity, which is higher than the Province average of 3,0%. The proportion of households without electricity in Laingsburg (11,9%), Oudtshoorn (9,5%) and Theewaterskloof (8,3%) are also high. In all municipalities in the Province, the majority of households had their refuse removed at least once a week. Over four - fifths of households in the Province (82,4%) lived in formal dwellings and all municipalities, with the exception of Stellenbosch (65,0%), had over 70,0% of the population living in formal dwellings. Whilst the Western Cape has two municipalities, Beaufort West (0,2%) and Prince Albert (0,3%) with proportions of informal dwellings under 1,0%, in Stellenbosch over one-third (34,1%) of households resided in informal dwellings. Other municipalities with a high proportion of informal dwellers were Saldanha Bay (22,1%), Bitou (21,9%), Breede Valley (20,3%), Theewaterskloof (20,3%) and Cederberg (20,1%).

2. BRIEFINGS BY NATIONAL AND PROVINCIAL GOVERNMENT

2.1. DEPARTMENT OF WATER AND SANITATION

2.1.1. Observations

- a) Through the Water Services Improvement Plan, planning is being done to determine current and future demands. There's a commitment by the national and provincial DoWS to invest in upgrading, development and refurbishment of existing infrastructure.
- b) There is limited opportunity for the Western Cape to develop additional surface water storage capacity, although existing dam walls can be raised, and local opportunities exist for further use of ground water.
- c) Future sustainability and security are dependent on effective monitoring, water conservation and water demand management strategies which is enforced by enhanced legislation. This is required as most of the Western Cape's catchments receives annual rainfall below the world average, and the resultant low surface run-off requires alternative water sources to be developed.
- d) The factors affecting water security in the Western Cape includes:
 - i. Amount of rainfall received;
 - ii. The availability of alternative sources of water (groundwater, desalination, re-use, recharge of aquifer);
 - iii. Water pollution;
 - iv. Aging infrastructure;
 - v. Limited technical expertise; and
 - vi. Impact of load shedding on infrastructure.
- e) The re-introduction of Green, Blue and No Drop Certification Programmes tools to provide regulatory information regarding water services, has improved the identification of under-performing infrastructure. Seven Municipalities had systems scores below 31 (critical) in the Green Drop report findings. Hence the Department has established a Task Team to support the affected municipalities. Municipalities have submitted draft action plans, budgets and timelines to remedy the situation. Follow ups by the Department are undertaken with municipalities in order to remedy the identified gaps. The Terms of Reference for the Task Team and the Western Cape intervention plan have also been put in place.

- f) To meet future in - catchment municipal water requirements for domestic and industrial water requirements (excl. the City of Cape Town) the following actions must be considered:
- i. Removal of Alien Invasive Plant species (AIP);
 - ii. The diversification of water sources for towns currently exclusively dependent on a single source of water;
 - iii. Raw water storage should be promoted in systems with an exclusive dependence on run-of-river abstraction to ensure reserve water during the dry season when flow in the river is low; and
 - iv. Wastewater recycling / reclamation is needed to reduce the use of potable water in certain sectors.

2.1.2. Executive undertakings

- a) The Report on the supply of water in y in Ceres in the Witzenburg Municipality will soon be available and the Department will make that readily available.
- b) Data on the Department's reactionary and proactive programmes to ensure future water sustainability will be made available to members.

2.1.3. Recommendations

- a) Removal of Invasive Alien Plants should receive priority in the Western Cape as a means to increase water availability and contributing to water resilience within municipalities.
- b) Water resource augmentation and bulk infrastructure needs are unique to every system and need to be addressed within municipalities as per the latest findings of the Western Cape Integrated Drought and Water Response Plan.
- c) The diversification of sources for towns currently exclusively dependent on a single source of water (i.e., dam only, borehole(s) only, springs only, bulk purchase only) should be promoted.

- d) Raw water storage should be promoted in systems with an exclusive dependence on run – of – river abstraction to ensure reserve water during the dry season when flow in the river is low.
- e) Towns which are exclusively reliant on the Western Cape Water Supply System (WCWSS), should diversify to include alternative water resources.

2.2. DEPARTMENT OF LOCAL GOVERNMENT

2.2.1. Key Observations

- a) Increasing water stress due to climate change is a global risk. The Drought Response Strategy opted to take on a holistic approach and is inclusive of a collaborative relationship between all the involved stakeholders. Most drought relief projects are funded through available grants.
- b) The Provincial Department of Local Government (DLG) is the lead Department for coordinating the drought response in the province, recovery water and resilience planning.
- c) Drought Recovery Action Plans have streamlined focal points i.e.: water infrastructure management, water demand management, water source augmentation, water source management and water demand management.
- d) There's a notable shift in focus from drought response towards drought resilience. DLG has been designated as the coordinating department for managing provincial water risks. According to international best practice drought and resilience planning should continue even though the drought and water availability challenges no longer exist. Planning is being done in order to determine current and future demands. There's a commitment by the national and provincial DoWS to invest in upgrading, development and refurbishment of existing infrastructure.
- e) Future sustainability and security are dependent on effective monitoring water conservation, water demand management strategies which is enforced by enhanced legislation.

2.2.2. Recommendations

- a) Current financial allocation for the provision of basic services at local and district municipality level, as supported by grant funding and the allocation of equitable share revenue is inadequate to provide a sufficient basket of basic services to indigent households while at the same time securing sufficient income from residents able to pay for their services. The response within the

NCOP should be two-fold. First, through the public engagement, CGR and intergovernmental relations tools available, the NCOP should play a greater role in creating awareness for the need to pay for services where the financial capacity for this exists. Second, the crisis that will be created by continued under - recovery of service costs need to be addressed through interrogation of the equitable share and grant funding models, particularly in terms of smaller municipalities with higher levels of unemployment.

- b) Climate change adaptation strategies for the Western Cape require shifting from reactive drought response to developing water shortage resilience in local governments. This shift will require amendments to local government infrastructure grants. The delegation notes the current financial shortfall in grants needed by smaller municipalities to develop alternative water resources and endeavors to focus on provincial and local government infrastructure grant allocations during budget processes.
- c) The delegation further notes the continued challenges experienced in local government with the attraction and retention of skilled engineering and technical staff in order to maintain and operate critical water infrastructure. The delegation proposes that these concerns will have to be clearly expressed during NCOP budget and departmental oversight, with the view of developing mechanisms of securing technical positions for water infrastructure staff at local and district municipality level.

2.3. DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

2.3.1. Observations

- a) Optimal water supply increases from catchments can be obtained through catchment restoration. The key activity is the removal of alien invasive plants from key catchments. Other options available include desalination, further use of ground water, additional storage scheme development and water re-use.
- b) Wetland goods and services needs to be promoted more effectively, as aquatic ecosystems play a significant role in many other critical industries. Major threats to these habits are water over - abstraction, development, alien invasive plants species , climate change, and mining.
- c) The Western Cape Government has developed a number of strategies that focus on or include ecological infrastructure as core components. These include a 15-year Integrated Drought and Water Response, Infrastructure Frameworks, Sustainable Water Management Plans and

integrated catchment management. This thinking culminated in the conceptualisation of the Ecological Infrastructure Investment Framework (EIIF). The framework incorporates perspectives from role players such as Government, SOEs, NGO's, Water Use Agencies and Universities. The objective of the framework is to direct investment to achieve the greatest enhancement of ecosystem infrastructure in critical catchments.

- d) EIIF partnerships and collaboration includes all spheres of government, ensuring collaboration on provincial initiatives, and inclusion in municipal planning and budgeting. EIIF partnerships between the province NGOs and NPOs are also an important aspect of the Framework.
- e) The delegation remarked that from the presentation, it appears that alien invasive plants is one of the biggest threats to water security in the province. It is not a problem restricted to privately owned land but affects state - owned land as well. The delegation wished to know what work is being undertaken by government to reduce the coverage of alien invasive plants.
- f) The delegation noted the development of the Ecological Infrastructure Development Framework, and enquired whether there is any possibility that the framework could also be operationalised in larger local municipalities, especially those that have large wetlands and estuaries within their boundaries.
- g) The delegation noted the call for the development of greater investment, both within all spheres of government, but also through the development of Public-Private Partnerships. It was further observed that climate change has a significant impact on efforts to preserve ecosystems. While public awareness has been created regarding the negative impacts of climate change, more work is required to educate the public about the critical value of ecosystem services.
- h) Noting the funding shortfalls in restoring ecosystem services, the delegation wished to determine whether it would be possible to leverage funding from other government and private sector sources to support ecosystem restoration.
- i) Referring to the Province's Climate Change Response Strategy, the delegation enquired which mechanisms of the Strategy has been operationalised, and whether sufficient capacity exists the develop/respond to climate change predictions.
- j) The delegation noted the reference to the fact that 46% of children from poorest households do not have access to water services such as safe drinking water, and wanted to know what percentage of these children reside in the Western Cape.

2.3.2. Recommendations

- a) South Africa's climate change mitigation response at the sub - national level needs to be geared towards more aggressive alien invasive plant eradication and ecosystem restoration in order to optimise surface water availability. Financial allocations for such activities need to be increased and the delegation recommends that such needs are focused on during future deliberations on the Climate Change Bill.
- b) The importance of alien invasive plant eradication in catchments requires significant investment to succeed. The past and current DFFE, Cape Nature, EPWP and provincial efforts towards AIP eradication is noted, but it is critical that government investment in EPWP projects such as Working for Water (WfW) and Working for Fire (WfF) is maintained and resourced directed at critical catchments to ensure optimal surface water retention for ecosystem services and human needs.
- c) The delegation notes the major impacts on wetland ecosystems that the Provincial Government highlighted. Relevant committees within the NCOP are familiar with the pressure these sensitive ecosystems face, and the current imbalance in trade-off between developmental needs and safeguarding environmental services. Acknowledging the need for development, the delegation recommends that the need to conserve critical wetland habitat and reduce negative impacts on these vital surface water ecosystems should be prioritised as a matter of urgency.

3. BRIEFING BY MUNICIPAL GOVERNMENT

3.1. CITY OF CAPE TOWN ON THE TESTING OF SEWAGE WATER

3.1.1. Observations

- a) The importance of wastewater Surveillance testing has to be emphasised. Poorly maintained WWTWs create public health and environmental risks. This risk is even greater in non - sewerred systems.
- b) The SACCESS SARS-Covid prevalence monitoring network – a national network of municipal scientific services, was established after July 2020. It proved that wastewater monitoring could detect hotspots, new variants and increased infection rates before pathology labs were able to do so.

- c) The results from this monitoring network suggests that wastewater monitoring can be improved to become an early warning system for disease outbreaks.
- d) The development of such a capacity is hindered by the lack of funding for research and development and laboratory expansion. At present, municipal labs are dependent on private sector laboratories and academic institutions for assistance.
- e) The expansion of wastewater surveillance testing capacity is also dependent on improved networks between different spheres of government, the private sector and academic institutions.
- f) It was noted that sewerage spills and leaks are far more common in townships than in urban areas. The delegation wanted to know whether the sewer networks developed in both areas are the same.
- g) The delegation enquired about past drought experiences, and whether the Provincial administration believes that it will be faced with a “Day Zero” scenario for water supply again.
- h) The delegation noted that the presentation focused on the development of protocols to test for the presence of SARS-Covid variants in wastewater, and wanted to know whether there was any monitoring of other diseases taking place before the Covid-19 pandemic.
- i) In terms of the mushrooming of informal settlements in the Province, the delegation sought to determine how this development impacts on the data collected, and what parameters the institute measures in informal settlements. The degree of confidence in the results obtained were also questioned.
- j) Clarity was sought regarding the sampling area employed for water quality monitoring and whether the focus is at individual settlement level or wider areas. The delegation also requested further detail regarding any observed differences in water quality across the Metro.
- k) The Metro was asked whether other pathogens and contaminants were commonly recorded in the Metro, and whether a list of these is available for areas of interest.
- l) Dunoon was highlighted as an area where major sanitation challenges exist. In particular, the area directly next to the N7 is of concern, and City Management was asked what will be done about the situation.

- m) The migration of people into the Metro puts significant pressure on municipal infrastructure, although the challenge is not limited to the Metropolitan area. The delegation wished to know whether municipal planning initiatives also focuses on outlying municipalities or only the Metro.
- n) The monitoring of wastewater for the incidence of pathogens was noted. The delegation wished to know whether this took place before the Covid-19 pandemic, and whether the monitoring is unique to the COCT or also performed in other parts of the country. If only practiced in the Metro, the delegation wished to know what is being done to expand this capacity to the rest of the Country.
- o) It was remarked that it is understandable that the municipality should invest in the protection of wastewater infrastructure, but that ultimately, the Municipality need to ensure that citizens value and protect critical infrastructure. The delegation wished to know what initiatives the Municipality is implementing to achieve this.
- p) The challenge of maintaining ageing infrastructure while having to expand services for a growing population was acknowledged, and the Municipality was asked whether it is possible to continue connecting new services to older infrastructure or if, at some point in time, all the older infrastructure will have to be replaced. Linked to the focus on ageing infrastructure, City Management was asked to elaborate on how it is dealing with water losses from its infrastructure.

3.1.2. Recommendations

- a) The delegation notes that access to safe drinking water and sanitation services need to be properly budgeted for at the national level. Current funding models for this responsibility is insufficient for maintenance purposes and the need to increase service delivery capacity as a result of urbanisation. This shortfall needs to be addressed within the NCOP during relevant budget review processes.
- b) The NCOP, in its public engagement role and in conjunction with relevant national departments identifies the need to strengthen public engagement processes required to increase awareness of the critical need for water and wastewater infrastructure, the value of these systems to communities and the need to reduce vandalism of critical infrastructure that provincial and local governments rely upon for service delivery.

4. OVERSIGHT VISITS

4.1. TYGERBERG DISASTER MANAGEMENT CENTRE

4.1.1. Observations

- a) The Centre has at least ten major risks, as contained in a Risk Register, to monitor. The impact of floods and droughts, impacts associated with load shedding above Stage 7, increased risk as a result of higher volumes of hazardous materials transported along N1 and N2 corridors are some of the major risks monitored.
- b) Close cooperation with government departments such as the DoWS is essential, as the Centre relies on the integration of weather forecasts and severe weather warnings from the DoWS into its own operations.
- c) Due to the massive costs and specialised nature of disaster response, personnel from the Disaster Management Centre assist both national and international in disaster response missions. The three coastal provinces of South Africa also have a Memorandum of Understanding in place and co-operate with disaster response activity and share resources.
- d) Close co-operation with the private sector is also required. As an example, a large disaster response would require access to large and reliable supplies of fuel for vehicles and generators. There is a need to protect such infrastructure but also the have access to critical resources supplied by the private sector during a response.
- e) While disaster events are seldom predictable, the Centre plans for generic risks, and have default summer and winter readiness plans. Quarterly meetings are held with stakeholders from all spheres of government to build partnerships and ensure response readiness.
- f) While the City of Cape Town and the Provincial Government is able to provide funding for much of the Centre's infrastructure and activity, there are some expenses that are simply too high to absorb. The government is able to contract two helicopters to be on stand - by year - round at a cost of R20 million per year, but extensive use of helicopters in disaster response is not possible.
- g) Disaster response also includes the recovery phase. Costs incurred during disaster response can be recovered through National Treasury if the correct process of damage assessment and

verification is followed, although the Provincial Government also have to release funds in order to qualify for Treasury assistance.

- h) Working for Fire, Working for Water and sea-based emergency response costs are significant and requires investment from National Government. Large - scale responses such as what was required during the Knysna fires, or the distribution of hazardous material spill response infrastructure along the N1 and N2 corridors cannot be funded with provincial allocations alone.
- i) Unexpected disaster responses are often modifications of planned scenarios but are all approached in the same manner. This includes determining the scale of the disaster and managing the disaster response in steps informed by resource requirements. Major disasters require national and even international co-operation.
- j) A Disaster Response Plan's development was inclusive of rural communities. Interviews with individuals familiar with an area generate valuable local knowledge that is combined with scientific data. The Province further invested R150 million on firefighting vehicles designed for rural applications, together with training, in order to improve the response capacity of local municipalities.
- k) Not all aspects of the disaster response and recovery are performed by provincial government and district municipalities. Road repairs, for instance, are influenced by the type of road (national or regional), while Departments such as Human Settlements are responsible for other aspects of the response.
- l) COCT has invested in simple smoke detectors to be installed in informal settlements of which 5000 have already been installed.

4.1.2. Executive Undertakings

- a) The delegation requested a copy of the Western Cape Provincial Disaster Management Plan and hard copies of the Plan were supplied to members at the Disaster Management Centre.
- b) Officials from DLG committed to following up with City of Cape Town on the fate of the fire packs that used to be positioned in informal settlements to assist with firefighting.

4.1.3. Recommendations

- a) The delegation supports the need to address the unfunded mandate for provincial and local governments related to disaster response as per the Disaster Management Act 57 of 2000.
- b) The delegation supports the need to ensure that critical posts in local government disaster management functions are secured financially and not frozen or reduced in cases of budget reductions.
- c) The delegation shares concerns related to government funding of critical national programmes such as WfW and WfF, and the need to motivate within the NCOP for adequate spending on these programmes not only for job creation opportunities, but also to ensure the reduction of flood and fire disaster risks facing coastal provinces where these programmes are needed.

4.2. POTSDAM WATER TREATMENT PLANT

The site summary is as follows:

- a) Inlet works: Two of three drum screens refurbished, one of two rake screens, one of two degritters paddle repaired and both cleaned, and the building roof has been replaced.
- b) Primary Sedimentation Tanks (PST): Four of five PSTs refurbished, currently busy with fifth PST, settled sewage sump wall recoated and settled sewage pumps serviced.
- c) Reactors: Eight plant transformers replaced, five aerators refurbished, and four mixers refurbished.
- d) Secondary Settling Tanks (SST): Two SSTs brides drive units refurbished, eight splitter box overflow drain to reactors, all Return Activated Sludge (RAS) pumps speed control optimised and one RAS pump replaced.
- e) Ponds: Cleaning and refurbishment scheduled, eight bypass discharge pipe outlet moved and suction pipe collection chamber constructed to prevent pond solids capture and ensure better quality treated effluent.
- f) Reed beds ponds: Pond 1 and 2 valves installed; Pond 1 capacity increased with embankment wall installation.

- g) Administration buildings: Laboratory upgrade and additional office space for personnel.
- h) Plant Access control: New access control building for security and additional parking have been catered for.
- i) Plant site fence: Perimeter wall repaired and repainted.
- j) Plant management: Plant and Assistant Plant Manager appointed August 2022.

4.2.1. Observations

- a) Potsdam is an ageing Wastewater Treatment Works (WWTW), with various equipment and infrastructure requiring replacement. The Plant has two treatment trains being Train 1: 8 Plant and Train 2: 97 Plant. The last infrastructure upgrades that took place were in 2008. Equipment and infrastructure failure occurs frequently leading to a decline in effluent compliance. The operations management team has performed various interventions such as mitigation measures to improve performance of various process stages which will lead to the overall effluent quality improvement at Potsdam WWTW.
- b) The new Plant will employ modern membrane technology which will guarantee superior quality effluent. There are planned capital upgrades for Potsdam WWTW which will increase the capacity of the works as well as replace and refurbish old infrastructure and equipment. This will continue to optimise plant operations to produce the best possible effluent quality considering the plant is ageing and that the upgrade is set to commence in the latter half of 2023.
- c) The current status of the CAPEX upgrades is estimated at approximately R5 billion.
- d) Plans are in place to develop the Plant further to cater for an increase in demand for water. Plans are in place to build a Massive Membrane Bioreactor and the ultra-saturation process will add to the volume of available water.
- e) A study was completed to determine the lifespan of the plant, which showed that the current plant has a 20 to 30-year lifespan. There are plans for future expansion which will be dependent on the budget available. Residents in the City of Cape Town will benefit from the development of the plant as more water will be made available for use by industry which reduces the strain on our freshwater reserves.

- f) The water coming from the plant isn't drinkable, however it is utilised by several industries e.g.: Chevron Refinery and SAPPI.
- g) The project to develop the plant further was initiated in 2010. Due to circumstance beyond the City of Cape Town's control the project was delayed for several years. The design was developed in consultation with various stakeholders including engineers and experts in the field.

4.2.2. Recommendations

- a) Members of the delegation were invited to visit the plant upon completion of construction.
- b) The delegation notes the fact that this wastewater treatment facility is running out of space within which to expand yet has to service an ever - increasing population catchment. In order to improve service delivery, provincial and local authorities have to upgrade to more efficient treatment technologies, which not only requires significant capital expenditure but also increases operational costs. The financial burdens this place on provincial and lower spheres of government needs to be adequately addressed during NCOP budgeting processes, with a particular focus on provincial and local government infrastructure grant allocations.
- c) The delegation notes the increased need for wastewater recycling to conserve available water resources in water-stressed municipalities. In order to achieve this, provincial and local government needs to invest in treatment technology and reticulation infrastructure. The financial resources for such recycling and re-use activity need to be motivated for within the NCOP budget process, with a particular focus on provincial and local government infrastructure grant allocations.

COMMITTEE REPORTS

National Assembly

1. The Budgetary Review and Recommendation Report (BRRR) of the Portfolio Committee on Basic Education on the performance of the Department of Basic Education for the 2022/2023 financial year, dated 14 November 2023.

The Portfolio Committee on Basic Education, having considered the performance of the Department of Basic Education, reports as follows:

1. Introduction and mandate of the Committee

1.1 Purpose of the BRRR

In terms of Section 5 of the Money Bills Amendment Procedures and Related Matters Act, No. 9 of 2009 the National Assembly, through its Committees, must annually compile the Budgetary Review and Recommendation Reports (BRRR) that assess the service delivery performance of departments given available resources. Committees are also expected to provide an assessment of the effectiveness and efficiency of the Department's use of available resources and may include recommendations on the forward use of resources. In this regard, the BRRR is a source document for the Committees on Appropriations when considering and making recommendations on the Medium Term.

1.2 The role and mandate of the Portfolio Committee

The Portfolio Committee on Basic Education as an extension of the National Assembly is mandated by sections 55 and 92 of the Constitution of the Republic of South Africa (Act 108 of 1996) and the Rules of Parliament to oversee the activities and performance of the Department of Basic Education and its two statutory bodies, namely, the Council for Quality Assurance in General and Further Education and Training (Umalusi) and the South African Council for Educators (SACE). In this context, the Portfolio Committee on Basic Education focuses its work within the five constitutional mandates of Parliament, which are to process and approve legislation, conduct oversight, ensure public participation, process international agreements, and facilitate co-operative governance. In addition to performing these constitutional mandates, the Committee engages in various activities and programmes focussing on the development and delivery of quality public education to all South Africans.

The Committee also deals with matters referred to it by the Speaker or the National Assembly.

1.3 Core functions of the Department of Basic Education

The Department of Basic Education (DBE) derives its mandate firstly from the Constitution of the Republic of South Africa (1996), which requires education to be transformed and democratised in accordance with the values of human dignity, equality, human rights and freedom, non-racism, and non-sexism. The Constitution guarantees access to basic education for all, including adult basic education. Secondly, the National Education Policy Act, 1996 Act 27 of 1996 (NEPA), inscribes into law the policies for the national system of education, the legislative and monitoring responsibilities of the Minister of Education, as well as the formal relations between national and provincial authorities. In terms of the NEPA, the DBE's statutory role is to formulate national policy, norms, and standards as well as to monitor and evaluate policy implementation and impact.

In line with its mandate, the Department has a vision of a South Africa in which all people will have access to lifelong learning, education, and training opportunities, which will, in turn, contribute towards improving the quality of life and building a peaceful, prosperous, and democratic South Africa.

In fulfilling its mandate over the next five years, the Department is guided by the 2019-2024 Medium Term Strategic Framework (MTSF) designed to reflect the actions outlined in the National Development Plan (NDP).

1.4 Processes followed by the Portfolio Committee in arriving at the report.

In compiling its BRRR, the Portfolio Committee on Basic Education assessed the performance of the Department of Basic Education with reference to the following:

- The strategic priorities and measurable objectives as set out in the 2020/21 strategic plan.
- Expenditure trends drawn from the reports of the National Treasury.
- The 2021 State of the Nation Address priorities.

- The reports of the Auditor-General of South Africa and the reports on the 2021/22 Budget Vote.
- The financial statements and annual report briefings, in terms of Section 65 of the Public Finance Management Act No. 1 of 1999, which requires the Ministers to table the Annual Reports and financial statements for the Department and public entities before Parliament.
- Findings of the Portfolio Committee's oversight visits, including quarterly briefings.
- External sources assessing the performance of the Department.

1.5 Method

In reviewing the work of the education portfolio (Department of Basic Education and its 2 entities SACE and Umalusi) for the 2022/23 financial year, the Committee placed emphasis on the following:

Overall performance based on the allocated budget as reflected in the annual reports of the portfolio.

Presentations by the Department and entities to the Committee on their annual reports.

- Report of the Auditor-General on the basic education portfolio.

Presentation by the Auditor-General to the Committee.

Responses of the Department to the BRR report of 2022.

The briefings on the annual performance and financial statements of the Department took place in Parliament. Also, the Portfolio Committee met with the Office of the Auditor-General of South Africa (AGSA), the Finance and Fiscal Commission (FFC) and the Audit Committee of the Department of DBE on 17 October 2023 for a briefing on the Audit Outcomes for the Department of Basic Education. Further, the Committee held meetings with the Department of Basic Education (DBE) and its two entities i.e., Umalusi and SACE on 18 October 2023 for briefing on the Annual Report, in meetings its Strategic Objectives 2022/23.

1.6 Contents of the Report

This report provides an analysis of the financial and programmatic performance of the Department of Basic Education and its entities i.e., Umalusi and SACE, and due consideration is taken on the budget allocated as well as revisions made to respective Annual Performance Plans and where relevant, commentary has been provided in this regard. Moreover, the report not only reflects on the Annual Reports but examines the Committee's engagement with the entities for the year under review as well as the Quarter 1 2023/24 performance and what needs to be taken into consideration going forward. The report concludes with key observations and recommendations made by the Committee having engaged with the Department, Umalusi, South African Council of Educators (SACE). The Auditor General of South Africa (AGSA) and Fiscal and Fiscal Commission (FFC) inputs on Audit and Risk references to the Committee for each of the entities are also taken into consideration in the BRRR report.

2 Overview of the Service Delivery Environment

In respect of the Legislative Mandate, the National Education Policy Act (Act 27 of 1996) (NEPA) inscribes into law the policies for the national system of education, the legislative and monitoring responsibilities of the Minister of Education, as well as the formal relations between national and provincial authorities. The statutory role of the Department was to:

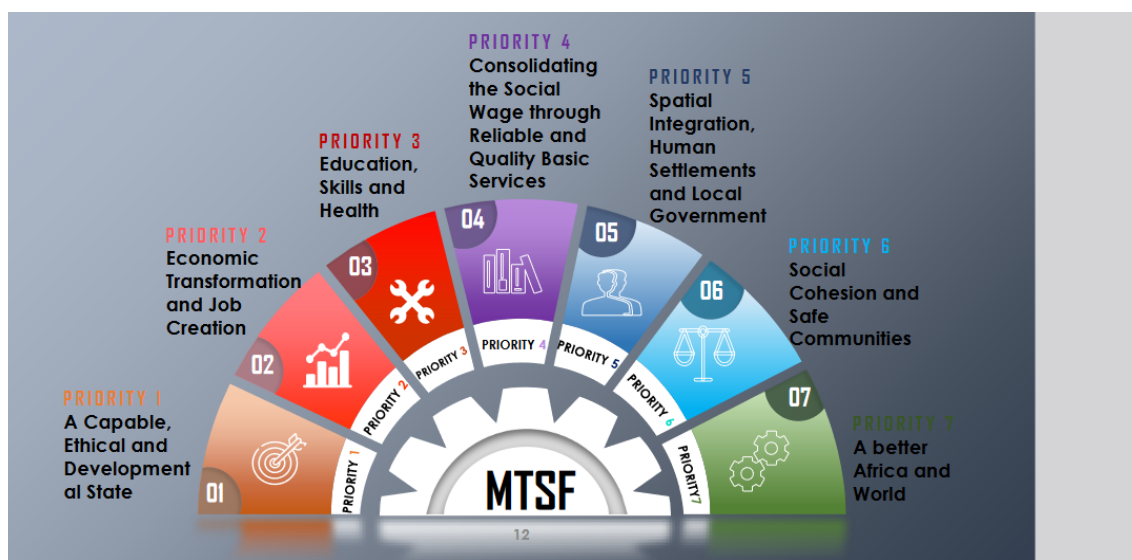
- Formulate policy, norms, and standards.
- Monitor and evaluate policy implementation and impact; and
- Lead the provision of the rights to basic education.

The delivery environment requires that the Department focuses on technical leadership, oversight, and the setting and maintenance of norms and standards in the basic education concurrent function. There are factors that influence the plans and activities of the Department. Such plans are covered in the government mandates namely the National Development Plan (NDP), 2019-2024 Medium Term Strategic Framework (MTSF), and the *Action Plan to 2024: Towards the Realisation of Schooling 2030*. Departmental Outcomes are linked to the six (6) priority areas of the sector as approved by the Council of Education Ministers (CEM) and 2019-2024 Medium Term Strategic Framework (MTSF).

3. Overview of the Key Policy Focus Areas

3.1 The National Development Plan (NDP), Vision 2030

There are factors that influence the plans and activities of the Department, and such plans are covered in the government mandates namely the National Development Plan (NDP), 2019-2024 Medium Term Strategic Framework (MTSF), and the Action Plan to 2030: Towards the Realisation of Schooling 2030.



Source: (MTSF Priorities 2019-2024)

3.2 The Medium-Term Strategic Framework 2019-2024 Outcomes Education

The Department's Strategic Plan Outcomes are linked to the 2019-2024 Medium Term Strategic Framework outcomes. The MTSF 2019 – 2024 Education Priorities were as follows:

- Outcome 1: Improved school-readiness of children.
- Outcome 2: 10-year-old learners enrolled in publicly funded schools read for meaning.
- Outcome 3: Youths better prepared for further studies and the world of work beyond Grade 9.
- Outcome 4: Youths leaving the schooling system more prepared to contribute towards a prosperous and equitable South Africa; and
- Outcome 5: School physical infrastructure and environment that inspires learners to learn and teachers to teach.

3.3 Significance of the State of the Nation Address (SONA) February 2022

During the State of the Nation Address, His Excellency, the President Mr Cyril Ramaphosa set the key government priorities and deliverables for the year. For the 2022 SONA, he outlined the following policy objective that have a bearing the basic education sector:

- **School Infrastructure:** The President noted it is imperative to introduce an innovative social infrastructure delivery mechanism to address issues that afflict the delivery of school infrastructure. The mechanism will address the speed, financing and funding, quality of delivery, mass employment and maintenance.
- **Learning Recovery:** Government would forge to return to normal educational activity and work harder to ensure that all learners and students get the quality education they need and deserve.
- **Teaching Assistants:** SONA 2022 emphasized the need to consider employment program of half a million young people as education assistants, making it the largest youth employment programme ever undertaken in our history.

Aligning SONA priorities of previous year (2021), the Presidential pronouncements highlighted the following:

- **Early Childhood Development:** “The need to give attention to issues affecting children including improving school readiness, ECD planning and funding.
- **Learning Disruptions and Issues affecting Learners:** The priority to regain lost time and improve educational outcomes, from the early years through to high school and post school education and training.
- **Early Learning reading and Numeracy**
- **Improving School readiness and safety**

3.4 Strategic Priorities of Basic Education for 2022/23 APP

The detailed overview of the department Strategic plan 2020/21- 2024/25 sets the tone for key DBE priorities as outlined in the 2022/23 Annual Performance Plan (APP). The APP outlines what the Department intends to do, in the financial year and during the MTEF period, to implement the Strategic Plan. The Department developed the 2022/23 Annual Performance

Plan in the context of the COVID-19 pandemic. The impact of COVID-19 has been devastating for parents, learners, communities, teachers, and staff since the unpredicted closures of schools and the unplanned disruptions to teaching and learning, resulted in the reversal of the teaching and learning gains made in the last 20 years. The DBE planned to double down on focus areas of sector priorities that flow from the broader government priorities. The Department continue to re-emphasise its focus on the six (6) priorities:

- a) Improving foundational skills of Numeracy and Literacy, especially reading, which should be underpinned by a Reading Revolution.
- b) Immediate implementation of a curriculum with skills and competencies for a changing world in all public schools (Three- Stream Curriculum Model, Fourth Industrial Revolution, Entrepreneurship, Focus Schools, etc.)
- c) Deal decisively with quality and efficiency through the implementation of standardised assessments to reduce failure, repetition, and dropout rates; and introduce multiple qualifications, such as the General Education Certificate before the Grade 12 exit qualification.
- d) Urgent implementation of two years of Early Childhood Development (ECD) before Grade 1, and the migration of the responsibility for the Department of 0-4-year-olds from the Department of Social Development to the Department of Basic Education.
- e) Complete an integrated Infrastructure Development Plan, informed by infrastructure delivery; and regular maintenance, which is resourced; and
- f) Work with the Departments of Sport and Recreation, Arts and Culture, Health, and the South African Police Services to teach and promote Social Cohesion, Health, Psycho-social and School Safety

3.5 DEPARTMENT OF BASIC EDUCATION RESPONSE TO 2021/22 BUDGETARY REVIEW AND RECOMMENDATIONS REPORT (BRRR).

Portfolio Committee Recommendations

Based on the observations made from inputs received, the Portfolio Committee recommended that the Minister should ensure that the Department of Basic Education consider the following recommendations:

Ensure that the DBE Internal Audit Committee is adequately resourced, capacitated and

staffed to be more effective.

BRANCH ODG

- a. The Director – General has approved the sourcing of the panel of service providers to provide additional support to the Internal Audit Directorate in the department. The panel of service providers was appointed in Mid-October 2022.
- b. The Human Resource as part of the review of the organizational structure they are addressing the concerns raised by the Audit Committee and subsequently raised by the Portfolio Committee

- *The Department needs to review the current audit committee structure to improve on performance.*

BRANCH ODG

- c. The Human Resource as part of the review of the organizational structure they are addressing the concerns raised by the Audit Committee and subsequently raised by the Portfolio Committee

**Tackle the challenges with Implementing Agents, address such challenges through the necessary systems put in place to prevent reoccurrence of irregular expenditure.*

BRANCH I

1. About 20 different implementing agents have been used since the start of the ASIDI & SAFE programmes.
2. Some of these implementing agents procured service providers and implemented their allocated projects without any major challenges.
3. Some, however, frustrated the process and the following action was taken:
 - a. No additional projects were allocated to them.
 - b. In some instances, current projects were taken away and re-allocated to performing implementing agents.
 - c. In extreme cases, the MoA with the poor performing implementing agent was terminated.
4. The DBE conducted assessments of all the procurement processes followed by the appointed implementing agents. The following examples of non-compliance were identified:
 - a. Tender advertised for less than 21 days.

- b. Requirement for local content not included in tender document.
 - c. IAs performed certain PSP services that was not in line with the MoA.
 - d. Non-compliance with SCM Policy, PFMA, NT Regulations and Preferential Procurement Act
 - e. Non-compliance to CIDB regulations
 - f. Expenditure incurred whilst IPIP was not signed by the Accounting Officer
 - g. Digital procurement process during COVID excluded potential bidders due to system challenges.
 - h. Tender award process - not always awarded to lowest bidder (findings are being challenged)
5. The DBE also conducted working sessions with the OCPO, AGSA & CIBD to ensure a common understanding of the SCM requirements.

Some implementing agents disputed the findings of non-compliant SCM processes and submitted evidence for condonation from OCPO. This is on-going and some implementing agents were granted condonation

****The Department must ensure that adequate consequence management is implemented against any errand officials and Implementing Agents. The Department should further consider having repeat offenders charged or expelled from service.***

BRANCH I

1. DBE internal audit has investigated several instances of fruitless and wasteful expenditure. These cases are still in progress.
2. DBE identified the following areas of poor performance of implementing agents:
 - a. Planning and design
 - b. Procurement
 - c. Construction
 - d. Contract administration
3. DBE initiated action to identify the specific individuals and companies that failed to perform in these areas, for example:
 - a. Principal agents that failed to prepare final accounts.
 - b. Architects and engineers that failed to prepare working drawings.
 - c. Contractors that failed for proceed with due skill, diligence, regularity, and expedition to bring the works to practical completion.
4. DBE is currently drafting documents in line with the PFMSA SCM Instruction Note 03

of 2021/22 to restrict defaulting service providers from doing business with Government.

****Ensure PEDs are held accountable/sanctioned for non-compliance with submitting relevant information and data to the Department timeously. For effective compliance, the Department must support and provide assistance to non-complying PEDs.***

BRANCH BI and A

All Branches that receive data/information/reports from PEDs have to respond.

Strategic Planning works with PEDs on the development of Standardized Indicators and non-compliance is escalated to the Director-General through the Memo/submission.

EMIS receives data/information/reports from PEDs every quarter based on data collections received from schools, according to the EMIS Calendar that was approved by HEDCOM and communicated to the HOD. PED EMIS implementation and functionality are also monitored when PED's give feedback report of their PED Business Plans at the BI Sub-HEDCOM meetings. DBE also monitor these functions in the provinces onsite and report in APP 4.2.5. It was noted during the last APP 4.2.5 monitoring, that the EMIS budget cuts will be a risk when providing data/ reports.

****The Department should strengthen its monitoring and support for PEDs and consider a single de-centralised system for the roll-out of the NSNP for all provinces.***

****Initiate and convince those utilising the centralised system to change to a de-centralised system.***

BRANCH S

1. Strengthen Monitoring & Support to PEDs

The Department affirms that monitoring is a key responsibility at all levels of the NSNP implementation. At National level, the Department will continue to adhere to an annual monitoring target of 135 schools to validate or triangulate data and ensure compliance by PEDs. The bi-annual inter-provincial meetings are another platform used for PED support and

accountability.

At the provincial level, there are monitoring plans at field worker, district and PED levels which translate into monthly provincial plans to be effective. The DBE will continue to assess the performance of PEDs on a quarterly basis against their monitoring targets.

The Department will continue to explore a real-time technology-based monitoring system.

2. A single De-centralised delivery model

The Education Sector Audit on the National School Nutrition Programme at the Department of Basic Education for the financial period ended 31 March 2022, has highlighted “some significant deficiencies” in both the centralized and decentralized models that are being addressed through Action Plans in cooperation with PEDs. A de-centralized model may not be the most efficient model until the Department invests in a cost-effective information technology (IT) based monitoring system that provides real-time data for the day-to-day implementation. This is against the backdrop of a large-scale programme of 21 000 schools that entails a day-to-day operation with potential to either succeed or fail with all considerations of a value-chain system.

The Department will continue to review both delivery models and explore an IT based monitoring system to strengthen day-to-day monitoring system.

Due to the concurrent functions, the Department will, continue to engage and advise the Council of Education Ministers (CEM) and the Heads of Education Departments Committee (HEDCOM) in terms of the National Education Policy Act, No. 27 of 1996, on the most effective delivery model for a policy directive and further explore alternative models through the inter-sectoral/departmental fora, such as, the Food and Nutrition Security Plan Task Team (FNSP) led by the Department of Planning, Monitoring and Evaluation (DPME) within the Presidency.

****Submit a report to the Portfolio Committee 60 days after the adoption on the following:***

RECOMMENDATION	RESPONSE
A detailed report on fruitless and wasteful expenditure investigations underway.	BRANCH ODG (Attached as a power-point presentation).
A detailed report on research	BRANCH BI

<p>projects completed – and envisaged new research projects.</p>	<p>Completed and ongoing research projects undertaken by the Directorate: Research Coordination, Monitoring and Evaluation</p> <p>December 2022</p> <p><i>The Second Early Grade Reading Study (EGRS II):</i> The EGRS II is a departmental collaboration with the United States Agency for International Development (USAID) and the University of the Witwatersrand. The study entails a three-year language literacy intervention and forms part of a series of studies initiated by the Department of Basic Education (DBE) to build evidence about what works to improve the learning and teaching of early grade reading in South African schools. The structured learning programme in Mpumalanga targeted the instructional practice of teaching English as First Additional Language (EFAL) through the support of coaches along with the added benefit of receiving enhanced Learning and Teaching Support Material and term training. This project was completed in 2021.</p> <p><i>Early Grade Reading Programme (EGRP):</i> The EGRP is a three-year intervention which is characterised by a roll-out of high-quality teacher professional development support across Grades 1 to 3 in all eligible Setswana Home Language non-fee paying (quintile 1-3) primary schools of the Dr Ruth Segomotsi Mompati (DR RSM) district, in the Northwest province from January 2021 through to December 2023. The programme is being implemented in 140 schools in the Dr Ruth Segomotsi Mompati district in the North-West Province in three sub-districts: Greater Taung, Naledi, and Kagisano Molopo. The teachers in this intervention programme are given access to structured lesson plans, Learner Teacher Support Material (LTSM) and receive onsite teacher training in Setswana (HL) and English First Additional Language (EFAL) four times a year. The programme is being evaluated</p>
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	<p>using a range of quantitative and qualitative methodologies. In a sub-set of schools, it is being investigated whether Heads of the Foundation Phase can be trained to provide reading coaching to their Foundation Phase teachers, in a way that is as cost-effective as externally provided reading coaching.</p> <p><i>ECD Deep Dive:</i> The Directorate worked with the LEGO Foundation to conduct a deep dive qualitative study to enhance the sector’s understanding of the current implementation of the National Curriculum Framework for Children from birth to four (4) years.</p> <p><i>Early Grade Reading Benchmarks:</i> The RCME Directorate is leading the development of reading benchmarks in all African languages. Since our languages have different linguistic and orthographic features, these benchmarks cannot simply be inferred from existing benchmarks in another language such as English. These will provide teachers, policy makers and the broader public with a way to understand reading progress in the early grades in the particular languages in which children learn to read.</p> <p><i>General Household Survey:</i> Each year the RCME Directorate publishes a report on the education-related information contained in STATS SA’s annual General Household Survey (GHS). The latest GHS report covering data collected in 2020 and 2021 will be finalised in early 2023.</p> <p><i>School Monitoring Survey:</i> The third School Monitoring Survey (SMS) is currently underway and is due to be launched in 2023. This survey was previously completed in 2011 and 2017. It consists of a nationally representative survey of about 2000 schools and collects information to allow the DBE to report against the various goals and indicators contained in the sector plan, titled, “Action Plan to 2024: Towards the realisation of schooling 2030”.</p>
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	<p><i>Research Agenda and Research Repository:</i> The DBE has published a Research Agenda and a Research Repository on the DBE website. The agenda aims to guide and encourage all researchers in the sector to contribute to those topics that are of most relevance to the current policy and planning needs of government. The repository makes certain research reports that have been undertaken or commissioned by government available to the public.</p> <p><i>Early Grade Mathematics Research Project (EGMRP):</i> The DBE, through the RCME directorate, initiated the EGMP in 2017. The EGMP seeks to build evidence of effective interventions to improve the teaching and learning of Mathematics in the Foundation Phase, and to facilitate better evidence use in government policy and programme development. The early phases of this work involved a scoping study and review of mathematics research, as well as a design- and implementation evaluation of the pilot of the DBE Framework for TMU (Teaching Mathematics with Understanding). The project is currently busy with a review of early grade mathematics assessments and materials and hosting a series of Research Indabas.</p>
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****Ensure focused assistance and support for SACE to ensure better performance in producing credible audit reports.***

BRANCH T
<p>The Department of Basic Education meet with the officials from SACE on quarterly basis to reflect on matters linked to the implementation of the CPTD Management System and the extent of performance on the various programmes linked to this system. This oversight role provides advice on the following key areas:</p> <ul style="list-style-type: none"> • Budget spending, Professional Registration; Ethics/teacher conduct in schools and taking steps to address identified challenges, Professional Development, Professional

Teaching Standards, and Research.

Additional measures that have been put in place to ensure credible audit outcomes, includes the deployment of skilled officials by the DBE to work with SACE in achieving its mandate and these include:

- Dr M Pillay.
- Ms V Hofmeester.
- Professor Gravett, University of Johannesburg.
- Advocate P Loselo; and
- Dr J Joshua.

The above listed officials are deployed across the various programmes which are at the heart of SACE's mandate, including the monitoring of audit outcomes. As a way of strengthening performance in producing credible audit reports, the DBE will have regular briefing and work sessions with all of the above listed officials where matters that are linked to the development of credible audit reports will be addressed. In addition, discussions will be held with the Finance section in the DBE with a view to getting this Unit in the DBE to work closely with SACE on audit outcome matters.

- Engage with National Treasury, for a more sustained BEEI initiative for a longer period.

BRANCH T

The Department of Basic Education received funding for 2023/24 from National Treasury. Since BEEI require huge some of allocation/funds to sustain the programme, the Department will through DBE CFO engage the National Treasury on other possible funding solutions that will support long term implementation of BEEI.

4.4.32 Portfolio Committee Recommendations

Based on the observations made from inputs received, the Portfolio Committee ordered that the Minister should ensure that the Department, in collaboration with the AGSA, must consider the following recommendations:

- Ensure that SACE is supported and guided to improve on audit outcomes – with consequence management enforced against errant officials, 30 days after the adoption of this report.

Strategic Planning supports and guides SACE through conducting analysis and providing feedback on Quarterly reports and the Annual Performance Plan. Strategic Planning convened a meeting on 6 December 2021, after the 2020/21 Audit to guide SACE on how to address the findings. For 2023, SPR will collaborate with Branch T on the quarterly meetings scheduled with SACE to address planning and reporting matters, including addressing audit findings.

- SPR has conducted an analysis of the SACE audit findings, comparing 2020/21 and 2021/22. The analysis shows a slight improvement in 2021/22 as there is no limitation of scope which was raised in 2020/21.
- SACE has already implemented consequence management by not rewarding the programme managers which received misstatements with performance bonus.
- The Council has enforced the non-compliance letters for all indicator owners who could not meet their performance targets during the second quarter of 2022/23 by serving them with letters as part of consequence management.
- The council has established an independent internal oversight committee that perform non-performance improvement plan and interventions proceedings, the committee has terms of reference, charter, and an annual plan.

The internal audit unit has improved its intervention whereby a full-time resource is dedicated to performance information to ensure completeness.

Ensure that SACE is able to comply and implement AGSA recommendations, action plans and findings with immediate effect and that SACE reports back to the Portfolio Committee on implemented recommendations 90 days after the implementation of this report.

At the meeting with SACE on 6 December 2022, Strategic Planning recommended that SACE has an Audit Action Plan in place and have a dedicated person to monitor it on monthly basis.

- Council developed an Audit Action plan metrics that is measured and reported on quarterly.
- Audit Action plan aligned with each AGSA Audit recommendations.

- After receiving the Audit Report, based on recommendations, the Council had a 4-day Planning session to rectify and align all findings per each indicator.

SACE is complying with the DPME 2022/23 quarterly report guidelines and ensured that the internal audit provide an audit report and certificate before submission to DBE and DPME.

- AGSA be given more powers to enforce audit findings and recommendations to be implemented by entities.
- Consequence management must be enforced on entities who do not submit relevant information timeously.

See above section

4.5.3.16 Portfolio Committee Recommendations: SACE

Based on the observations made from inputs received from Umalusi and SACE, the Portfolio Committee recommends that the Minister should ensure that the Department of Basic Education, in collaboration with Umalusi consider the following recommendations:

- In collaboration with the Department and AGSA, ensure SACE received focussed attention on underperformance and inadequate audit reporting as well as setting of targets.

- Council internal Audit has already performed performance audit for Quarterly Performance Reports on first and second quarters of 2022-2023.
- The Internal Audit certificate and report is provided for each quarterly report.
- SACE held a 2-day APP 2023/24 session which each programme made inputs.

The draft 2023/24 APP targets were reviewed in line with the historical data.

- Ensure SACE is able to implement any findings and recommendation of AGSA timeously.

- The council developed an Audit Action plan metrics that is measured and reported on quarterly.
- Audit Action plan is aligned with each AGSA Audit recommendation.
- The Council hosted a 4-day Planning alignment with Programme 4 personnel to rectify and align all findings per indicator.

- ***Ensure utilisation of unemployed teachers in the system with added training and development in specialised subjects before consideration is given to employ Foreign Educators.***

SACE is not responsible for the employment or supply and utilisation of teachers.

- ***Ensure a customer survey is done on teachers using the walk-in centres or online portal for registration.***

This is currently being implemented by SACE for purposes of addressing various matters such as registrations, addressing queries which are brought by teachers and many others

- ***Ensure the turnaround time, for on-line registration was reduced.***

SACE is working on the improvement on turn-around time and visible results have started to emerge. While noting the progress that is made, it needs to be mentioned that the reduction of turnaround time should be done cautiously so that quality assurance of submitted documents is not compromised.

- * ***Ensure that SACE provide the Portfolio Committee with a detailed report on: Research findings regarding profiling of sexual offenders within the education sector***

The first report on factors that enhance the sexual misconduct cases in schools has been completed and shared with the Portfolio Committee Secretariat. SACE is currently working on further analysis-profiling sexual offenders according to their demographics. This report will be finalised by the end of the 4th quarter 2022/2023

- * ***Present findings of the analysis on misconduct cases researched by SACE, with recommendations***

This analysis will include misconduct cases received from 2020/2021-2022/2023. The analysis will have recommendations. This report will be available by the end of the 1st quarter 2023/2024.

- * ***Ensure adequate and fit-for-purpose training and development on 4IR is implemented***

This is part of the skill development processes.

****Ensure SACE develop a turnaround strategy on negative perceptions of the Council by teachers and the general public.***

The developed SACE Communication Strategy is already taking care of this issue.

- It is further recommended that SACE should take AGSA recommendations very seriously.
- SACE is taking the AGSA recommendations seriously. This was evident with the AGSA indicating that the audit of performance information for the 2021/22 financial year has positively improved and moved upwards.
- The SACE strategic plan outcome indicator for programme 1 is:
 - Percentage of internal and external audit recommendations implemented.

To date a total of internal and external audit recommendations is 45 and SACE has implemented 36 which translates to 87% achieved. This is indeed showing underperformance as the strategic plan target is 100%. SACE through internal audit and planning divisions will ensure that the lagging recommendations are implemented.

4. Programme of the Department of Basic Education

The Annual Performance Plan summarises the priorities of the Department. The activities of the Department have been structured into five programmes.

- Programme 1: Administration.
- Programme 2: Curriculum Policy, Support and Monitoring.
- Programme 3: Teachers, Education Human Resources, and Institutional Development.
- Programme 4: Planning, Information and Assessment; and
- Programme 5: Educational Enrichment Services.

The Annual Status Bar for indicators and target status indicates that the combined total of indicators for all programmes stood at 70 indicators with 63 targets achieved and 7 targets partially achieved.

Summary of Overall Performance of Indicators (2022/23) ¹

Table 1: Programme Performance Summary 2022/23

Programme	No. of indicators	Annual Targets	Biennial Targets	Biannual Targets	Quarterly Targets	Annual target status 2022/23		
						Not achieved	Partially achieved	Achieved
One	6	2	-	-	4	-	1	5
Two	31	29	-	1	1	-	3	28
Three	11	10	-	-	1	-	1	10
Four	16	15	1	-	-	-	2	14
Five	6	3	-	-	3	-	-	6
Total	70	59	1	1	9	0/70	7/70	63/70
Percentage	100%	84%	1.5%	1.5%	13%	0%	10%	90%

Sourced from DBE and modified, 2022/23

- The table illustrates overall performance where only 10 percent of indicators could not be fully achieved while 90 percent were fully achieved. The total number of indicators reflected in 2022/23 is 70 number, with 59 Annual Targets. DBE Annual target status of 90% across all of its programs is slightly increased by 9% as compared to 2021/22 period at 81%. As per table above, 10% of the targets are partially achieved, and there was no underachievement whilst in 2021/22, 6% of the annual targets were not achieved and 13% partially achieved. On a comparative note, the performance of 2022/23 is much higher than 2021/22 and remains favourable.

4.1 Annual Targets

4.1.1 Programme 1: Almost all indicator targets were fully achieved, other than indicator 1.1.4 whose target was partially achieved.

4.1.1.1 Annual Targets Partially Achieved

The reason submitted for the partially achievement is that the reports were submitted 4 days later than 45 days. Late submission of PEDs reports to DBE affected EIG and ECD. The SIBG report was also delayed for finalisation.

¹ DBE (2023)

4.1.2 Programme 2: Almost all indicator targets were fully achieved, other than indicator 2.1.4, indicator 2.3.3 and indicator 2.3.7 whose targets were partially achieved.

4.1.2.1 Annual Targets Partially Achieved

- Reasons advanced for not fully achieving these indicator targets are as follows:
 - 2.1.4 - The Annual National Report was approved after the reporting period (3 April 2023) due to various levels of verification and validation of reported performance in the reports.
 - 2.3.3 - Some schools were closed after the orders were placed and removed from the delivery list.
 - 2.3.7 - 49 special schools received ICT equipment, connectivity, and assistive devices, based on the availability of funding from Mobile Network Operators (MNOs). The DBE is the receiving department of a Universal Services Obligations Agreement (USOA) with DCDT and ICASA and the budget does not lie with the DBE.

4.1.3 Programme 3: Almost all the indicator targets were fully achieved.

4.1.3.1 Annual Targets Partially Achieved

- The only indicator whose target was partially achieved is 3.1.5 and the reason advanced for not fully achieving the target set is:
 - The Annual National Report was approved after the reporting period (20 April 2023) due to various levels of verification and validation of reported performance in the reports.

4.1.4 Programme 4: Almost all indicator targets were fully met, other than indicators 4.1.1 and 4.3.3 whose targets were partially achieved.

4.1.4.1 Annual Targets Partially Achieved

- Reasons advanced for partial achievements of the set targets are:

- 4.1.1 – One school (Ngozi) was cancelled due to a protracted community dispute regarding the location of the new schools. The Contractor cancelled the contract, and the IA accepted the cancellation in line with the provisions of the contract. Two schools had contractors who defaulted on their contractual obligations which led to delay in the completion of projects. The projects will be completed in the 2023/24 financial year.
- 4.3.3 – The appointed official was unfortunately not sent to the competency test timeously due to an administrative error linked to capacity challenges in the provincial department HR Unit. The official had acted for an extended period prior to the post being advertised and filled. Once the mistake was picked up, he was ultimately sent for the competency test. The results of the competency test are used as part of the development areas in his Performance Development Plan.

4.1.5 Programme 5: All indicator targets were fully achieved.

4.1.5.1 Annual Targets Over-achievement

- Indicator 5.1.4 and indicator 5.1.6 targets were overachieved.

4.2 Overview and Assessment of Service Delivery Performance

Service Delivery Programme Performance 2022/23

The Department's performance has significantly improved over the years, with the highest performance recorded in 2019/20 at 86% and the most recent 2022/23 reaching 90%. In 2021/22, 81% of the targets were achieved 13% were partially achieved with 6% targets not achieved. In comparison to 2022/23, 90% of the targets were achieved and 10% were partially achieved with 0% not achieved. This demonstrates an improvement of 9%. Infrastructure was a major challenge. Furthermore, the department has consistently achieved unqualified audit opinions moving from qualified audit opinion.

4.2.1 Programme 1: Administration – The purpose of Programme 1 is to manage and provide strategic and administrative support services to the Department. The Department detailed 5 Performance Indicators as follows:

- **Percentage of valid invoices paid within 30 days upon receipt by the Department:** The planned annual target was 100 percent. The Department was able to achieve this target with no deviations.
- **Number of reports on misconduct cases resolved within 90 days:** The planned annual target was for four (4) reports. The Department was able to achieve this target with no deviations.
- **Number of capacity-building programmes offered to the DBE officials:** The planned target was set at 14 programmes. The Department was able report actual achievement of 24 programmes offered – a positive deviation of 10 programmes. *The deviation is due to the higher demand for training.* Some of the training requests arose from the outcome of performance assessments where skills and training needs were identified.
- **The number of Schedules 4, 5 and 6 Conditional Grants Quarterly Performance Reports submitted to National Treasury (NT) 45 days after the end of each quarter:** The planned target was set at 28 reports. The Department’s actual achievement was only 20 reports. *A negative deviation of eight (8) reports.* The reports were submitted four (4) days later than the prescribed 45 days. Late submission of PEDs reports to DBE affected EIG and ECD. The SIBG report was also delayed for finalisation.
- **Annual Performance Plan (APP) approved by 31 March each financial year:** The planned target was for the 2023/24 APP to be approved by March 2022. The Department was able to achieve this target with no deviations.
- **Number of Quarterly Performance Reports submitted to National Treasury (NT) and the Department of Planning, Monitoring and Evaluation (DPME) 30 days after the end of each quarter:** The planned target was for four (4) Quarterly Performance Reports submitted to NT and DPME 30 days after the end of each quarter. The Department was able to achieve this target with no deviations.

The Department reported on further progress made in the key focus areas in Programme 1 in respect of the following:

- Staff Services and HR Support to Provinces.
- Training and Social Responsibility.

- Labour Relations.
- Legal Services.
- Legislative Services.
- Financial Services.
- Security and Asset Management.
- Supply Chain Management.
- Project Management.
- Government Information Technology Office.
- Donor Grant Management.
- Strategic Planning and Reporting; and
- Research Co-ordination, Monitoring and Evaluation (RCME).

4.2.2 Programme 2: Curriculum Policy, Support and Monitoring – The purpose of Programme 2 is to develop Curriculum and Assessment policies, monitor and support their implementation.

- **Number of Technical schools monitored for implementation of Curriculum and Assessment Policy Statements (CAPS):** The planned target was set at 18 schools. The Department was able to achieve this target with no deviations.
- **Number of learners per year obtaining subject passes towards a National Senior Certificate (NSC) or extended Senior Certificate (SC), including upgraded NSC, through the SCMP:** The planned target was set at 50 000 learners. The Department's actual achievement was 71 612 learners. A positive deviation of 21 612. The overall improvement in national matric results in the mainstream results in more young learners taking the SCMP to improve their subject passes.
- **Number of Children/Learners with Profound Intellectual Disability (C/LPID) using the Learning Programme for C/LPID:** The planned target was set at 3 927 Annually. The Department was able to achieve 4 381. A positive deviation of 454 learners. The DBE provided PEDs with additional guidance and documents to support the implementation of the Learning Programme for C/LPID and there has since been an increase in the number of learners using the Learning Programme in schools.
- **An Annual Sector Report is produced on monitoring on the implementation of the Policy on Screening, Identification, Assessment and Support (SIAS) as a mechanism for early identification and intervention:** The planned target was for an

approved Annual Sector Report on monitoring of the implementation of the Policy on SIAS as a mechanism for early identification and intervention. The actual achievement showed a draft Annual Sector Report produced. The Annual Sector Report was approved after the reporting period (3 April 2023) due to various levels of verification and validation of reported performance in the reports.

- **An Annual National Report is produced on the development of a new funding models for ECD:** The planned target was set at an approved Annual National Report on the review of the subsidy payment mechanism. The Department achieved this target with no deviation.
- **An Annual National Report is produced on conducting an ECD census to inform the integration of ECD into the Educational Management Information System (EMIS):** The planned target was set at an approved Annual National Report on conducting an ECD census to inform the integration of ECD into the EMIS. The Department achieved this target with no deviation.
- **An Annual National Report is produced on developing an ECD Human Resources Development plan.** The planned target was for an approved Annual National Report on piloting the new service delivery model and its workforce implications. The Department achieved this target with no deviation.
- **Number of Districts monitored on implementation of the National Curriculum Statement (NCS) for Grades 10 – 12:** The planned target was set at eight (8) districts. The actual achievement stood at 18 districts. A positive deviation of 10 districts. There were more underperforming districts than the 8 anticipated. As a result, the DBE increased the number to provide support to the additional districts.
- **Number of provinces monitored on extra support classes to increase the number of learners achieving Bachelor level passes:** The planned target was set at nine (9) provinces. The Department achieved this target with no deviation.
- **Number of schools monitored for implementing compulsory entrepreneurship education:** The planned target was set at 180 (20 per province). The Department actual achievement was 180 (20 per province – with no deviation).
- **An Annual National Report is produced on the implementation of the General Education Certificate (GEC):** The planned target was set at an approved Annual National Report on the implementation of the GEC. The actual achievement indicated

an Annual National Report is produced on the implementation of the GEC – with no deviation.

- **An Annual Sector Report is produced on schools that pilot and implement the Vocational Stream and Occupational Stream respectively:** The planned target was an approved Annual Sector Report produced on schools that pilot and implement the Vocational Stream and Occupation Stream respectively. The Department achieved this target with no deviations.
- **Number of schools monitored for piloting the Coding and Robotics Curriculum –** The planned annual target was set at 18 schools (2 per pilot province). The Department achieved this target with no deviation.
- **Number of schools monitored on the implementation of the reading norms:** The planned target was set at 18 schools. The Department achieved this target with no deviation.
- **Number of schools monitored on the implementation of the Incremental Introduction to African Languages (IIAL):** The planned target was set at 18 schools. The Department achieved this target with no deviation.
- **Number of underperforming schools monitored on the implementation of the Early Grade Reading Assessment (EGRA):** The planned target was set at 18 schools. The Department achieved this target with no deviation.
- **Number of schools with multi-grade classes monitored for implementing the multi-grade toolkit:** The planned target was set at 32 schools. The Department achieved this target with no deviation.
- **An Annual Sector Report is produced on the implementation of the National Reading Plan:** The planned target was an approved Annual Sector Report on the implementation of the National Reading Plan. The Department achieved this target with no deviation.
- **An Annual Sector Report is produced on the number of public schools monitored on the availability of readers:** The planned target was an approved Annual Sector Report on the number of public schools monitored on the availability of readers. The Department achieved this target with no deviations.
- **Number of schools per province monitored for utilisation of Information and Communications Technology (ICT) resources:** The planned target was set at 27

(three (3) per province). The Department's actual achievement was 32 schools. A positive deviation of five (5) schools.

- **Percentage of public schools with Home Language workbooks for learners in Grades 1 – 6 per year after having placed an order:** The planned target was set at 100 percent. The actual achievement stood at 100.21%. A positive deviation of 0.21%. Some schools were closed after the orders were placed and removed from the delivery list. New schools that were opened were added to the list for the language workbooks.
- **Percentage of public schools provided with Mathematics workbooks for learners in Grades 1 – 9 per year after having placed an order:** The planned target was set at 100 percent. The actual achievement stood at 99.73% - a negative deviation of 0.27%. Some schools were closed after orders were placed and removed from the delivery list.
- **Percentage of public schools with workbooks for learners in Grades R per year after having placed an order:** The planned target was set at 100 percent. The actual achievement was 100.13%. A positive deviation of 0.13%. Some schools were closed after the orders were placed and removed from the delivery list. New schools that were opened were added to the list for the workbooks.
- **An Annual Sector Report is produced on the percentage of learners provided with Mathematics and English First Additional Language (EFAL) textbooks in Grade 3, 6, 9 and 12:** The planned target was an approved Annual Sector Report on the percentage of learners provided with Mathematics and English First Additional Language (EFAL) textbooks in Grades 3, 6, 9 and 12. The Department achieved this target with no deviation.
- **The number of schools monitored for home languages in which Literacy Grade 1 – 3 Lesson Plans have been developed for Terms 1 – 4:** The planned target was set at ten (10). The Department achieved this target with no deviation.
- **Number of special schools with access to electronic devices:** The planned target was set at 70 special schools. The Department reported an achievement of only 49 special schools. A negative deviation of 21 special schools. A total of 49 special schools received ICT equipment, connectivity, and assistive devices, based on the availability of funding from Mobile Network Operators (MNOs). The DBE is the receiving department of a Universal Services Obligations Agreement (USOA) with DCDT and ICASA and the budget does not lie with the DBE.

- **An Annual Sector Report is produced on the monitoring of procurement and distribution of ICT devices:** The planned target was an approved Annual Sector Report on the monitoring of procurement and distribution of ICT devices. The Department achieved this target with no deviations.
- **An Annual Sector Report is produced on the number of teachers trained on inclusion:** The planned target was an approved Annual Sector Report on the number of teachers trained in inclusion. The Department achieved this target with no deviations.
- **An Annual Sector Report is produced on the number of learners in public special schools:** The planned target was an approved Annual Sector Report on the number of learners in public special schools. The Department achieved this target with no deviations.
- **An Annual Sector Report is produced on the percentage of public special schools serving as resource centres:** The planned target was an approved Annual Sector Report on the percentage of public special schools serving as resource centres. The Department achieved this target with no deviations.
- **An Annual Sector Report is produced on the establishment of focus schools per Provincial Education Department (PED):** The planned target was an approved Annual Sector Report on the establishment of focus schools per PED. The Department achieved this target with no deviations.

The Department reported on further progress made in the key focus areas in Programme 2 in respect of the following:

- Curriculum, Implementation and Quality Improvement (GET and FET).
- Second Chance Matric Programme.
- Enhancement of Programmes and Evaluation of School Performance.
- Rural Education.
- Mathematics, Science and Technology (MST), e-Learning and Research.
- Early Childhood Development (ECD); and Reading.

4.2.3 Programme 3: Teachers, Education Human Resources, and Institutional Development – The purpose of Programme 3 is to promote quality teaching and institutional performance through the effective supply, development, and utilisation of human resources.

- **Percentage of School Governing Bodies (SGBs) that meet the minimum criteria in terms of effectiveness:** The planned target was set at 90% of 1 000 sampled schools. The Department achieved 94.3% (943 of 1 000) – a positive deviation of 24.3%. The high achievement is attributed to the fact that SGBs are in their second year in office and are performing their roles and responsibilities.
- **Percentage of schools producing the minimum set of management documents at a required standard:** The planned target was set at 100 percent of 1 000 sampled schools. The Department achieved this target with no deviations.
- **Number of Funza Lushaka bursaries awarded to students enrolled for Initial Teacher Education per year:** The planned target was set at 11 800 bursaries awarded. The Department achieved a total of 11 971 bursaries awarded – a positive deviation of 171. Funds not utilised in one Higher Education Institutions (HEIs), are reallocated to other HEIs that have applicants. More Postgraduate Certificates in Education increased the number of bursaries.
- **Number of quarterly monitoring reports tracking the percentage of Funza Lushaka graduates placed within six months, upon confirmation that the bursar has completed studies:** The planned target was set at four (4) reports. The Department achieved this target with no deviation.
- **An Annual National Report is produced on the number of qualified teachers aged 30 and below entering the public service as teachers:** The planned target was for an approved Annual National Report on the number of qualified teachers aged 30 and below entering the public service as teachers. The Department's actual achievement indicated a draft Annual National Report. The Annual National Report was approved after the reporting period (20 April 2023) due to various levels of verification and validation of reported performance in the reports.
- **An Annual National Report is produced on monitoring the functionality of Provincial Teacher Development Institutes and District Teacher Development Centres:** The planned target was for an approved an Annual National Report on monitoring the functionality of Provincial Teacher Development Institutes and District Teacher Development Centres. The Department achieved the target with no deviation.
- **An Annual Sector Report is produced on monitoring the implementation of Teacher Development Programmes by PEDs with special focus on English First Additional Language (EFAL), Mathematics, Physical Science and Accounting:**

The planned target was for an approved Annual Sector Report on monitoring the implementation of Teacher Development Programmes by PEDs with special focus on English First Additional Language (EFAL), Mathematics, Physical Science and Accounting. The Department achieved the target with no deviation.

- **Number of PEDs that had their post provisioning processes assessed for compliance with the post provisioning norms and standards:** The planned target was set at nine (9). The Department achieved this target with no deviation.
- **An Annual Sector Report is produced on the number of Grade R practitioners with at least a National Qualification Framework (NQF) level 6 or above qualifications produced:** The planned target was for an approved Annual Sector Report on the number of Grade R practitioners with at least a National Qualification Framework (NQF) level 6 or above qualification. The Department achieved the target with no deviation.
- **Number of PEDs monitored on the implementation of the Quality Management System (QMS) for school-based educators:** The planned target was set at nine (9) PEDs monitored. The Department achieved this target with no deviation.
- **Number of PEDs monitored on the implementation of the Education Management Service: Performance Management and Development System (EMS: PMDS):** The planned target was set at nine (9) PEDs monitored. The Department achieved this target with no deviation.

The Department reported on further progress made in the key focus areas in Programme 3 in respect of the following:

- Educator Performance Management and Development and Whole School Evaluation (WSE).
- Education Human Resources Planning, Provisioning and Monitoring.
- Education Labour Relations and Conditions of Service.
- Initial Teacher Education (ITE)
- Continuing Professional Teacher Development (CPTD).
- Teacher Development Implementation (TDI).
- Curriculum Research; and
- Education Management and Governance Development.

4.2.4 Programme 4: Planning, Information and Assessment – The purpose of Programme 4 is to promote quality and effective service delivery in the basic education system through planning, implementation, and assessment.

- **Number of new schools built and completed through ASIDI:** The planned annual target was set at 30 schools. The Department was only able to achieve a total of 27 – a negative deviation of three (3) schools. One (1) school (Ngozi) was cancelled due to a protracted community dispute regarding the location of the new school. The Contractor cancelled the contract, and the Implementing Agent (IA) accepted cancellation in line with the provisions of the contract. Two (2) schools had contractors who defaulted on their contractual obligations which led to delay in the completion of projects. The projects will be completed in the 2023/24 financial year.
- **Number of schools provided with sanitation facilities:** The planned target was set at 450 schools. The Department was able to achieve a total of 457 schools - a positive deviation of seven (7) schools. Some of the contractors completed their projects before practical completion due date as there was intense monitoring which includes site visits by IA, Programme Support Unit, the Director-General, DBE Infrastructure Officials and Provincial Works Inspectors.
- **Number of schools provided with water facilities through ASIDI:** The planned target was set at 50 schools. The Department achieved this target with no deviations.
- **Number of General Education and Training (GET) test items developed in Language and Mathematics for Grades 3, 6 and 9:** The planned target was set at 500 test items. The Department achieved the target with no deviation.
- **Number of NSC reports produced:** The planned target was set at four (4) reports. The Department achieved the target with no deviation.
- **Number of question papers set for June and November examinations:** The planned target was set at 320 question papers. The Department achieved this target with no deviations.
- **Percentage of public schools using the South African School Administration and Management System (SA-SAMS) for reporting:** The planned target was set at 98 percent. The Department was able to achieve 99.38 percent – a positive deviation of 1.38 percent. SA-SAMS is policy aligned and used for promotion reporting. PED's are benefitting from the DBE's investment in SA-SAMS to provide standardised data for

the sector e.g., NSC registrations and Curriculum Assessment reporting from schools, as well as an administration system that is free of charge for schools.

- **An Annual National Report is produced on the number of provinces monitored for implementation of Learner Unit Record Information and Tracking System (LURITS) and EMIS priorities:** The planned target was for an approved Annual National Report on the number of provinces monitored for implementation of LURITS and EMIS priorities. The Department achieved the target with no deviation.
- **An Annual National Report is produced on learning outcomes linked to the National Assessment Framework (NAF):** The planned target was for an approved Annual National Report on learning outcomes linked to the National Assessment Framework. The Department achieved this target with no deviations.
- **A National Report is produced on the Early Learning National Assessment to determine school readiness:** The planned target was for an approved National Report on the Early Learning National Assessment to determine school readiness. The Department achieved this target with no deviation.
- **Number of officials from districts that achieved below the national benchmark in the NSC participating in a mentoring:** The planned target was set at 60 officials. The Department was able to achieve a total of 60 with no deviation.
- **Percentage of school principals rating the support services of districts as being satisfactory:** The planned target was set at 75%. The Department was able to achieve a total of 87%. A positive deviation of 12%. Overall support given to schools by districts was increased during and beyond the COVID-19 pandemic period and subsequently led to improved satisfaction rating by school principals.
- **Percentage of District Directors who have undergone competency assessment prior to their appointment:** The planned target was set at 97 percent. The Department was only able to achieve 75 percent. A negative deviation of 22 percent. The appointed official unfortunately did not attend the competency test timeously due to an administrative error linked to capacity challenges in the PEDs' HR Unit. The official had acted for an extended period prior to the post being advertised and filled. Once the mistake was picked up, he was sent for the competency test. The results of the competency test are used as part of the development areas.
- **Number of underperforming schools monitored at least twice a year by district officials:** The planned target was set at 1 000 schools. The Department was able to

achieve 1 101 schools. A positive deviation of 101 schools. The Department seconded SISCOs from provinces that are performing well to those that have many underperforming schools and had few SISCOs to visit schools. Four (4) SISCOs from Gauteng and two (2) from Northwest were seconded to Limpopo which had 625 underperforming secondary schools. Eastern Cape has only three (3) SISCOs and was assisted by two (2) SISCOs from Mpumalanga. The DBE-based officials augmented the teams in all the provinces.

- **Number of districts in which teacher development has been conducted as per district improvement plan:** The planned target was set at 65. The Department was able to achieve this target with no deviation.
- **Number of District Director forums held:** The planned target was set at three (3) forums. The Department achieved this target with no deviations.

The Department reported on further progress made in the key focus areas in Programme 4 in respect of the following:

- Examinations and Assessments.
- National Assessment.
- Provincial Budget and Monitoring.
- Provincial and District Planning and Implementation Support.
- School Level Planning and Implementation Support.
- School and District Incident Management and Support; and
- National Education Evaluation and Development Unit (NEEDU).
- Education Management Information System (EMIS); and
- Education Infrastructure Grant (EIG).

4.2.5 Programme 5: Educational Enrichment Services – The purpose of Programme 5 is to develop policies and programmes to improve the quality of learning in schools.

- **An Annual Sector Report is produced on the provision of nutritious meals and compliance with feeding requirement:** The planned target was for an approved Annual Sector Report on the provision of nutritious meals and compliance with feeding requirements. The Department achieved this target with no deviations.

- **Number of PEDs with approved annual business plans for the HIV/AIDS Life Skills Education Programme:** The planned target was set at nine (9) PEDs. The Department was able to achieve the target with no deviation.
- **Number of districts monitored and supported in the implementation of the National School Safety Framework (NSSF), Social Cohesion, Sport, and Enrichment Programmes:** The planned target was set at 75 districts. The Department was able to achieve the target with no deviation.
- **Number of learners, educators, parents, SGBs and other educations stakeholders reached through social cohesion programmes:** The planned target was set at 3 500. The Department was able to achieve a total of 7 068 – a positive deviation of 3 568. Collaboration with external Stakeholders was beneficial in advocating for Social Cohesion and Equity programmes.
- **Number of districts implementing the programme on school assemblies to end school-related gender-based violence:** The planned target was set at 75 districts. The Department was able to achieve the target with no deviation.
- **Number of professionals trained in SASCE programmes:** The planned target was set at 900 professionals. The Department was able to achieve a total of 1 001. A positive deviation of 101 professionals. Free State and Northern Cape decentralised their workshops to accommodate more professionals trained in SASCE programmes.

The Department reported on further progress made in the key focus areas in Programme 5 in respect of the following:

- School Nutrition.
- Psychosocial Support.
- Health Promotion.
- Safety in Education.
- Sport and Enrichment in Education; and
- Social Cohesion and Equity in Education.

5. Financial Report

Table 1: Allocation Against Expenditure Per Programme for 2022/23 Financial Year

Programmes	Budget R'000	Expenditure R'000	Variances R'000	% Spent
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Administration	569 582	564 259	5 323	99.07%
Curriculum Policy, Support and Monitoring	3 267 520	3 172 133	95 387	97.08%
Teachers, Education Human Resources, and Institutional Development	1 497 761	1 496 586	1 175	99.92%
Planning, Information and Assessment	15 529 447	15 366 653	162 794	99.05%
Educational Enrichment Services	8 828 850	8 827 028	1 822	99.98%
Total	29 693 160	29 426 659	266 501	99.10%

Table 2: Allocation Against Expenditure Per Economic Classification for 2022/23 Financial Year

ECONOMIC CLASSIFICATION	BUDGET R'000	EXPENDITURE R'000	VARIANCES R'000	% SPENT
Compensation of Employees	565 162	549 929	15 233	97.30%
Goods and Services	2 226 119	2 082 914	143 205	93.47%
Interest on Rent and Land	39 793	39 774	19	99.95%
Transfers and Subsidies	24 796 691	24 796 578	112	100.00%
Payments of Capital Assets	2 065 003	1 957 086	107 918	94.77%
Payments of Financial Assets	392	378	14	96.43%
Total	29 693 160	29 426 659	266 501	99.10%

The budget allocation of the Department of Basic Education in 2022/23 was R29 693 160 billion which represents an increase of R 2 453 900 billion or 9% from the 2021/22.

84% of the Departments budget which amounts to R 24 796 691 was utilised for transfers and subsidies provided mainly to provinces and municipalities, thus resulting in R 4 896 469 billion available for compensation of employees, earmarked funds, office accommodation, departmental operations, and other projects.

For the 2022/2023 Financial year, the actual expenditure incurred by the department was R 29 426 659 billion. The expenditure for the year had increased by 8% (R 2 255 418 billion) in comparison to the 2021/2022 Financial year.

The unspent balance of R68 019 million or 0,2% as at end of 31 March 2022 was less than R 494,35million or 2,1% at the end of 2020/21. The department had a higher unspent funds during the current financial year compared to the 2021/22 financial year to the value of R 266 501.

Main contributors of the underspending in 2022/23 financial year are program 4 that had underspent by R 162 794 million of their budget.

From the perspective of analysis, there is improvement in expenditure patterns in all 5 programs of DBE, as compared to the previous year, all programs spent more and had decreased the variance.

5.1 Reasons for Material Variances Per Economic Classification

- **Goods and Services:** The bulk of the allocation on this Item is in respect of the Workbooks and Conditional grants. Spending is lower at 93.5%. The remaining budget is due to Workbooks projects, where submission of invoices was submitted late for processing. The roll-over was requested for the remaining budget.
- **Payments for Capital Assets:** The bulk of the remaining allocation in this programme is for School Infrastructure Backlog grant. Spending is lower at 94.8%. Remaining budget is due to late submission of invoices for School Backlog Infrastructure projects. The Department has requested roll-over for the remaining funds.

Table 3: Allocation Against Expenditure on Schools Backlog Grant (SIGB) for 2022/23 Financial Year

ECONOMIC CLASSIFICATION	BUDGET R'000	EXPENDITURE R'000	VARIANCES R'000	% SPENT
Compensation of Employees	6 712	9 025	-2 313	134.46%
Goods and Services	358 319	283 178	75 141	79.03%
Interest & Rent on Land	40	40	0	100.00%
Households	376	376	0	100.00%
Building and Other Fixed Structures	2 037 672	1 930 806	106 866	94.76%
Total	2 403 119	2 223 425	179 694	92.52%

Table 4: Allocation Against Expenditure per Conditional Grants 2022/23 Financial Year

ECONOMIC CLASSIFICATION	BUDGET R'000	EXPENDITURE R'000	VARIANCES R'000	% SPENT
Learners with Profound Disability Grant	255 521	255 521	0	100.00%
Maths Science and Technology Grant	424 793	424 793	0	100.00%
Early Childhood Development Grant	1 192 682	1 192 682	0	100.00%
Education Infrastructure Grant	12 500 851	12 500 851	0	100.00%
National School Nutrition Programme	8 508 321	8 508 321	0	100.00%
HIV and Allocation Grants	242 275	242 275	0	100.00%
Total	23 124 443	23 124 443	0	100.00%

Conditional grants expenditure is such that all grants are spent at 100%, The allocated funds were fully spent. DBE transferred to provinces, and this is favourable as there are no variances and allocated budget has been spent.

5.2 Financial Performance for the First Quarter (Q1) 2023/24 -DBE

Allocation Against the Actual Expenditure per Programme

The total final Appropriation budget of the Department for the 2023/24 financial year amounts to R31.783 billion. The actual expenditure for the First Quarter amounted to R9,942 billion compared to the spending of percent in 2022/23

82% of the budget is allocated to transfer payments as follows:

Conditional Grants: R25.329 billion

Transfers to Public Entities: R179.0 million.

Other Transfers: R1.483 billion

•The remainder of the budget (R4.792 billion) is allocated to:

Compensation of Employees: R557.5 million

Goods and Services: R2.461 billion.

Interest on Rent and Land: R36.2 million

Payments of Capital Assets: R1.737 billion

Table 5: DBE 2023-24 1st Quarter Expenditure Analysis

R million	Main Appropriation	Available Budget	Q1 Actual Expenditure	Expenditure as % of Available Budget	Q1 Projected expenditure	Variance from projected	% Variance from projected expenditure	Disaster Spending
Programmes								
1. Administration	538.8	538.8	143.5	26.6%	136.8	-6.7	-4.9%	0.0
2. Curriculum Policy, Support and Monitoring	3 526.1	3 526.1	559.7	15.9%	520.1	-39.6	-7.6%	0.0
3. Teachers, Education Human Resources and	1 507.5	1 507.5	1 366.0	90.6%	1 375.9	9.8	0.7%	0.0
4. Planning, Information and Assessment	16 615.9	16 615.9	4 754.5	28.6%	4 807.9	53.4	1.1%	0.0
5. Educational Enrichment Services	9 594.4	9 594.4	3 117.8	32.5%	3 116.9	-0.9	0.0%	0.0
Total	31 782.7	31 782.7	9 941.5	31.3%	9 957.5	16.0	0.2%	0.0

In accordance with the above table analysis, the Department spent R9.94 billion against the projection of R9.96 billion. This equates to R16 million or 0.2 percent lower than projected spending, mainly attributed to payments for capital assets in program 4.

5.3 Expenditure analysis per Programme

5.3.1 Programme 1: Administration:

Spending is higher than projected by R6.7 million or 4.9 per cent, mainly under goods and services. This higher spending is mainly under travel and subsistence due to attendance by the Deputy Minister and a delegation from the Department at the 16th E-learning Africa International conference in Cuba and the Sahrawi Republic from 20 May to 1 June 2023.

5.3.2 Programme 2: Curriculum Policy, Support and Monitoring:

Spending is higher than projected by R39.6 million or 7.6 per cent, mainly under goods and services. The deviation is due to accruals from 2022/23 where invoices for workbooks

delivered to schools in 2022/23 were received after the closure of the financial year. The Department has applied for a roll-over to cover these accruals.

5.3.3 Programme 3: Teachers, Education Human Resources, and Institutional Development:

Spending is lower than projected by R9.8 million or 0.7 percent which is broadly in line with projections.

5.3.4 Programme 4: Planning, Information and Assessment:

Expenditure is lower than projected by R53.4 million or 1.1 percent, mainly under payments for capital assets in the school infrastructure backlogs grant due to late submission of invoices from implementing agencies.

5.3.5 Programme 5

In terms of Program 5, the Department had projected to spend R3,117 billion, and were able to spend R3,116 billion.

5.4 Expenditure on Personnel

The Department's headcount is above the HRBP target by 55 positions, mainly because of the appointment of interns. These posts are not part of the department's establishment and are thus excluded from the HRBP headcount target. Spending is higher than projected by R2.5 million or 1.7 per cent due to the implementation of the 2023 wage agreement, which was not factored into the initial projections.

5.4.1 Transfers, Grants and Subsidies (Conditional Grants) – Appropriated Items

The transfers of the conditional grants for the 2023/24 first quarter were made as scheduled with no funds being withheld.

5.4.2 Audit 2022/23 Outcome for 2022/23

The Department received an Unqualified Audit opinion with no matters of emphasis for the 2022/23 financial year.

5.4.3 Portfolio Committee Observations and Questions

- Members queried why PEDs were not meeting their targets for placement of Fundza Lushaka graduates – there had been a decrease in the placement of these graduates. Members sought clarity on the matter.
- On school infrastructure, Members queried the assistance and support from the Department in ensuring schools were adequately resourced with acceptable structures.
- On the standardised output indicators for concurrent functions, it was noted that PED targets were set fairly low – Members queried reasons for the low targets set.
- Members also sought clarity on the support and assistance from the Department in respect of learner transport failures. Members also queried any consequence management for NSNP funds misuse.
- For Grade R practitioners, Members queried the number of practitioners' qualifications assessed.
- Members also queried whether the Department had been able to engage with errand PEDs regarding quintile funding – and the type of support and assistance from DBE in this regard.
- Members noted the failure to meet deadlines for sporting facilities, libraries, laboratories, and computer centres for schools. Members queried the plans in place to address this shortcoming. Members queried how budget cuts would affect SAFE/ASIDI programme in respect of the eradication of pit latrines.
- School maintenance was a growing problem, including the maintenance of ablution and sanitation facilities. What strategy was in place to mitigate challenges of budget constraints for school maintenance – and ensure maintenance budgets were used for its intended purpose – was the Department able to effectively monitor this phenomenon.
- Members also queried whether the Department had engaged with the WCED on its Rapid School Build programmes – and the use of alternative building techniques – that could be replicated in other provinces.
- Members also queried whether the Department would consider merging the EIG with the SIBG
- On learner transport issues, Members queried whether the Department had any engagement with the FFC on their possible recommendations.

- Members were concerned that there was a culture of people not being held responsible for their actions and Members queried whether the Department was able to address this matter with strict consequence management.
- What was the Department doing to increase the number of schools serviced with connectivity.
- How many of the cancelled projects was due to poor project management – and what consequences management was implemented against those responsible.
- Members needed clarity on whether the Department had done its investigations into irregular expenditure as reported.
- Regarding the delays in the collection of accrued departmental revenue, Members queried reasons for the delays in collection – and whether there were initiatives to ensure collections could be speeded up.
- Where there were mis-spent funds identified, Members queried the consequent management mechanisms in place against errand officials.
- With respect to the Education Facilities Management System, Members queried why this was only piloted in three provinces. Of concern was that the system was not being fully implemented by these provinces.
- Members queried whether the Department could consider incentivizing educators who taught in rural schools and specialised schools.
- With the 4th, Members also queried whether the Department was considering a remodelling of the current Curriculum.
- What engagement was there between DBE and DHET on issues of teacher qualification refinement.
- Had the Department considered the possibility of additional teaching time for schools to include reading improvements.
- Members queried the measures to be in place for the gaps in the national norms to be closed to ensure sufficient funding.
- How was the Department ensuring that financial management and reporting was strengthened and improved for both the Department and PEDs. Issues of non-compliance with legislation remained high and not followed - resulting in an increase in irregular expenditure. Members queried the measure in place to ensure consequence management at a provincial level and ensure improved financial management and reporting.

- Members queried how the population increase impacted on the provision of school infrastructure and retaining the minimum norms and standards. Members queried how the Department would be able to retain this with new demands and projections with eradication of pit latrines.
- Members queried whether the Department had received budgets from Infrastructure fund.
- Regarding the direct and indirect grants, Members queried the plans in place to assist PEDs with grants and grant disbursement and utilisation.
- It was noted that there were many projects delayed and projects cancelled. Members queried the factors involved with the cancellation of projects. Members also queried whether the Department had sufficient capabilities to manage projects.
- The Department needed to give more focussed attention to supply of school libraries, laboratories, and computer centres. There were provinces where 90 percent of schools were without laboratories. Members also queried the extent of access for schools to ICT services and connectivity.
- Members queried the experience acquired on the piloting on Robotics and Coding in certain provinces – and whether the Department was ready to expand to other provinces.
- What was the Departments planning and progress in improving access and provisioning of ECD.
- Linked to the MTSF, and the sector priorities – how far has the Department achieved the targets for ECD, Grade R implementation and professional development of Grade R practitioners.
- How did the Department ensure that PEDs improved on targets of literacy and numeracy. With ICT and Skills, the Department implemented ICT in three provinces and Members queried the budget allocation for this exercise. Which districts were beneficiaries and how many schools and classrooms were provided with ICT equipment.
- With Coding and Robotics, it was clear that schools in rural areas were struggle most with Maths, Science and Technology. Members queried the progress in supporting and assisting rural schools/learners.
- Regarding accountability and consequence management, Members noted there were project managers who did not perform. Member queried the mitigations of the

Department and the use of consequence management mechanisms against errand officials.

- With the strengthening of the NSNP, Members queried the progress made by the Department with the review of the current quintile system.
- Learner transport needed to benefit all deserving learners and Members queried the progress made by the Department in respect of the review of the learner transport policy.
- With the recent court order on the failure to deliver LTSM, Members queried how the Department mitigate to ensure that the court order was complied with.
- Members also needed clarity on the status of the investigation in dealing with financial irregularities.
- Members needed to know why the Department was unable to receive a clean audit to date.

5.4.4 DBE Responses to Portfolio Committee Observations and Questions

The Director-General expressed his disappointment for not moving to a clean audit due to some silly mistakes and “own goals”. He was clear that the Department should never use money that they did not know where it came from. The Department in another instance used a formula wrongly. There was consequence management instituted against errand official and managers in this respect. The irregular expenditure was not increasing over the years - partly due to not adhering to local content and goods and services not being delivered. The Department could do the analysis and assure the Committee there had been a decline.

In respect of the court order, the Department explained why principals procured LTSM themselves and some receiving benefits. The Department was engaging these principals on the matter. There was concern for the Eastern Cape court decision to locate procurement of LTSM to schools. The Eastern Cape experienced issues with delivery of LTSM – but this was due to National Treasury not releasing money when they had to. There were consequences for non-performance and the report speaks to money recovered from IAs and officials. These cases have been subsequently investigated by the Department. It needed to be noted that consequence management could not be carried out when investigations were not concluded.

With Coding and Robotics still being piloted, the Department will await the results of the pilot before a decision on scaling up to other areas e.g., rural areas. In respect of connectivity, the Department sought to prioritise special schools. The Department would make available detailed

information on the PEDs selected for ICT Strategy roll-out. The Department would further provide the necessary detail pertaining to the areas identified for reading and the reading strategy – and the quality of educators to realise reading objectives.

In respect of challenges with fragmentation, the Department indicated that PEDs were reluctant to agree to additional MTEF targets/indicators and the Department had engaged with PEDs on inclusion of certain indicators. The AG had indicated that there were those PEDs who had done the implementation – while other had not. The Department believed this was due to PEDs concern with further audit queries. There was a need to address capacity and ensure no additional audit findings could be forthcoming.

The Department assured the Committee that ECD was prioritised with all targets and grants. The Department was not sure of the findings on the percentage of AG recommendations implemented and would do the necessary investigation. The Department was focussed on improving and implementing all AG recommendations.

On challenges raised around laboratories, libraries and computer centres, the Department felt that those who had researched and reported on the matter may be ignorant of the many changes in this area. Most schools did not have physical buildings but utilised mobile laboratory kits instead of the classical laboratories. Similarly, classical libraries were being replaced by library corners. Researchers are ignoring these matter as they do not know what is happening in schools - as their perception of such infrastructure was outdated.

With the cancellation of projects, the Department explained that this was due to the Department receiving a project from a PED, did some work, then only to be informed that the sam project had been handed to another entity. Money incurred for planning and design is lost in this way.

The Department was addressing the matter of a proposed funding model for infrastructure backlogs. However, the Department reiterated that this matter remained a moving target – and at the rate the Department was funding, the Department would not arrest the backlogs. The Department bemoaned the fact that the FFC did not enlighten the Committee on the impact of budget cuts on all programmes of the Department e.g., infrastructure and norms and standards for infrastructure. The Department engaged with PEDs if their funding did not meet the national norms and standards. This mater was also brought to the attention of the Heads-of-Department for PEDs. It was clear that budget cuts did not allow PEDs to fund school to the required norms and standards.

The Department was not considering additional teaching time for schools in respect of reading. The Department did engage with DHET on training and development of teachers. The Department also engaged with the Deans Forum to raise issues of mutual interest. With skills and competencies, the Department was working on a concept note to strengthen the required skills to be focussed on in the Curriculum. The Department had a world class Curriculum. The Department would be meeting with the NECT on modernisation of SA-SAMS.

With the collection of accrued funds that took too long, the Department explained that there was back-and-forth engagement with IAs and contractors which took time before an agreement was reached on the amount of money to be paid. – only then the Department was able to do collection. Entities of government could not take each other to court and had other mechanisms to settle differences. The Department continues to pursue others who may owe them money. Cases not investigated was mainly due to financial constraints and capacity in the Internal Audit Committee. The Department has not considered the merging of specific grants and they remained separate (EIG and SIBG).

The Department had engagements with the WCED on their alternate building methods and modalities they are able to utilise. There had been other provinces who may want to replicate these methods and modalities used by the WCED.

With learner transport, the Departments coverage was continuing to increase for all deserving learners. It was important that the Department had a session with the Committee to present an update on latest data in respect of learner transport matters. The Department was collaborating with the Department of Transport who was also responsible for roads and roadworthiness of vehicles. There are instances where there is no proper road infrastructure to transport learners. The Department was collaborating with the Department of Transport and Municipalities on proper road infrastructure. We agree that the quintiling of schools needs to be reviewed with challenges in respect of teacher retirements, the Department indicated that there were more and more younger teachers entering the profession and provinces were able to absorb these younger teachers. There was no crisis in respect of demand and supply of teachers. The Department accepted it could do more with the placement of Fundza Lushaka graduates – but budget cuts was constraining, and the Department endeavoured to place as many Funda Lushaka graduates as they could.

Further on ECD migration, the Department mentioned that with the function shift, there were two reports received which provided a basis for planning for what the Department aimed to

achieve i.e., the Census Report and the Thrive-by- Five Report. These reports gave a detailed profile on ECD which assisted with the Departments planning processes. The reports also gave detail on the number of learners within and outside of the system. The main challenges were to ensure an increase of access to ECD for learners, as well as ECD programmes. Department planning also looked at prioritising 60 percent of the poorest children for access to ECD. The service delivery model identified specific areas to focus on - and put mechanisms in place to proceed. It also included extending access to infrastructure and finances required over the MTEF cycle. The strategy spoke to where the Department wanted to be and gave road maps going forward. This also required suitable funding and a capable workforce. The Department also alluded to the reading programmes and pillars to enable a policy environment with agile and versatile educators ensuring learners are able to read for meaning.

With ICT, the Department was able to connect 83 percent of schools, working in collaboration with the Department of Communication. These schools were connected mainly for administration purposes and not necessarily for teaching and learning. For teaching and learning the Department was only able to connect 10-15 percent of schools. Working with the Department of Communication and service providers, the Department aimed to connect around 18 000 schools with improved speeds. The Department was also collaborating with other partners e.g., Telkom to bring connectivity at improved speeds. With the ICT strategy, expenditure on ICT had improved in all 9 provinces. HODs are allocating dedicated budgets for improved ICT - ICT was being implemented across all provinces and was being monitored.

5.5 Auditor General Report

5.5.1 Introductory Remarks

The AGSA presentation commenced with the vision and mission, as well as its mandate and that of the Portfolio Committee regarding oversight on national government accountability.

The vision and mission of AGSA as well as its mandate and that of the Portfolio Committees was outlined. As per Constitutional mandate, the role of AGSA is to reflect on the audit work performed to assist the portfolio committee in its oversight role of assessing the performance of entities, taking into consideration the committee's objective to produce a *Budgetary review and recommendations report* (BRRR).

The Portfolio Committee was briefed on the value chain of how the different role players interlinked and the roles and responsibilities of the Department of Basic Education, Provincial Education Departments, Education Districts and Circuits and schools. Further, the Portfolio Committee was briefed on the various AGSA audit outcomes and what was examined. AGSA also touched on the Basic Education auditees in respect of the Department of Basic Education (DBE), the Council for Quality Assurance in General and Further Education and Training (Umalusi) as well as the South African Council for Educators (SACE).

5.5.2 Audit Outcomes – Basic Education

In the previous audit cycle, AGSA urged the auditees to institutionalise the preventative and detection controls in order to improve sound financial management and audit outcomes within the portfolio. They indicated that sustainable improvements in audit outcomes would only be achieved when all role players in the accountability ecosystem consistently discharge their roles and responsibilities. The lived experience of the people meant to be serviced has not significantly changed as most of the commitments made are still in progress.

The audit outcomes for the portfolio have regressed in the current year after Umalusi, who has been receiving unqualified with no findings, submitted Annual Financial Statement (AFS) containing material misstatements and errors which were subsequently corrected. The misstatements related to property plant and equipment, employee costs, commitments, and contingent liabilities. DBE and SACE have again obtained the unqualified with finding audit opinion after we identified material misstatement on the financial statements non-compliance with laws and regulations, as well as findings on performance reporting. Furthermore, SACE submitted their AFS later than the prescribed date as per the PFMA and not all the information requested was submitted on time resulting to material limitation reported. The main control deficiency that was dominant for auditees was inadequate review of the annual financial statement and the underlying supporting documents which compromised the quality and credibility of financial reporting as there is high reliance on the audit process to identify the errors in the annual financial statements.

The Department has implemented most of AGSA recommendation in dealing with the non-compliance with the SCM prescripts which has caused an increase in irregular expenditure over the years. Most of the implementing agents that used to contribute the most in increased has demonstrated commitment in ensuring that the Department was no longer incurring irregular expenditure through the non-compliance with SCM laws and regulation. AGSA has however, noted non-compliance with SCM legislation with one implementing agent (NECT) which was new. AGSA further encourage the Department to strengthen on boarding of new implementing agents to ensure consistent application of laws and regulations.

In responding to AGSA recommendations, the Department has investigated almost all the cases of irregular expenditure. The institution of consequence management is taking a long time, this needs to be attended to urgently.

5.5. 3 Financial Health

- **Revenue (DBE and SACE)** - Average debt-collection period was equal to 721 days. Debtors' impairment provision of accounts receivable exceeds 10% for SACE (statutory receivable)
- **Expenditure (DBE)** – A total of R15,66 million Expenditure incurred in the current year was fruitless and wasteful by DBE due duplicate allocation of the projects to the implementing agents thereby incurring additional costs.
- **Assets and Liabilities (DBE)** - Accruals and payables exceeded a period of 30 days (The department's delay in paying/processing of accruals and payables within 30 days as 20% (R83 657 000) of the amount owing has been long outstanding.)

DBE's financial health has been assessed as concerning mainly due to the delay in paying of money owed within 30 days as 30% (R145 151 000) of the amount owing has been long outstanding. The Department will end up attracting the interest which will result in an increase in fruitless and wasteful expenditure. Furthermore, it takes the

Department more than 721 days to collect the accrued Department revenue as a result of the overpayments on the projects. This is due to the delays in finalising the projects after they have reached the practical completion stage. DBE utilised the unspent conditional grant, meant for Early Childhood Development and National School Nutrition Programme, received from Northwest Provincial Education Department that was meant to be surrendered to the NRF. This resulted to irregular expenditure of R65,7 million incurred as there was not approval of the utilisation of the funds in contravention of the PFMA. The money incurred in vain could be re-directed to commence other infrastructure projects.

5.5.4 Report on the audit of the financial statements - Audit Outcomes for 2022/23

The Department received an Unqualified Audit opinion with Findings for the 2022/23 financial year.

5.5.5 Compliance with Key Legislation

AGSA briefed the Committee in compliance with key legislation in respect of the following:

- Procurement and Contract Management.
- Effecting Consequences.
- Prevention of Irregular and Fruitless and Wasteful Expenditure; and
- Material Misstatements in AFS

It takes about two years for the Department to collect the accrued department revenue as a result of the overpayments on the projects. This is due to the delays in finalising the projects after they have reached the practical completion stage. DBE utilised the unspent conditional grant, meant for Early Childhood Development and National School Nutrition Programme, received from Northwest Provincial Education Department that was meant to be surrendered to the NRF. This resulted to irregular expenditure of R65, 7 million incurred as there was not approval of the utilisation of the funds in contravention of the PFMA.

The leadership in the Department needs to swiftly institute consequence management against officials responsible for non-compliance to help the department to recover the losses on time from those officials who incurred or caused irregular expenditure/losses to be incurred and to deter other officials from contravening legislation.

On issues pertaining to the PFMA Compliance and Reporting Framework, AGSA indicated that, the fact that the disclosure of Irregular, and Fruitless and Wasteful Expenditure (IFWE) (historical balances and movements) is no longer required on the Annual Financial Statements (AFS) and no audit assurance is provided thereon, the oversight structures would need to engage directly with the information disclosed in the annual report to exercise their oversight responsibility.

5.5.6 Procurement and Payment System

AGSA reported that, in respect of the status of compliance with SCM legislation, the 2022-23 key findings indicated DBE breaching of five pillars of procurement (Equity, Fairness, Cost-effectiveness, Transparency and Competitiveness) to the value of R889 Million. For unspent conditional grants utilised without approval, non-compliance with the PFMA – the value stood at R65 Million. Irregular expenditure for 2022/23 was R954 Million.

Regarding the achievement of targets for 2022/23, AGSA indicated the following:

- DBE
 - Budget Spent – 99%
 - Targets Achieved – 90 %
- Umalusi
 - Budget Spent – 100 %
 - Targets Achieved – 100 %
- SACE
 - Budget Spent – 100 %
 - Targets Achieved – 90 %

AGSA highlighted that in terms of impact on service delivery, the percentage of budget spent, should translate to achievement of targets.

5.5.7 Performance Against Targets

AGSA gave a detailed account of the performance against targets for the following:

- Key Service Delivery Targets/Key Targets in Medium Term Strategic Framework relating to Programme 2, 3 and 4
- Key service delivery targets not included in plans of DBE.
- Achievement of annual targets as reported in annual performance report (all indicators) –2022-23.
- Insights, root cause and impact of targets not achieved.

5.5.8 Material Irregularities (MIs)

Material Irregularities meant any non-compliance with or contravention of legislation, fraud, theft, or a breach of a fiduciary duty identified during an audit performed under the Public Audit Act that resulted in or is likely to result in a material financial loss, the misuse or loss of a material public resource, or substantial harm to a public sector institution or the public. If an accounting officer or authority does not appropriately deal with material irregularities, AGSA's extended mandate allowed them to:

- Refer material irregularities to relevant public bodies for further investigations.
- Recommend action to resolve material irregularities in audit report; and
- Issue certificate of debt for failure to implement remedial action if financial loss was involved.

AGSA gave a detailed overview of the various MIs identified, the appropriate action taken, and MIs resolved. Material Irregularities identified for DBE included the following:

- Kha Ri Gude programme
- Payments not made within 30 days resulting in the withdrawal and cancellation of contracts.
- Payment for goods not within 30 days

5.5.9 ICT Environment/Projects – AGSA key observations on ICT included the following:

- Lack of cyber security governance and controls
- The utilisation of Education Facilities Management System
- Project review on the implementation of (SA-SAMS) Modernization
- Poor data quality in the provincial data warehouses
- Lack of cyber security governance and controls
- E-Learning projects
- completed releases.

The Committee was briefed on the key observations, impact, root causes and recommendations.

6. Education Sector Outcomes

Overall, the outcomes for the sector have improved compared to the prior year after Gauteng Department obtained unqualified with no findings. While EC, LP and NW remained with qualified audit opinion. The quality of financial reporting for most of the departments in the sector was still poor as a result of errors on accounting for infrastructure assets. Inadequate project management and coordination of implementing agents remains a major control deficiency affecting preparation of quality and credible financial statements for most of the departments in the sector. Non-compliance with legislation remains high and concerning as we reported material non-compliance within the sector that negatively affected the audit outcomes. The sector continues to struggle with non-compliance with supply chain management prescripts and this is also the area where the risk of fraud is highest, hence it is necessary for a culture of compliance and respect for the law needs to be re-enforced. This has also resulted in an increase in irregular expenditure of R5,12 bn for the current year.

6.1 Financial Health

Persistent weak financial management and budgeting controls led to the financial health status within the sector deteriorating, which negatively affected their ability to deliver services. Some departments continued to spend money that they did not have, and 20% of the departments had a combined deficit of R726,73 million.

6.2 Reflection on Sector Performance

AGSA analysis of the MTSF indicators and targets for the past four financial years noted that provinces are not achieving on their targets, which directly delay delivery of the intended quality education even though the budget is at times exceeded by a number of auditees. The underachievement of the planned service delivery and reported achievements and lack of correlation with the budget spent will compromise the achievement of government's priorities and erode future budgets meant for service delivery. Poor monitoring and corrective action throughout the year contribute to auditees being unable to achieve their performance targets or reliably report on their performance. Accounting officers and oversight bodies (such as portfolio committees) also use in-year reporting for monitoring purposes; without reliable information, their monitoring process will be ineffective.

6.3 Reflection on Non-Inclusion of Indicators

The education sector plays a vital role in achieving the Medium-Term Strategic Framework (MTSF) 2019-24 targets, which are linked to service delivery objectives of the country, but the APPs of most of the auditees within the education sector did not include indicators that measure their contribution to the MTSF, their core functions, or the jobs they were created to perform. The impact of the exclusion of MTSF indicators is that the MTSF targets might not be met and could potentially have a direct impact on the delivery of quality education to the citizens.

6.3.1 Focus Areas

- **Early Childhood Development (ECD)**
 - Inadequate infrastructure for ECD: The infrastructure was not adequately maintained and not free from health risks. For example: in NW schools visited the toilets are not well maintained and had broken doors and windows, large weeds compromising the safety of learners, the electricity cables were also left exposed where learners can easily reach them, cables running on the walkway from one block to another. In MP toilet and hand washing facilities for children over the age of three years was not age appropriate. In some instances, grade R learners were sharing toilets with children from

higher grades and the size of the toilets were not suitable for grade R learners.

- Learner Practitioner Ratio (Overcrowding): For some of the schools visited, the grade R learner enrolment was above 40 to a teacher. For example: On one of the schools visited in NW, the total learner enrolment was 215 for two classes. Some of the learners were observed sitting on the floor as the furniture was not enough to accommodate all of them as the pictures top right depicts.
- Schools employed grade R practitioners with no minimum qualification. For example, in KZN the department employed 2213 grade R teachers/practitioners with qualifications lower than NQF 6. In addition, it was noted that 169 of the grade R teachers/practitioners with qualifications lower than NQF 6 were appointed after 1 January 2015.
- Unsafe playground facilities: For most of the schools visited, they did not have safe playground facilities. For example: there were damaged swings, playground equipment located within overgrown weeds, not fenced the unsafe climbers. At one of the schools visited, a Grade R learner was injured while playing and the educator wrote an accident report.

Recommendation – Provincial education and districts officials should effectively guide, monitor, and support schools to ensure that adhere to set policies on ECD provisioning. School Management Teams should strive to improve the learning environment of Grade R learners.

- **National School Nutrition Programme (NSNP)**

- Schools did not implement effective stock management and appropriate storage facilities use for learners to be served fresh and healthy meals.
- Appropriate utensils and equipment for serving and preparing meals were not used by schools.
- NSNP Funds were not used economically and efficiently in terms of procurement of food items, and for the purpose intended.
- The schools did not follow prescribed procurement process resulting in some schools not able to feed learners.

Recommendation - While the NSNP stands as a testament to the government's dedication to equitable education, there is room for enhancing its efficacy through bolstered monitoring, meticulous documentation, and proactive resolution of identified shortcomings. The PED should ensure that NSNP committees and coordinators are functional with particular emphasis on their roles and responsibilities, financial management, stock management and health and safety.

- **Learner Transport**

- Only few learners benefiting from the transport. The remaining learners have to make their own arrangements or walk to far out areas.
- The transport operators are claiming more KMs than the actual travelled.
- Buses are not well maintained, e.g., there were buses with cracked windscreen and broken bumper area.
- Bus drivers do not come on certain days with no notice given to the school or learners.
- The number of learners approved to be transported exceeds the capacity provided (overloading)
- The service providers were not evaluated on the capability and capacity to render the required services. There were no clear methods used for allocation of work to service providers.

Recommendations - The sector leadership should ensure that there is stringent and frequent monitoring of the scholar transport services to ensure that all the learners are benefitting, no overloading and the vehicles are documented and roadworthy. Furthermore, they should ensure that the learner transport programme is adequately planned such that the transport capacity procured is sufficient to transport the planned and approved number of learners and that the programme is adequately funded. And procurement adequately followed.

- **Planning Process and Effective use of Resources**

- There were about 242 projects delayed and 271 that were cancelled during the year for Basic Education Sector. Of the cancelled projects, DBE had cancelled 210 projects which resulted to fruitless and wasteful expenditure of R15 million.

- The cancelled and delayed projects are mainly caused by the poor project management and monitoring which resulted to increased costs.
- Poor workmanship was identified in some instances.
- Completed infrastructure not utilised to the full capacity.
- Schools found to be in dilapidated state due to lack of maintenance.
- In respect of construction of infrastructure there is relatively alignment between the budget versus actual spending, however this do not correlate to the lived experiences in relation to the state of infrastructure in the sector. This spending thus has an inverse relationship with the actual achievements of key targets aimed to enable positive impact on the lived experiences.

Recommendations - The planning processes of projects should be improved to ensure that correct needs are identified and addressed. Projects should be adequately planned to reduce delivery delays, unnecessary extensions, and cost increase and poor-quality built. Role players in the infrastructure accountability ecosystem should establish a culture of responsiveness, consequence management, good governance, and accountability. Coordination between different levels of government and other role-players in the same institution should be improved to ensure that schools built are fully utilised.

- **School Performance Improvement**

- Ineffective implementation of Annual Management Process
- Mismanagement of School Funds
- Ineffective Educator Leave Management
- Unattended challenges pertaining to Learner grade promotion and achievement.
- Compromised Learners and Educators Safety by Dilapidated Infrastructure

Recommendations – It would be beneficial for DBE, PED, and districts to provide clear guidance, perform targeted monitoring and align the reporting process with school self-evaluation result, school improvement plan and quarterly monitoring. Schools should not only report for compliance base but use the process to elevate challenges, best practices and urgent needs to the districts, PED, and DBE.

- **Presidential Youth Employment Initiative (Education)**
 - Phase III of PYEI commenced on 1 April 2022 targeting 271 009 assistants with a budget of R 6 194 billion implemented across the 9 provinces.
 - The PYEI Implementation framework for Phase III was improved on appointed assistants receiving SASSA grants who now have the option to request a deduction of the grant from their monthly stipends instead of their contracts being terminated.
 - Overall Target achievement is 92% (248 722 instead of 271 009) a drop by 1% from the 2022 achievements of 93%.
 - Repeat deficiencies such as appointment of youth older than 35 years, recipients of Social Relief of Distress (SRD) grants from SASSA and youth already appointed within other state institutions.
 - Some of the assistants appointed were recipients of the National Student Financial Aid Scheme (NSFAS) bursaries.

Recommendations – There should be an increase in oversight with adequate tracking prior year commitments and take corrective action. There was also a need to improve on record keeping.

6.3.2 AGSA Overall Recommendations to the Portfolio Committee

- The Portfolio Committee should continue to monitor and follow up on DBE's responsibilities of monitoring and coordination on implementation of sector priorities. Furthermore, to encourage the leadership in the sector to ensure that the monitoring of adherence to compliance is strengthened and improved and that consequence management processes are intensified to address the root causes of transgressions.
- The committee should monitor the inclusion of the MTSF indicators in the APP of the departments and monitor the progress made on implementation of the APPs and assess the impact of the non-achievement has on service delivery.
- Oversee implementation of remedial action to address deficiencies identified through an audit of School Performance Improvement, Early Childhood

Development, National School Nutrition Programme, School Infrastructure, Learner Transport and Presidential Youth Employment Initiatives.

- Monitor the progress of modernising the education information management systems such as SA-SAMS capabilities to capture, review and consolidate reporting of basic annual management processes, school finance management and education facilities management and the implementation of e-education across all provinces.

6.3.3 Portfolio Committee Observations and Questions (AGSA)

- On AGSA findings and recommendations, Members queried whether the Department was able to implement the recommendations – and reasons for non-implementation of such recommendations.
- In respect of the ECD function shift in relation to infrastructure, Members queried the interventions that may assist the Department to address issues of ECD infrastructure and ECD infrastructure backlogs.
- How was the Department planning to address the issues around the placement of Fundza Lushaka graduates – and assist PEDs with reaching the target percentages for placement of these graduates.
- Members also queried how the NECT was not complying with financial management legislation.
- Members queried whether the AGSA recommendations to collect accrued departmental revenue were complied with – and whether there was any engagement with DBE on the matter.
- Both SACE and Umalusi did not meet all their targets – Members queried the advice from AGSA and possible reasons for not meeting targets.
- In respect of consequence management, Members queried whether the Department had improved on this – and how could this be further strengthened.
- Members also sought the opinion of AGSA on issues of school connectivity targets of the Department.
- Members queried the number of cancelled projects due to poor project management or poor Implementing Agents. What consequence management was being applied for errand official or IAs?

- With the payment targets not met by the Department as well as issues of fruitless and wasteful expenditure. Members queried what the implications of budget cuts or insufficient funding for DBE on reaching their targets – similarly for SACE and Umalusi.
- What measures could AGSA recommend for better contract and project management.
- What existing legally supported models the Department can utilise to raise funds to close the infrastructure backlogs and ensure old infrastructure was properly maintained and fit for human use.
- What could be the reasons for the Department not being able to acquire a clean audit? It was also disappointing that Umalusi had regressed. Members queried how PEDs could be assisted with alignment of their APPs with the MTSF
- From an AGSA point of view, how ready was the Department for the ECD function shift.
- With Grade R practitioners and their qualifications and experience, Members queried how practitioners without the necessary qualification – but with vast experience in ECD could be accommodated.
- Members also sought clarity from AGSA on their opinion on lessons learned from the roll-out of ICT and e-Learning in selected provinces.

6.3.4 AGSA Responses to Portfolio Committee Observations and Questions

With the migration of ECD and the readiness of DBE, AGSA had also visited ECD centres to give DBE feedback with possible key recommendations for the Department. There was a need to ascertain what still needed to be done to deliver ECD – as well as the implications of budget cuts on the Department. There was a need to allow the Department to prioritise on how to address ECD as a function with clear plans. AGSA was also available to indulge with DBE on these plans. AGSA only visited selected ECDs, and the Department was best placed to respond to ECD challenges.

In the past, standardised indicators worked better and allowed PEDs to move at same pace. AGSA was of view that there be discussion with DPME on the matter. Departments with limited resources were not able to do all that was required for the MTSF - and the expectations required.

In respect of issues pertaining to consequence management, the PFMA was clear on dealing with consequence management - and how accounting officers investigated such irregular expenditure. Action needs to be taken to improve officials/employees' behaviour. This will allow for upskilling through consequence management. PFMA is explicit in recovering of losses as well. As government there was a need to plan for spending at the start of the financial year. There had been improvements in consequence management mechanism within the Department.

On ECD practitioner qualifications. AGSA explained that experience was important, but this needed to be in conjunction with the relevant qualification. Experience on its own would not be sufficient as the qualification does enable the ECD programme and experience informed by relevant qualifications.

Much of the non-compliance was due to awards not made to highest bidder – and not following local content prescripts.

With the fast-tracking of the collection of accrued departmental revenue – departments appoint ESPs to fast-track collections.

With changes in reporting on fruitless and irregular and wasteful expenditure, AGSA has had to adapt on how they reported as National Treasury changed the reporting requirements.

6.3.5 Portfolio Committee Overall Recommendations

Based on the observations made from inputs received, the Portfolio Committee recommends that the Minister should ensure that the Department of Basic Education consider the following recommendations:

- The Department should strengthen quality assurance of reported information timeously.
- Detailed work by Internal Audit on the quarterly performance information reports and financial statement should be reviewed within 60 days of this report adoption.
- The Department should strengthen accountability systems and monitor the implementing agents, especially the penalty clauses in the memorandums of agreement (MOAs), ensure capacity in ASIDI and Supply Chain Management

- The Department should ensure the implementation of consequence management to assist moving DBE towards a clean audit.
- The Department should consider AGSA recommendations and concerns regarding consequence management, to improve supply chain management, and mitigate irregular expenditure.
- Action plans submitted to the audit members, should be monitored on a quarterly basis, and that the Department should address prior audit findings that were not resolved.
- ASIDI and Finance needed to strengthen the quality assurance and accountability of work done by implementing agents and project support units (PSU)
- Financial statements would enhance the accurate records, and submission of information for preparation of the annual financial statements (AFS) must be timely.
- Regular monthly reconciliations have to be prepared to prevent misstatements in the financial statements.
- Possible disciplinary action should be taken against persons who have caused irregular, fruitless and wasteful expenditure.
- Regarding irregular expenditure, DBE should investigate the cases within 60 days of the adoption of the report, as any amount of irregular expenditure is unacceptable. DBE's must address issues of the communication technology (ICT) system and the impact on schools' programmes.
- Consequence Management related to fruitless and wasteful expenditure in the Sanitation Appropriate for Education (SAFE) initiative must be addressed.
- The Department should enhance literacy, numeracy, coding and robotics, particularly in rural areas, as a top priority.

7. Statutory Bodies and Entities

7.1 Financial and Fiscal Commission (FFC)

7.1.1 Role and Function of the FFC

The Financial and Fiscal Commission (FFC) was an independent, permanent, statutory institution established in terms of Section 220 of Constitution and must function in terms of the FFC Act. The mandate of the Commission was to make recommendations, envisaged in

Chapter 13 of the Constitution or in national legislation to Parliament, Provincial Legislatures, and any other organ of state determined by national legislation. The Commission's focus is primarily on the equitable division of nationally collected revenue among the three spheres of government and any other financial and fiscal matters. Legislative provisions or executive decisions that affect either provincial or local government from a financial and/or fiscal perspective. This includes regulations associated with legislation that may amend or extend such legislation. The Commission must be consulted in terms of the FFC Act

7.1.2 Infrastructure Expenditure Trends

7.1.2.1 Expenditure Patterns in respect of Infrastructure

The FFC gave a detailed overview of the dimensions for infrastructure, implementation timeframes and the anticipated date for achievement of milestones in respect of the following:

- All schools built entirely from mud or asbestos or metal or wood.
- All schools that do not have access to any form of power supply, water supply or sanitation.
- Availability of classrooms, electricity, water, sanitation, electronic connectivity, perimeter security
- Libraries and laboratories for science, technology, and life sciences
- Compliance with all other norms and standards

In November 2013, the Minister of Basic Education published legally binding regulations on minimum norms and standards for school infrastructure which specifies:

- Basic level of infrastructure that every school must meet in order to function properly.
- Timeframes within which school infrastructure backlogs must be met.

7.1.2.2 Progress in respect of targets on Infrastructure

In terms of access to basic infrastructure such as water, sanitation, electricity, improvements are noted. According to NEIMS report, as of 2023, all schools have some form of electricity, water, and sanitation. The quality of basic infrastructure requires continued attention – 3.2% of schools in SA recorded pit latrines as their only source of ablution facility as of 2023 – though this has declined from 16% in 2019. A majority of schools do not have laboratory, library, and computer centre facilities and to a lesser extent sports facilities. Continued neglect in the

provision of this type of infrastructure will impact other outcomes for example: promotion of healthy lifestyles, improving literacy levels and reading for meaning, building the skills required for the knowledge economy.

7.1.2.3 Progress in respect of targets on infrastructure by Province – The FFC gave a detailed breakdown of the progress with infrastructure targets per provinces – a provincial disaggregation for the percentage of schools without access to sports, labs, libraries, or computer centre facilities (2019, 2021 and 2022). The extent to which schools lack these facilities varies by province:

- In terms of sports facilities: 62.6% of schools in Eastern Cape and 54% of schools in KZN do not have any sports facilities.
- In terms of laboratory facilities: 93.8% of schools in Limpopo and 92.7% of schools in Eastern Cape do not have laboratory facilities.
- In terms of library facilities: 93% of schools in Eastern Cape, 91.4% of schools in Limpopo do not have library facilities.
- With respect to computer centres, 88.6% of schools in the Eastern Cape and 83.1% in Limpopo do not have computer centres.

7.1.2.4 Accelerated Schools Infrastructure Delivery Initiative (ASIDI) – The Accelerated School Infrastructure Delivery Initiative (ASIDI) was introduced in 2011/12 and aimed at:

- Eradicating inadequate, unsafe, and poor physical infrastructure by using allocated funds properly
- Eliminating backlogs in school infrastructure
- Upgrading schools to meet the standards prescribed by the Norms and Standards for School Infrastructure

Funding for ASIDI flows to the DBE through the School Infrastructure Backlog Grant (SIBG). The SIBG was established with intention of being a high impact, temporary intervention. SIBG was scheduled to end in 2017/18, then in 2018/19 but was extended to complete projects underway in the pipeline. According to 2022 ENE, SIBG was meant to be merged with the Education Infrastructure Grant in 2023, but this has not happened – remains an indirect grant. This grant is characterised by a complex delivery chain involving, DBE, provinces, DBSA, and contractors. Since inception, R24 billion has been allocated in respect of SIBG which is used

to fund the ASIDI programme. On average over the period 2011/12 to 2022/23, 76% of the allocated amount has been spent. The FFC gave a details breakdown of the outputs related to ASIDI.

7.1.3 Education Infrastructure Grant (EIG)

The Education Infrastructure Grant (EIG) was introduced to Accelerate the construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education and enhance capacity to deliver infrastructure in education. The EIG also used to address damaged education infrastructure and assist in ensuring that targets set out in the minimum norms and standards for school infrastructure are met. The EIG was a schedule 4A conditional grant to provinces and it is therefore meant to supplement provincial allocations - provinces are also required to make contributions from total provincial revenue. Challenges around inability of provinces to contribute to this grant remain, with the result that provinces tend to rely entirely on EIG to fund infrastructure. A total of R112.3 billion was allocated to EIG over the period 2011/12 to 2022/23 – year on year growth in allocations was erratic. Spending performance of EIG is 99.1% in 2022/23 and the average spending performance over the period 2011/12 to 2022/23 is 96%. There should be alignment between financial and non-financial performance. FFC alluded to the following cases:

- Budget spent but low level of targets achieved (Limpopo and Mpumalanga)
- Low spending with significant over achievement on targets (Free State and Northwest)
- Appropriate target setting is important to get a realistic understanding of performance - is over achievement the result of efficiency? Is it quality appropriate?

7.1.4 Infrastructure concerns raised by DBE in the Annual Report 2022/23

- Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R15 660 000, as disclosed in note 24 to the annual financial statements, as required by section 38(1) (c) (ii) of the PFMA and treasury regulation 9.1.1.
- The majority of the fruitless and wasteful expenditure was caused by school infrastructure projects that were cancelled due to duplicate allocation to the implementing agents.

- The department did not settle the interim payment certificates of a contractor within 30 days, as required by treasury regulation 8.2.3. The contractor was appointed for the demolition and construction of new schools in the Eastern Cape as part of the Asidi programme. The department eventually made payment; however, this was after the contractor had cancelled the contract based on the material breach due to nonpayment.
- The non-compliance is likely to result in material financial losses in the form of damages claimed by the contractor and the losses on materials currently on site which have been exposed to the elements and damaged by bad weather. It further resulted in material financial loss for the DBE of R233 000 for the payment of interest.
- The department did not settle the invoices of a professional service provider within 30 days, as required by treasury regulation 8.2.3. The service provider was appointed to provide professional services for the construction of 29 medium to large schools in the Eastern Cape as part of the ASIDI programme.
- Interest of R6 960 000 was charged by the professional service provider because of late payment. This amount was paid by the department on 5 June 2019, resulting in a material financial loss of R6 960 000 by the financial year-end. Since the department failed to honour its contractual obligation, this amount is not recoverable from the professional service provider.

Expenditure Patterns in respect of Non-Infrastructure Conditional Grants

Non-Infrastructure Conditional Grants (R'000)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/2023
National School Nutrition Programme	5 700 238	6 080 058	6 597 737	6 995 175	7 244 247	7 745 990	8 434 297	8 508 321
Maths, Science and Technology	329 472	380 683	370 887	412 337	401 552	364 802	459 021	424 793

HIV and AIDS (Life skills Education)	214 802	231 406	245 813	246 660	264 827	195 337	253 010	242 275
Learners with Profound Intellectual Disabilities			72 000	191 193	234 849	255 803	262 486	255 521
Early Childhood Development (ECD)								1 192 682
Year on Year Growth in Allocations (%)		2015/16-2016/17	2016/17-2017/18	2017/18-2018/19	2018/19-2019/20	2019/20-2020/21	2020/21-2021/22	2021/22-2022/23
National School Nutrition Programme		6,7%	8,5%	6,0%	3,6%	6,9%	8,9%	0,9%
Maths, Science and Technology		15,5%	-2,6%	11,2%	-2,6%	-9,2%	25,8%	-7,5%
HIV and AIDS (Lifeskills Education)		7,7%	6,2%	0,3%	7,4%	-26,2%	29,5%	-4,2%
Learners with Profound Intellectual Disabilities				165,5%	22,8%	8,9%	2,6%	-2,7%

The largest grant is the National School Nutrition Programme grant – allocated R8.5 billion in 2022/23. The smallest grant is the HIV/AIDS (Lifeskills Education) grant – allocated R242.3 million in 2022/23. Generally, non-infrastructure grants characterised by declines in 2022/23. Generally, spending of non-infrastructure conditional grants as at 2022/23 are aligned to allocated budgets. High-level trends mask provincial disparities in spending performance:

- Maths, Science and Technology grant: FS (64%), LP (83%), EC (135%), WC (124%)
- HIV and AIDS (Lifeskills Education) grant: LP (81%)

- Learners with Profound Intellectual Disabilities: FS (79%), NW (89%)
- Early Childhood Development: NW (79%), NC (82%), FS (85%)

Spending performance is important but must be looked at in relation to delivery performance. Example of NSNP in KZN: 96% of budget spent in 2022/23, yet challenges around learners not receiving meals.

7.1.5 Equity in Education

- **National Norms and Standards for School Funding** - The South African Schools Act (SASA) requires government to fund schools adequately and equitably - establishment of no fee schools. National Norms and Standards for School Funding (NNSFF) intends to reduce resource disparities between affluent and less affluent schools. The NNSFF take a quintile-based funding approach - a five-tiered system is used with Quintile 1 including the neediest schools whilst Quintile 5, the most affluent – learners in quintiles 1, 2 and 3 do not pay school fees. The approach aims to achieve redress and equity through directing greater funding to needier learners. Each year the National DBE sets the target per learner amount for each quintile, which provincial departments of education should adhere to. Some provinces are unable to augment NNSFF funding to support the under-resourced schools.

The FFC gave a detailed breakdown of the National Norms and Standards for School Funding as they related to all nine provinces. KZN has been funding all quintiles at a level below the national threshold amount since 2014. Mpumalanga funding all quintiles below the national threshold level since 2016 – in 2023, quintile 5 funded above the minimum threshold amount.

There are disparities in meeting the target NNSFF learner allocations across provinces, within districts and schools. Disparities are exacerbated by the faster growth in compensation of employees spending, the phenomenon of learner mobility and fiscal mismanagement. There are questions about the adequacy of the set target learner allocations – was funding sufficient to meet requirements around for example one textbook per learner per subject and/or maintenance?

- **Relevant FFC Research from Annual Submission for 2024/25 Division of Revenue**
 - Learner teacher support materials (LTSM) and learner transport are key considerations when thinking about equity. LTSM and learner transport are considered essential elements related to the right to a basic education in South Africa (S29(1) of Constitution). Unfortunately, the poor provision of LTSM and learner transport have been the subject of court cases.
 - Limpopo, 2012: *Basic Education for All vs Minister of Basic Education*.
 - Eastern Cape, 2014: *Madzodzo vs Minister of Basic Education*.
 - 2022, a legal challenge was lodged in the Eastern Cape where textbook and stationary deliveries were delayed for approximately 3000 schools – outcome confirmed that government has a legal obligation to ensure that all learners have access to all required LTSM at start of school year.
 - 2015 case of the *Tripartite Steering Committee vs Minister of Basic Education* found that transport for learners who live far from a school, or cannot afford the cost of transport, must be provided at the state’s expense.

- **Key findings of FFC research include:**
 - Need approved national policy on LTSM.
 - Funding not linked to changing LTSM needs of learners in different grades.
 - Key drivers of growth in demand for learner transport include the school rationalization programme (particularly in predominantly rural provinces) and new human settlements developments (mainly in predominantly urban provinces)
 - The total number of learners qualifying for learner transport are, in most cases, far above the number targeted while the number of learners actually benefitting is always above the number of learners targeted.
 - The difference between the number of learners targeted and those actually benefitting is accommodated through overloads.

7.1.6 Conclusion

- If the performance challenges and uneven access to school infrastructure and other educational inputs are not addressed, the wide disparities in educational

outcomes between rural and urban provinces, and between less affluent and more affluent schools, will persist.

- **Conditional Grants** - Consideration should be given to merging the EIG and SIBG as the grants have overlapping aims. EIG has demonstrated relatively better performance – could be due to the nature of the EIG being a direct conditional grant versus SIBG which is indirect.
- Non-financial/service delivery targets need to be realistic. Need for continuous strengthening of internal controls and supply chain management processes within the national and provincial departments of basic education.
- All non-infrastructure conditional grants are characterised by declines/marginal growth – impact on service delivery must be ascertained.
- In addition to spending performance (which is the extent to which allocated budgets are spent) and delivery performance (which is the extent to which APP targets are fulfilled) – actual quality of services delivered is critical.
- **Equity** - Provincial budgets must be adjusted to bring the per learner funding in line with national threshold amounts especially in the case of learners in quintile 1 to 3 schools. Funding for LTSM must be differentiated based on the needs of learners as they progress through the different phases – foundation, intermediate, senior and FET.
- Infrastructure delivery should be planned holistically and coordinated to ensure that, where possible, the need for learner transport is kept to a minimum, particularly in areas experiencing an inward migration of learners. This requires coordination between the various infrastructure delivery plans such as human settlements and school infrastructure.

8. FCC Recommendations

The Commission recommends that, with respect to conditional grants, consideration should be given to merging the EIG and SIBG.

- Furthermore, Non-financial/service delivery targets need to be realistic.

The department should undertake continuous strengthening of internal controls and supply chain management processes within the national and provincial departments of basic education.

- Ascertain impact on service delivery as all non-infrastructure conditional grants are characterised by declines/marginal growth.
-
- In addition to spending performance and delivery performance the actual quality of services delivered is critical
- *With respect to equity*, Provincial budgets must be adjusted to bring the per learner funding in line with national threshold amounts especially in the case of learners in quintile 1 to 3 schools.
- Funding for LTSM must be differentiated based on the needs of learners as they progress through the different phases – foundation, intermediate, senior and FET.
- Infrastructure delivery should be planned holistically and coordinated to ensure that, where possible, the need for learner transport is kept to a minimum, particularly in areas experiencing an inward migration of learners. This requires coordination between the various infrastructure delivery plans such as human settlements and school infrastructure.
- The quality of basic infrastructure required continued attention in that 3.2% of schools in SA still had pit latrines as their only source of ablution facility in 2023. Though this had declined from 16% in 2019, more needs to be done.
- spending performance must be looked at in relation to delivery performance and had highlighted the scenario of 96% of the NSNP budget in KZN being spent in 2022/23, yet there were challenges around learners not receiving meals.
- There should be alignment between financial and non-financial performance.
- DBE sets the target per learner amount for each quintile, which provincial Departments of Education should adhere to
- performance challenges and uneven access to school infrastructure and other educational inputs were not addressed, the wide disparities in educational outcomes between rural and urban provinces, and between less affluent and more affluent schools, would persist.
- LTSM and learner transport are considered essential elements related to the right to a basic education.

- performance challenges and uneven access to school infrastructure and other educational inputs should be addressed, and that the wide disparities in educational outcomes between rural and urban provinces, and between less affluent and more affluent schools, should be reduced.

9. Portfolio Committee Observations and Questions (FFC)

- In respect of the minimum Norms and Standards on school infrastructure – and expected timeframes, it would seem that targets may not have been attained. As the Portfolio Committee holds the executive accountable, there was a need to query reasons for this non-attainment. One needed to be conscious of the growing and expanding population. Members queried how the FFC saw the impact of the population explosion on the targets of the Department.
- Members also queried what the FFC could propose as a mechanism to finance infrastructure backlogs. What measures could be put in place to mitigate the shortages of laboratories, libraries, computer centres and sporting facilities at schools.
- Members queried the funding of learners below the national threshold and was of the view that the current quintile system was flawed. Members queried whether the Department was considering the review of the current quintile system and policy.
- Provinces implemented their respective policies on NSNP, LTSM procurement and Learner Transport differently. Learner transport falls under DBE in certain provinces and under Department of Transport in other provinces. Members queried the engagement between DBE, FFC and relevant Departments on the specific items.
- How was the Department planning to ensure compliance with the PFMA?
- On research on infrastructure (ASIDI/SAFE), Members queried whether FFC had done any financial research and budget analysis in this respect – and what were the findings.
- It was also noted that budgets and financial maintenance of ablution/sanitation facilities was lacking in most provinces. Has the FFC done any study on the plans in place to ensure school connectivity as well as issues relating to online/blended learning.
- Members noted that non-infrastructure conditional grants were characterised by marginal growth. What are the reasons/factors for such marginal growth?
- Members raised concern with the lack of focus on prioritising funds for laboratories, libraries, computer centres and sporting facilities. The Department had multiple grants

and Members queried whether the FFC had looked at recommending an equitable distribution of funds for needs relating to the core functions of the Department.

- Members also touched on the performance by provinces on conditional grants, including direct and indirect conditional grants. Members sought some reflection of the FFC on the capability of provincial departments to adequately utilise these grants for their intended purpose. What was the view of the FFC on the impact of COVID-19 on disruption of education – including the disruptions caused by flooding and storm-damage. These factors may have negatively impacted on the non-delivery or non-achievement of targets. Members also queried whether the FFC was able to engage and collaborate with relevant departments on issues of water and sanitation, roads, and transport – and how these departments non-delivery impacted on the targets of the Department of Basic Education.
- Regarding the eradication of pit latrines, Members noted that, although there was progress, this seemed to be a moving target due to rapid population growth. Members queried whether there would be new demands that may arise in respect of school ablution facilities considering migration patterns being experienced.
- Member sought clarity on the improvement rates for provinces in respect of libraries and laboratories.
- With new school build, Members also queried whether FFC could assure the Committee that classes were provided with the necessary water, sanitation, electricity – at an acceptable level.
- Members also queried the alignment of financial and non-financial performance – and whether FFC could indicate that there had been improvement.

10. FFC Responses to Portfolio Committee Observations and Questions

Regarding learner transport the FFC recommended that there was a need for better coordination between DBE, Department of Transport and Department of Human Settlements – including better data collection. This would allow for better planning and meeting the needs of learners, specifically those eligible for learner transport. FFC indicated that currently the relevant departments lacked the necessary data collection amongst them.

With infrastructure backlogs for libraries, laboratories, and computer centres, the FFC mentioned that there was a need to look at the MST Grant that needs to be further explored. Learners were not receiving the necessary baseline to move beyond school to the 4th Industrial Revolution – this was an area that needed to be addressed.

The Norms and Standards had not been attained and met by provincial education departments and with the rapid population growth, this would impact on demand for education and educational infrastructure. The FFC also touched on the financing of the infrastructure backlogs indicating that it was necessary to first understand the extent of the backlog and do proper costing thereof. In respect of the National Norms and Standards for school funding, the FFC agreed that there may be a need for the school quintiling system to be reviewed.

With maintenance and maintenance budgets, FFC did not do any specific analysis on maintenance funding. Provinces were not able to supplement such funding due to budget constraints. With online/blended learning, the FFC had no analysis on the matter from the Department's APP. The Department had an approved LTSM policy for online/blended learning as well as e-Learning. There were provinces that had their own initiatives for the roll-out of tablets.

There has been mostly regression of infrastructure in respect of availability of laboratories, libraries, and computer centres for schools. According to the DBE NEEMS report, the eradication of pit latrines has improved. Most departments blamed the absence of proper school application systems during learner admissions/enrolments - and many learners not adequately documented which had a negative impact on funds allocation for learners.

11. Council for Quality Assurance in General and Further Education and Training (Umalusi)

11.1 Background and Mandate - The mandate of Umalusi was to develop and manage a sub-framework of qualifications in collaboration with SAQA and the other two Quality Councils (QCs) and implement the necessary quality assurance policies in respect of quality assurance of provision. Umalusi also maintained a database of learner achievements and related matters as well as commissioned and published research related to the development and implementation of the sub-framework of qualifications.

11.2 Role of Umalusi – Umalusi is the Quality Council responsible for qualifications registered on the general and further education and training qualifications sub-framework (GFETQSF) of the National Qualifications Framework (NQF). The Quality Council ensures that the providers of education and training have the capacity to deliver and assess qualifications and learning programmes and that they do so to expected standards of quality.

11.3 Reflections on 2022/23 – During the year, Umalusi celebrated 20 years of our existence as a quality council. Umalusi developed and implemented an online system for certificate replacement and bade farewell to the fifth Umalusi Council and welcomed the sixth Umalusi Council appointed by the Minister of Basic Education. Umalusi reached practical completion of the Thuto-Mfundo building. Some of the key organisational challenges included the following:

- High staff turnover – Umalusi lost 10 employees, eight of whom were at professional level.
- Delayed development of an alternative funding model
- Delayed implementation of the Enterprise Resource Planning (ERP) solution

11.4 Strategic Priorities – The Umalusi strategic priorities could be summarised as follows:

- **Reviewing the quality assurance of assessment approach:**
 - Reviewed the directives for quality assurance of curricula and directives were sent to assessment bodies.
 - IEB subject assessment guidelines for Marine Sciences were appraised and directives were given to strengthen them before approval.
- **Reviewing, evaluating and appraising qualifications:**
 - Reviewed the GEC curricula and gave feedback to DBE.
 - Umalusi gave DBE comments towards the finalisation of the curriculum statement policy statements for the Grade R-9 Coding and Robotics curriculum.
- **Providing input to the legislative framework:**
 - Umalusi continues to provide input on the NQF amendment process.
- **Intensifying research on educational development:**
 - Study that benchmarked the National Senior Certificate (NSC) qualification against five international qualifications

- Evaluation Framework for NASCA
- Framework for Evaluating the Vocational Assessment underpinning the GEC.
- Towards developing an instrument for online schools
- **Intensifying advocacy:**
 - Visited nine provincial education departments to share Umalusi's legislative mandate with reference to the standardisation of examination results.
 - We held three exhibitions.
 - Held eight webinars on various topical issues.

11.5 Audit Report – The report of the External Auditor (RAiN Chartered Accountants Incorporated) indicated that Umalusi achieved an Unqualified Audit Opinion.

11.6 Performance Information – The summary of annual achievement of 2022/23 targets indicated that 97 percent was achieved, and 7 percent was not achieved. The achievement of targets per programme was as follows:

- Programme 1 – 100 percent
- Programme 2 – 100 percent
- Programme 3 – 86 percent

11.7 Status of achievement per programme

11.7.1 Programme 1: Administration - Programme 1 provided strategic leadership, management, and administration support services to the organisation. Programme 1 covered the following sub-programmes:

- Strategy and Governance.
- Public Relations and Communications.
- Information and Communication Technology.
- Human Capital Management; and
- Finance and Supply Chain Management.

Key Achievements:

- Induction of the sixth Umalusi Council
- Media briefings (SOR and approval of the release of results)
- Advocacy – Roadshows, webinars, exhibitions, media briefings

- Development of the online certification system
- Approval of the Information Security Strategy
- Upgrading the bandwidth to accelerate data migration and the full benefit of the envisaged cloud implementation.
- Review of the organogram and creation of 12 new positions
- Successful refurbishment of the Thuto-Mfundo building
- Approval from the National Treasury to open an investment account - an asset for the post-retirement medical aid liability.

Programme 1 Outputs:

- **Number of advocacy webinars conducted** – The annual target was set at eight (8) webinars – and this was achieved.
- **ICT Network health score maintained at $\geq 95\%$** - The annual target was set at $\geq 95\%$ - and the target reached was 97%
- **Average Vacancy rate maintained at $\leq 10\%$** - The annual target was set at $\leq 10\%$ - and the target reached was 8%
- **Average number of days for payment of service creditors and suppliers** - The annual target was set at 30 days and the target reached was seven (7) days.

11.7.2 Programme 2: Qualifications and Research – Programme 2 developed and managed an efficient and effective GFETQSF within the NQF and to undertake strategic research in support of this goal. Programme 2 covered the following sub-programmes:

- Qualifications, Curriculum and Certification
- Statistical Information and Research

Key Achievements:

- Conducted a gap analysis for all qualifications on the sub-framework.
- Conducted research on the accreditation of AET centres to inform the quality assurance of the AET sector.
- A 2022 post-examination analysis was done for selected subjects.
- Developed the online application system for the replacement of lost or damaged certificates.

- Gazetted a policy for the certification of candidates' records on the GFETQSF.
- Published a special issue with the Southern African Linguistic and Applied Languages – the issue was guest-edited by Umalusi.

Programme 2 Outputs

- **Number of reports produced on the management of qualifications in the sub-framework** - The annual target was set at one (1) report – and this was achieved.
- **Number of reports produced on the certification of learner achievements for the qualifications in the sub-framework** - The annual target was set at four (4) reports – and this was achieved.
- **Number of reports produced on the verification of qualifications (certificates) in the sub-framework** - The annual target was set at four (4) reports – and this was achieved.
- **Number of research reports completed in various formats** - The annual target was set at five (5) research reports – and this was achieved.

11.7.3 Programme 3: Quality Assurance and Monitoring - Programme 3 ensures that the providers of education and training have the capacity to deliver and assess qualifications registered on the GFETQSF and are doing so to the expected standards and quality. Programme 3 covered the following sub-programmes:

- Quality Assurance of Assessment (QAA): School Qualifications
- Quality Assurance of Assessment (QAA): Post-School Qualifications
- Evaluation and Accreditation

Key Achievements:

- Moderated questions papers for all assessment bodies
- Moderated school-based assessments
- Monitored the conduct and administration of exams.
- Standardised marking guidelines
- Verified marking to ensure accuracy and credibility.
- Accreditation: 95 independent schools (IS) one AET and 4 FET private college

- Two-year provisional accreditation: 42 IS, four FET and two AET private colleges.
- No accreditation: 67 IS, 30 FET and 2 AET private colleges.
- Monitoring: 264 IS, 22 FET and 2 AET

Programme 3 Outputs

- **Number of quality assurance assessment reports published for qualifications registered on the GFETQSF** – The annual target was set at 10 reports – and this achieved target was only nine (9).
- **Percentage of question papers approved per qualification** – The annual target was set at 100 % – and this was achieved.
- **Number of assessment bodies audited for their state of readiness to conduct examinations** - The annual target was set at four (4) assessment bodies audited – and this was achieved.
- **Number of subjects for which verification of marking is conducted** - The annual target was set at 90 subjects – and the achievement was 92 subjects.
- **Number of subjects for which moderation of internal assessment is conducted** - The annual target was set at 190 subjects - and this was achieved.
- **Percentage of accreditation outcomes for private education institutions finalised within 12 months of the site visit** - - The annual target was set at 86 % - and the achievement was 99.26 %.
- **Percentage of identified private education institutions monitored after being granted accreditation** - - The annual target was set at 90 % - and the achieved target was 94.67 %.

Areas of Under-Performance

- **Indicator 3.3.1 QAA Reports** – The organisation did not produce one report in Quarter 2 because the DHET cancelled the NATED Report 190/191 N2-N3 examination in April 2022. Remedial action indicated that the organisation would confirm with assessment bodies about the number of examinations to be conducted before finalising the APP targets.

11.8 Human Capital Oversight Report

11.8.1 Umalusi Annual Report – The report covered eight narrative aspects followed by human resources oversight statistics as of 31 March 2023. The following tables were discussed as part of the highlights of the report:

- Number of employees per programme
- Employment and vacancies
- Personnel costs per programme

Table 1: Human Capital Management - Number of employees per programme

Programme	2021/22 No. of Employees	2022/23 Approved Posts	2022/23 No. of Employees	2022/23 Vacancies	% of Vacancies
Programme 1: Administration	58	63	59	4	6,3%
Programme 2: Qualifications and Research	27	30	29	1	3,3%
Programme 3: Quality Assurance and Monitoring	44	45	40	5	11,1%

Table 2: Human Capital Management – Employment and Vacancies

Salary Band	2021/22 No. of Employees	2022/23 Approved posts	2022/23 No. of Employees	2022/23 Vacancies	% of Vacancies
Top Management	4	4	4	0	0,0%
Senior Management	10	10	9	1	10,0%
Professional Qualified	58	56	48	8	5,8%
Skilled	16	16	16	0	0,0%
Semi-skilled	35	46	45	1	2,2%
Unskilled	6	6	6	0	0,0%

Total	129	138	128	10	7,2%
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Table 3: Human Capital Management – Personnel cost per programme

Programme	Total Expenditure	Personnel Expenditure	Personnel Expenditure as a % of total expenditure
	R'000	R'000	%
Programme 1: Administration	69,177	36,861	19,5
Programme 2: Qualifications and Research	33,876	17,472	9,3
Programme 3: Quality Assurance and Monitoring	85,726	32,725	17,3
Total	188,779	87,058	46,1

11.8.2 Financial Report

External Audit Report (RAiN Chartered Accountants) - RAiN Chartered Accountants performed the audit for the third financial year with the approval of the Auditor General of South Africa (AGSA). Umalusi received an Unqualified Audit Report. The audit was conducted following the international standards on auditing (ISA's). The financial statements were compiled in Generally Recognised Accounting Practice (GRAP), and the requirements of the PFMA present fairly, in all material respects, the financial position of Umalusi as of 31 March 2023. The audit was subjected to an external quality review in compliance with the Independent Regulatory Board for Auditors (IRBA). Overall, the financial viability is assessed as good.

Table 1 - Statement of Financial Position as of 31 March 2023

Figures in Rand	2023	2022
Assets		
Current Assets	52,918,791	59,245,427
Non-Current Assets	70,818,401	66,912,205

Total Assets	123,737,192	126,157,632
Liabilities		
Current Liabilities	32,229,633	20,660,254
Non-Current Liabilities	9,596,260	9,921,071
Total Liabilities	41,825,893	30,581,325
NET ASSETS	81,911,299	95,576,307

The overall statement of financial position for Umalusi has declined net assets by 14% (R 13 665 008)

The decline can be identified by noting the decrease in the organization's current assets. The current assets have declined by 11% (R 6 326 636.00). The cash and cash equivalents in the current assets as per the annual financial statements had decreased by R 9 463 786.00.

Short-term term deposits within the cash and cash had decreased and can be identified as one of the main drivers for the decline.

The current liabilities had significantly increased due to an increase in the payables from exchange transactions by R 12 090 686.00 from the previous financial year. Trade payables had increased to R 4 406 681 from R 572 677.00

Table 2 – Statement of Financial Performance

Figures in Rand	2023	2022
Revenue		
Revenue from exchange transaction	35,774,280	28,786,812
Revenue from non-exchange transactions	162,031,000	157,404,000
Total Revenue	197,805,280	186,190,812
Total Expenditure	(188,779,003)	(177,624,113)
Surplus for the year	9,026,277	8,566,699

Revenue comprises own revenue items amounting to R35,7 million and the subsidy from the DBE amounting to R162 million. Expenditure is made up of a) Employee-related costs of R87 million (AFS note 19), b) General expenses of R49,7 million (AFS note 20) and c) Moderator and verifier costs of R44,3 million as the main cost items.

Table 3 – Trends of actual revenue versus budget

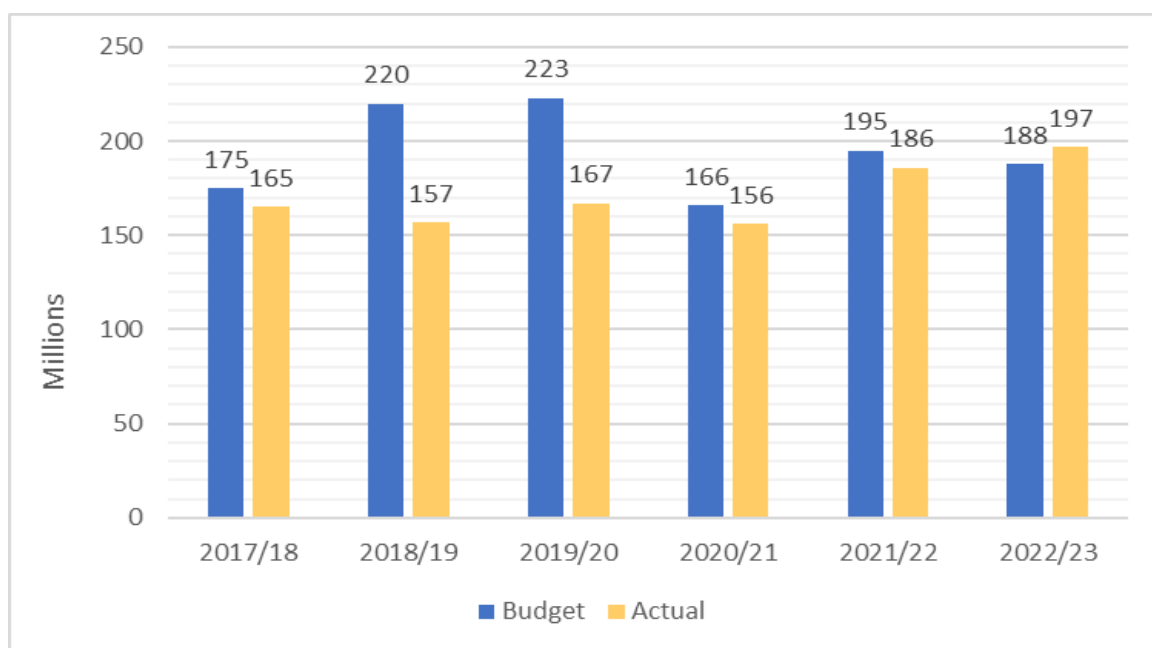
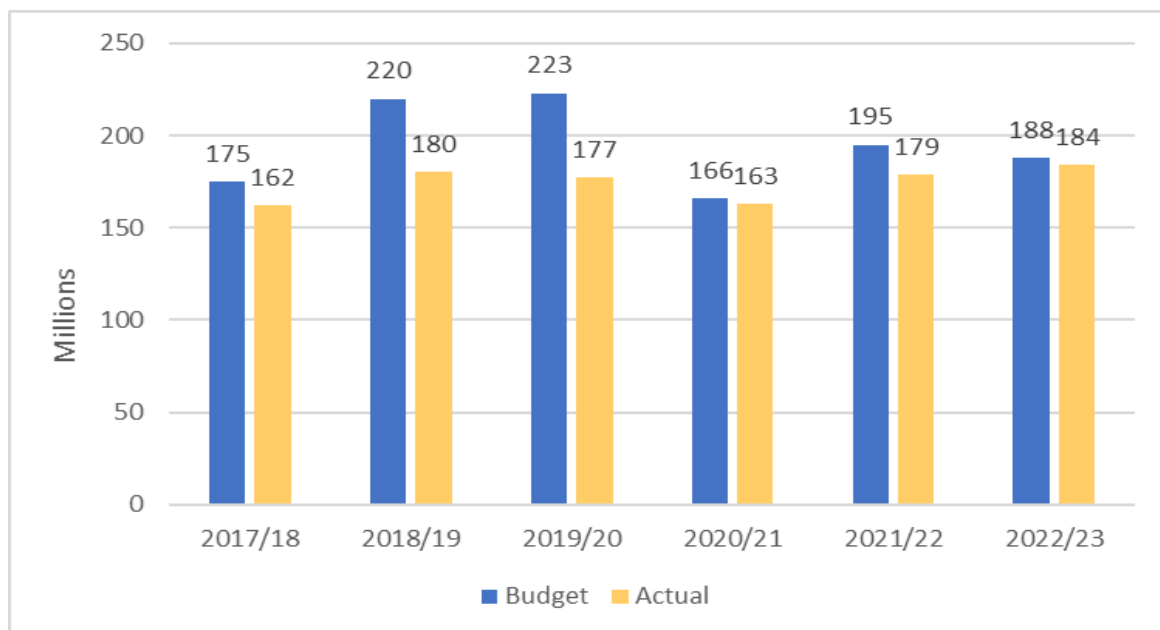


Table 4 – Trends of actual expenditure versus budget



Cash Surplus - Umalusi applied to the National Treasury after finalising the external audit in terms of Section 53(3) of the PFMA and Treasury Instruction 12 of 2020/21 to retain the cash surplus of R18,6 million from the 2022/23 financial year. The National Treasury granted approval on 12 September 2023 to retain the surplus. The funds will be used for the commitments, which in the main are the:

- Final payments for the refurbishment of the Thuto-Mfundo Building – R5,6 million
- Investment to cover the post-retirement medical aid liability – R3 million
- Funding for ICT unit for an ERP solution – R10 million

11.9 Portfolio Committee Observations and Questions

- Members queried reports on acquiring fake/fraudulent certificates which are issued from within Umalusi – Members queried any investigation into the matter and how Umalusi was addressing it.
- Members also sought an update on the outcomes of the investigation into leaked question papers -and whether there had been any consequences for implicated learners and educators.
- Umalusi underachieved on one of the Programme-3 targets and Members queried the factors which caused the underachievement.

- With the cancellation of the accredited technical diploma – how was this likely to impact on learning opportunities.
- Members noted challenges with high staff turnover and queried plans and interventions to curb the loss of employees. What strategies were in place to attract and retain staff.
- Members sought clarity on the causes for the delays in the development of an alternate funding model for Umalusi. Members queried the types of alternate sources of funding being considered.
- Members noted a slight decline in Umalusi assets – and given the budget cuts and the increased mandate of Umalusi, Members queried how this would impact on the functioning of Umalusi.
- It was noted that many targets were over-achieved. Members queried how realistic were the targets Umalusi had set; had targets been set lower than it should be due to limited human resource capacity.
- Members queried whether Umalusi had filled all vacant posts in the establishment.
- How was Umalusi reconceptualization of quality assessment going - how will it ensure lifting of standards of basic education.
- Members queried when the Robotics and Coding Curriculum would be finalised.
- Learners who attended LSEN schools or schools of skill did not have any qualification when they completed their schooling. What was Umalusi doing to assist with a recognised qualification for such learners.
- It has been argued that education should focus more on learning than testing. Members queried whether Umalusi had considered undertaking a research study on alternative continuous assessment methods.
- With the ERP solution, Members queried when the programme would be concluded - and how did it assist the functioning of Umalusi.
- Members were interested in knowing what the factors were for Umalusi not receiving a clean audit. How was Umalusi planning to address the challenges with material adjustments.

11.10 Umalusi Responses to Portfolio Committee Observations and Questions

Umalusi was not relaxed about their current performance and ensured that, at meetings of Council, management was still held to account. Umalusi would be increasing their targets and assured Members that targets had not been relaxed. There was a need to be cautious of using the word “regress” as, in the greater measure, Umalusi was on an even keel with realistic targets. The issue of leakages and fake/fraudulent certificates was a serious issue for Umalusi as they could not have certificates of questionable standard.

On staff turnover, globally, Umalusi staff turnover was not unusually high although it was worrying. Council had been engaged on the matter and was looking at creative solutions to stem the flow. Umalusi was also dealing with a pool of skills – and all were fishing from the same pool. Umalusi agreed that salaries were a factor and people left for greener pastures. A major factor was the work-overload and stress. Another recent concern was the perks e.g., joining GEMS and challenges with the GEPF. The Council continued to attempt to meet their expectations within limited resources and despite budget cuts and an increased mandate.

Umalusi was not a qualifications development authority, and their focus was on assessment and delivery of programmes. The focus on assessment was a difficult question – but there was a need to look at summative assessment and not formative assessments. This was complicated by different forms of assessment and the way learner achievement was understood – this was an issue Umalusi would want to move cautiously on. We need to also ensure that all assessment authorities were ready to undertake and administer the exams – not whether learners are ready for exams.

On the media reports regarding fake/fraudulent certificates, the investigation could not be done by Umalusi and therefore the approach to SAPS to assist. SAPS had investigated, conducted internal and external investigations and questioned/interviewed staff of Umalusi on the matter. Everyone was very concerned after the ENCA clip that went viral. SAPS, to date, has cleared Umalusi and DBE officials of any wrongdoing. SAPS found no evidence of staff implicated in fake certificates. Umalusi warned the public that those who chose this route were buying certificates that had no currency. Umalusi certificates could not be forged as they had specific security features that could not be duplicated.

With the leaked papers, the Council also suspended the release of results of those learners implicated. After the investigations, the Department submitted a detailed report on those learners cleared and those found guilty. For those cleared, their results had been released.

Umalusi would not become complacent and would continue to work hard. Underachievement was as a result of DHET having cancelled an examination (April) – to catch up with teaching and learning. This was outside of Umalusi control.

In respect of Umalusi targets, Umalusi set targets carefully and looked at the context and human resources and financial resources at their disposal. Umalusi did not under-target and indicated they could not acquire bigger samples without more human and financial resources.

With the filling of posts, Umalusi has made huge strides in filling vacant positions, however, Umalusi appreciated this was a running target. The expansion of the Umalusi mandate must be followed by additional resources. Quality assurance was evolving with time and Umalusi had a dedicated research unit that advised the Minister accordingly in respect of qualifications. Umalusi was not stagnating as a quality assurer but making progress. In respect of the foundation phase, Umalusi had done research with outcomes and findings in lifting the standards in Grade 4 for literacy and numeracy. Regarding the introduction of Robotics, Umalusi had advised the Department on the introduction of the subject and the DBE had to take the decision as to when to introduce the subject. The GEC was also being piloted in schools of skills.

On the issue of regression, Umalusi agreed that there had been a move from a clean audit. Umalusi explained the issues pertaining to the valuation of building and the way it needed to be reported on e.g., on value, depreciation, and reassessment. This was the main reasons Umalusi made material adjustment to financial statements. These restatements were regarded as material but was more of a technical nature – and not meant to mislead the public. Umalusi had learned valuable lessons going forward and would consult adequately.

The challenges with ERP solution were explained as Umalusi had advertised a tender with specification but the tenders received was of such a financial value that it was unaffordable for Umalusi. Much work had been done to recompile and reassess the specification needs. Umalusi would readvertise but within a cost benefit process such that they could afford the service.

Regarding the delays in terms of the funding model, it was explained that Umalusi received 80 percent of its annual income from the Department. For Umalusi, it was difficult to keep fees charged at a minimum. Umalusi had started to develop its own

costing/funding model and engaged all relevant role players. Umalusi was committed to present the revised funding model to Council to drive the process forward. Umalusi faced the challenges of anticipated further budget cuts. Umalusi had engaged with DBE and National Treasury that such budget cuts would impact negatively on the functioning of Umalusi, and this could not be afforded. Umalusi exceeded projected revenue income as a result of demand for more certification verification. Umalusi set targets based on realistic projections.

The decrease in total assets were mainly due to refurbishment project of buildings funded through reserves - and when concluded, this reduced the total assets. Umalusi was looking to develop an audit action plan to be presented and have steps in place to ensure Umalusi did not regress but move back to a clean audit outcome.

11.11 Portfolio Committee Recommendation for Umalusi

Based on the observations made from inputs received from Umalusi, the Portfolio Committee recommends that the Minister should ensure that the Department of Basic Education, in collaboration with Umalusi consider the following recommendations

- The council should put in measures to curb the activities of unaccredited institutions and ensure the security of Umalusi certificates.
 - Umalusi should engage with relevant stakeholders to deal with the issue of fraudulent certificates and try as far as possible to mitigate the NSC exam questions paper leaks.
 - Address the high staff turnover, including the alternative funding model.
 - Furthermore, Umalusi should develop a strategy to attract and retain skilled workers, to ensure the continuity of their commendable work.
-
- The Council for 2023/24 should improve on the missed target in Programme 3, concerning the number of quality assurance assessment reports published for qualifications registered on the General and Further Education and Training Qualifications Sub-Framework.
 - The Council should develop realistic timeframes for finalisation of the robotics and coding curriculum and other pilot curriculum streams like maritime, entrepreneurship and others, and update the Portfolio Committee on the approximate timeline for these developments 90 days of adoption of this report.

- Umalusi in collaboration with the Department should address the need for recognition of qualifications for learners with special educational needs (LSEN) who complete programmes in schools of skills.
- Ensure that LSEN qualifications are acknowledged and could be utilised by the learners to access relevant industries.
- Consider in future planning a shift in focus from testing for examinations to continuous learning assessment methods.
- Explore a model that promotes ongoing learning and assessment, to reduce the frequency and anxiety of examinations. This continuous examination would occur at the culmination of a student's educational journey, something like the matric examination.

12. South African Council for Educators (SACE)

12.1 Background and Mandate - The South African Council for Educators (SACE) is a Schedule 3A public entity, established in terms of Act No. 31 of 2000, as amended, to enhance the status of the teaching profession. The Basic Education Laws Amendment Act (2011) has amended the South African Council for Educators Act No. 31 of 2000 to enable the Council to manage the Continuing Professional Teacher Development System, and to allow the Council to request for additional funding from the public fiscus when necessary.

The South African Council for Educators is accountable to the Department of Basic Education (DBE) and fits into the Minister of Basic Education's Delivery Agreement and Action Plan towards schooling 2030, which speaks to "improving the quality of teaching and learning" through the improvement of teacher capacity and practices.

The key business of SACE is to promote professionalism, empowering educators through development and ensuring that educators are committed to the teaching profession such that they adhere to the ethos as enshrined in the Constitution of the Republic of South Africa.

12.2 Legislative and Policy Environment

The SACE Act, 2000 stipulates the objectives as:

- to provide for the registration of educators.
- to promote the professional development of educators; and

- to set, maintain and protect ethical and professional standards for educators, by means of the functioning of the council.

12.3 Programme Performance Information

The activities of SACE and the Programme Budget Structure was as follows:

- Programme 1: Administration
 - Executive and Governance
 - Planning, Monitoring and Evaluation and Reporting
 - Corporate Services
 - Communication and Stakeholder Relations
 - Financial Management
 - Information and Communication Technology
- Programme 2: Professional Registration.
- Programme 3 Ethical Standards
 - Investigations
 - Disciplinary Hearings
 - Sanctions
- Programme 4: Professional Development
 - Continuing Professional Teacher Development Management System
 - Member Support
 - Quality Management
- Programme 5: Professional Teaching Standards
- Programme 6: Research
 - Research Reports

- Data Management

12.4 Reporting Period Overview

The Annual report signals the third year of implementing the Council's 2020–2025 strategic plan. The 2022/23 financial year further marks the second reporting cycle for the public entity's Accounting Authority (AA), appointed and inaugurated by the Minister of Basic Education as the Executive Officer in August 2021, for the 2021–2025 term of office. Despite the challenges, the Council continued to strive to make a meaningful contribution towards professionalising the education sector with a total achievement of 78% of predetermined objectives according to the APP 2022/23. In regulating entry into the profession, 48110 newly qualified educators were professionally registered. Only the fit-to-practice educators, with clean police clearance certificate, join the profession.

As part of ensuring that miscreant teachers do not remain in the profession, 794 Investigations were held, while 122 disciplinary hearings were conducted. In terms of the sanctions meted out, there were: 31 indefinite removals from the register of teachers, 2 removals from the register of teachers for a particular period, 77 removals from the register of teachers but the removals were suspended for a specific period with fines or reprimands, 80 fines that are not linked to any removal from the register.

The continuing professional development management role of SACE, saw, 43,823 teachers being supported on various professional matters, 70 professional development providers approved, and 791 professional development programmes and activities endorsed.

The Organisation received unqualified audit report with some findings from both the financial and programme performance. Plans have been put in place for the remedial action, as well as enhancing the internal capacity of internal audit to support the performance information monitoring and reporting processes. The current job evaluation process should be able to heighten the efficiency of the organisation in terms of human resources with expertise in systems, policies, internal audit, and ICT amongst others. Planning, Monitoring and Evaluation and Reporting functions are currently done by only two people at Management and Assistant Management level, as players and referees at the same time. Hence the need to enhance internal capacity from both quantity and quality perspective. Despite some of the challenges and audit

findings, Council managed to deliver its mandate to the teaching profession and increased visibility at provincial level. Hence the slight increase in achievement of targets.

12.5 SACE Provincial Offices Status Report

Currently SACE has five (5) provincial offices in KwaZulu-Natal, Free State, Limpopo, Eastern Cape, and Western Cape. The Western Cape Office has not been opened officially due to long Municipality approval challenges. As indicated in the Audit Report, the Eastern Cape is being investigated by the SIU. The establishment of offices in the Northern Cape and other remaining provinces have been put on hold due to financial constraints, finalisation of the SIU report, current SACE review and repositioning project, and the reconceptualization / reconfiguration of the provincial offices.

12.6 Summary of Output not Achieved.

Performance Indicators Not Reached – In the 2022/23 performance slightly increased to 78% as compared to 2021/22 (77%). SACE had a total of 5 indicators which were not achieved as follows:

The reason for underperformance is due to several factors, but essentially the accessibility of the system due to connectivity in most areas of the country, lack of ownership from the educators in taking charge of their professional development, and they largely believe that it should be employer driven.

Performance Indicator	Annual Target	Annual Output	Reasons for Deviation
Percentage of invoices paid within 30 days	100%	97.39%	Disputes with the suppliers led to the target being partially achieved.
Percentage of finalized investigations into new cases	70%	35% (254/734)	The target was underperformed because the Council always starts by processing cases carried over from the previous financial year and places more emphasis on them to avoid

			losing witnesses who are fluid by their very nature. Although the target could not be achieved, there is an improved performance, attributed to SACE having trained a few panellists to assist it with the investigations
Percentage of finalised investigations into rolled-over cases	80%	30% (540/1830)	The underperformance is attributed to the split in investigations between old and new cases. A balance had to be sought to ensure that while new cases were being investigated as they came, older cases also received attention
Percentage of finalised disciplinary hearings into new cases	40%	13% (13/103)	Council focused much of the time on pushing to finalise rolled-over cases to ensure that witnesses do not get lost in the process. More hearings will be conducted in the next financial year, except that they will be referred to as rolled-over cases.
Number of educators confirmed to have earned a minimum of 50 professional development points in a year	25 000	758	The reason for underperformance is due to several factors, but essentially the accessibility of the system due to connectivity in most areas of the country, lack of ownership from the educators in taking charge of their professional development, and they largely believe that it should be employer driven.

12.6.1 Programme 1: Administration –The purpose of the Programme is to implement and manage the policy directives and priorities of the Council to ensure the functional proficiency of SACE through appropriate support services. Sub-Programmes for Programme 1 included the following:

- Executive and Governance.
- Planning, Monitoring & Evaluation and Reporting.
- Corporate Services.

- Financial Management.
- Communication and Stakeholder Relations.
- Financial Management; and
- Information and Communication Technology.

Key Performance Indicators, Planned Targets and Actual Achievement

- **Number of Council and EXCO meetings convened** - The planned target was set at 10 meetings and the SACE actual achievement was 11 – a positive deviation of one (1) meeting.
- **Number of approved quarterly performance reports submitted to oversight authorities** - The planned target was set at four (4) reports. The SACE actual achievement was four (4) reports with no deviation.
- **Percentage of employees assessed through performance development system** - The planned target was set at 100 percent and the SACE actual achievement only stood at 100 percent with no deviation.
- **Percentage of trained employees** - The planned target was set at 40 percent and the SACE actual achievement was 48.7 percent (59/121) – a positive deviation of 8.7 percent.
- **Number of SACE promotion and advocacy activities on the selected core mandates** - The planned target was set at four (4) and the SACE actual achievement was four (4) activities with no deviation.
- **Number of engagements with stakeholders** - The planned target was set at 16 engagements and the SACE actual achievement was 16 engagements with no deviation.
- **Percentage of invoices within 30 days** - The planned target was set at 100 percent, but the SACE actual achievement was only 97.39 percent. A negative deviation of 2.61 percent.
- **Percentage of completed digitised systems** - The planned target was set at 60 percent, and the SACE actual achievement was 78 percent (7/9). A positive deviation of 22 percent.

12.6.2 Programme 2: Professional Registration – The purpose of this programme is to register qualified educators and create sub-registers for special categories; maintain and update educator database and enhance the quality of the registration of teachers by introducing standards.

Key Performance Indicators, Planned Targets and Actual Achievement

- **Percentage of fit-to-practice registered educators** - The planned target was set at 100 percent and the SACE actual achievement was 100 percent (48 110/48 110) – with no deviations.

2022/23 Registrants – A total of 48110 newly qualified educators –only category accounted for in the Annual Performance Plan because it impacts directly on the schooling sector and contributes to the teacher demand and supply. Current data analysis project to understand the areas this cohort’s areas of specialisation. There was a total of 5124 in the special/conditional registrations with 3862 (ECD practitioners) – part of professionalisation of the Early Childhood Development (ECD) sector. There was a total of 15922 (student teachers) – part of professionalisation of the initial teacher education sector.

12.6.3 Programme 3 – Professional Ethics - The purpose of this programme is to promote and maintain ethical standards in the profession. Sub-Programmes for Programme 3 included the following:

- Investigations.
- Disciplinary Hearings; and
- Sanctions

Key Performance Indicators, Planned Targets and Actual Achievement

- **Percentage of finalised investigations into new cases** - The planned target was set at 70 percent, but the SACE actual achievement was only 35 percent (254/734). A negative deviation of 35 percent.

- **Percentage of finalised investigations into rolled-over cases** - The planned target was set at 80 percent, but the SACE actual achievement was only 30 percent (540/1830). A negative deviation of 50 percent.
- **Percentage of finalised disciplinary hearings into new cases** - The planned target was set at 40 percent, but the SACE actual achievement was only 13 percent (13/103). A negative deviation of 27 percent.
- **Percentage of finalised disciplinary hearings on rolled-over cases** - The planned target was set at 50 percent, and the SACE actual achievement was 63 percent (109/174). A positive deviation of 13 percent.
- **Number of analysis reports produced on sanctioned educators** - The planned target was set at four (4) reports and SACE actual achievement was five (5) reports. A positive deviation of one (1) report.

12.6.4 Programme 3 Service Delivery and challenges

Council processes all its cases on a First-In-First-Out basis, this means that cases that are lodged first are processed first. There is, however, an exception at times. Complaints of serious breaches of the code of professional ethics, such as sexual offences and severe assault cases, among others, do receive preference and will be processed sooner than they would have been had the normal process been followed. This means that the Council processes rolled-over or older cases from the previous calendar year to ensure they are finalised while also processing newly reported cases. More emphasis gets placed on older cases as learners and witnesses usually move if the case is not promptly dealt with. The process leading to the finalisation of a case starts with conducting preliminary screening of a case as soon as it is reported. The screened case may lead to an investigation. Flowing from the investigation, a disciplinary hearing may ensue, or a case may be closed, depending on the evidence.

SACE further gave a detailed brief on the following key areas:

- Type of investigations finalised.
- Nature of professional misconduct allegations against educators
- Possible sanctions for breaching the Code.
- Removal from the register
- Aggregated struck offs per province, type of misconduct and gender.
- Example of teacher-learner age profiles from the 31 struck off from the register of teachers.

12.6.5 Programme 4: Professional Development, previously known as Continuing Professional Teacher Development (CPTD) System

The purpose of this programme is to ensure that educators engage in life-long learning to improve their professional competence. Sub-Programmes within Programme 4 included the following:

- Continuing Professional Teacher Development Management System.
- Member Support; and
- Quality Management.

Key Performance Indicators, Planned Targets and Actual Achievement

- **Number of educators confirmed to have earned a minimum of 50 professional development points in a year** - The planned target was set at 25 000 but the SACE actual achievement was only 758. A negative deviation of 24 242.
- **Number of educators supported on professional matters** - The planned target was set at 40 000 and the SACE actual achievement stood at 43823. A negative positive deviation of 3823.
- **Percentage of professional development providers approved** - The planned target was set at 75 percent and the SACE actual achievement was 85.4 percent (70/82). A positive deviation of 10.4 percent.
- **Percentage of professional development activities endorsed** - The planned target was set at 85 percent and the SACE actual achievement was 99 percent (791/800). A positive deviation of 14 percent.
- **Percentage of observed professional development sessions on endorsed activities** - The planned target was set at 10 percent and the SACE actual achievement was 26 percent (10/38). A positive deviation of 16 percent.

12.6.6 Programme 4 Service Delivery Highlights

The indicator 4.1.1. which aimed to measure the uptake and reporting of educators in the self-service portal, who earned a minimum of 50 professional development points is

underperformed, and the Council's overall performance for the indicator is 758. The total number of educators reporting in the financial year including the ones which accumulated 50 points 74843. The overall performance of the Council for the financial year under review confirms the over achievement in indicator 4.2.1 to be 3823 more educators supported in their professional matters, against the annual target of 40000, and the actual achievement is 43823. There were 82 eligible professional development providers' applications received, and Council approved 70 to increase the pool of quality providers who will participate in developing SACE-registered educators. This translates to 85% performance for this indicator. A total of 800 professional development activities were received, and only 791 were processed and endorsed, resulting in 99% performance against the 85% annual target.

12.6.7 Programme 5: Professional Teaching Standards - The purpose of this programme is to improve and maintain the status and image of the teaching profession and ensure the quality of initial teacher education and ongoing professional development through quality assurance mechanisms and standards. Sub-Programmes within Programme 5 included the following:

- Initial Teacher Education.
- Newly Qualified Educators; and
- Practising Educators

Key Performance Indicators, Planned Targets and Actual Achievement

- **Number of professional teaching standards promoted within the teacher education continuum in a year** - The planned target was set at two (2) and the SACE actual achievement was two (2). The target was achieved with no deviation.
- **Number of teachers professionalisation interventions in the teacher education and development continuum** – The planned target was set at two (2) and the SACE actual achievement was two (2). The target was achieved with no deviation.

12.6. 8 Programme 5 Service Delivery and Challenge

The Council used different methods to introduce the Ten Professional Teaching Standards to educators, policy makers, and other stakeholders in the education system. Out of the Ten Professional Teaching Standards, the Council focused on unpacking the first two standards. In

that regard, the Council held awareness campaigns that targeted teachers and other relevant stakeholders to help increase the visibility and understanding of professional teaching standards. Council identified and prioritised the Western Cape and Northwest provinces for the 2022/2023 promotion of Professional Teaching Standards. Six-hundred and forty-three (643) members of the Western Cape Province actively participated during all the Professional Teaching Standards sessions. Whilst, one thousand two hundred and forty-five (1245) educators attended the Professional Teaching Standards sessions, facilitated in the district of Ngaka Modiri Molema.

12.6.9 Programme 6: Professional Research

The purpose of this programme is to enhance research coordination within SACE in order to strengthen its advisory role and service that is informed by policy, research, and consultative processes. This programme also aims to promote research on professional matters and any other educational matter relevant to SACE and the educational landscape. Sub-Programmes within Programme 6 included the following:

- Research Reports
- Data Management

Key Performance Indicators, Planned Targets and Actual Achievement

- **Number of completed research reports** - The planned target was set at two (2) reports and the SACE actual achievement was three (3) reports. A positive deviation of one (1) report.
- **Number of completed statistical reports** - The planned target was set at one (1) report and the SACE actual achievement was one (1) report – with no deviation.

12.10 Programme 6 Service Delivery and Challenges

- Basic education paraprofessionals in the South African context
- Policy briefs on Teachers Rights, Responsibilities and Safety Programme
- Teacher supply and demand
- Strategic Plan Mid-Term Assessment
- SACE Book Club

13. Audit Report 2022/23

External Auditors Report - Financial statements were submitted after the due date, due to financial system instability – a request was made to the relevant authority. SACE received an unqualified audit opinion with emphasis of matter:

- Write-off of unrecoverable R6 million unrecoverable membership fees from unemployed educators.
- Reclassification of conditional grant in prior years to be treated as government transfer fund.

Material misstatements were raised on reported performance information under Professional Development for the following indicators:

- 4.1.1. Number of educators confirmed to have earned a minimum of 50 professional development points in a year.
- 4.2.1. Number of educators supported on professional matters.

Remedial actions are being implemented. The misstatements identified in the audit report and reflected in the management report are being addressed through the Council-approved remedial action plan and close Council oversight process. Some of the key remedial actions include the following:

- Organisational reflective and planning session to:
 - Review the overall organisational performance and learn from the audit findings.
 - Develop the remedial action plan.
 - Heighten systems and processes for credible and reliable performance information in line with the DPME / National Treasury Frameworks.

13.1 Annual Financial Statements

Table 1: Statement of Financial Position as of 31 March 2023

	Note(s)	2023	2022 (Restated)
Assets			
Current Assets			
Other financial assets	4	724 073	410 915

Receivables from exchange transactions	6	2 916 364	1 856 327
Receivables from non-exchange transactions	7	991 655	403 513
Cash and cash equivalents	8	108 002 749	105 644 746
		112 634 841	108 315 502
Non-Current Assets			
Property, plant and equipment	2	93 961 041	94 969 438
Intangible assets	3	2 649 744	3 035 353
		96 610 785	97 731 791
Total Assets		209 245 626	206 047 293
Liabilities			
Current Liabilities			
Payables from exchange transactions	5	27 151 659	27 051 252
Total Liabilities		27 151 659	27 051 252
Net Assets		182 093 967	178 996 041
Accumulated surplus		182 093 967	178 996 041
Total Net Assets		182 093 967	178 996 041

13.2 Financial Position and Revenue

The statement of financial position of the organisation reflects the institution as a going concern with an increase of 2% from the previous financial year on its overall net assets.

Notable movements attributable to this change can be identified in the organisation's Current assets, with an increase of 4% (R 4 319 340 000.00). The increased receivables would also imply that the organisation has an increase in the number of days it takes to collect its revenue from debtors. Intangible assets had declined by 13%, this might have been due to higher impairment or assets having been disposed of.

There was no significant movement in the liabilities of the organisation as they remained the same with an immaterial difference of R 100 407 between the two comparative years.

Table 2: Statement of Financial Performance

	Note(s)	2023	2022 (Restated)
Revenue			
Revenue from exchange transactions			
Registration, reprints, and membership reinstatements	10	16 512 467	15 687 603
Rental income		-	257 948
Recoveries		13 000	11 443
Other income		70 630	102 120
Interest received	13	4 090 804	1 715 330
Total revenue from exchange transactions		20 686 901	17 774 444
Revenue from non-exchange transactions			
Fines		986 174	772 439
Membership Fees		91 205 532	81 193 102
Transfer Revenue			
Government transfers	14	15 528 000	17 985 000
Total revenue from non-exchange transactions		107 719 706	99 950 541
Total revenue	9	128 406 607	117 724 985
Expenditure			
Employee related costs	15	(68 292 070)	(70 141 393)
Depreciation and amortisation	16	(4 458 021)	(4 241 026)
Lease rentals on operating lease	11	(9 040)	(1 456 714)
Debt Impairment	18	(317 349)	(491 319)
Membership fees written off	22	(6 496 223)	-
Loss on disposal of assets and liabilities		(48 969)	(20 847)
General expenses	19	(46 321 691)	(38 923 535)
Total expenditure		(125 308 665)	(115 274 834)
Surplus for the year		3 097 942	2 450 151

Notes: Financial Performance

The organisation during the 2023/2023 financial year has seen an increase in revenue overall by 9% (R 10 681 622 000.00) when compared to the previous financial year which has a Total Revenue of R 117 724 985 000.00. During the current financial year, SACE earned significant income through interest received to the value of R 4 090 804.00. For the organisation this amount to high investment in fixed investment that organisation held with financial institutions.

72% of the Total revenue received by SACE is derived from Revenue from Non-Exchange transaction. The Revenue from Non-Exchange is made up of Membership fees received and fines imposed on to members.

Transfers from Government (DBE) had been reduced during the 2022/2023 financial year by 14% from R 17 985 000 to 15 528 000.00.

Expenditure for the current financial year resulted in an overall increase of 9% compared to the previous financial year. Significant increase in the expenditure is because of the increased debt impairment and membership fees written off.

General expenditure relating to goods and services for the organisation had increased by 19% to be R 46 321 691 during the current financial year.

Table 3: Cash Flow Statement

	Note(s)	2023	2022 (Restated)
Cash flows from operating activities			
Receipts			
Receipts from exchange transactions		15 709 246	-
Receipts from non-exchange transactions		85 424 690	96 495 816
Grants		15 528 000	17 985 000
Interest income		4 090 804	1 676 811
		120 752 740	116 157 627
Payments			

Employee costs		(69 049 205)	(61 053 729)
Suppliers		(45 959 532)	(33 316 068)
		(115 008 737)	(94 369 797)
Net cash flows from operating activities	20	5 744 003	21 787 830
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2 905 615)	(20 686 279)
Proceeds from sale of property, plant and equipment	2	64 166	169 495
Purchase of other intangible assets	3	(561 150)	(1 245 088)
Proceeds from sale of other intangible assets	3	16 616	65 270
Movement in deposits held in trust		-	(144 827)
Net cash flows from investing activities		(3 385 983)	(21 841 429)
Net Increase/(Decrease) in cash and cash equivalents		2 358 020	(53 599)
Cash and cash equivalents at the beginning of the year		105 644 746	105 698 347
Cash and cash equivalents at the end of the year	8	108 002 766	105 644 748

Notes: Cash Flow -

The cashflow statement for SACE represents the cash movement for the 2022/2023 financial year. Cash operating activities represented in the cashflow statement represent the amount that the organization received and paid for its operating activities. During the 2022/2023 Financial year, the overall net cash flows from operating activities declined by 74% from 21 878 830 to 5 744 033. The decline is attributable to an increase in in cash outflows by 22% with an increase spend in payment of service providers and employee cost compared to prior year.

The decline in funds received from Grants by 14% and Receipts from non-exchange transactions.

The overall cash and cash equivalents at the end of the financial year had increased by 2%. This represents an increase of R 2 358 018 for the organisation. The main drivers that

contributed to this increase would be the interest income received during the financial current year.

The cashflow statement for SACE represents the cash movement for the 2022/2023 financial year. Cash operating activities represented in the cashflow statement represent the amount that the organization received and paid for its operating activities. During the 2022/2023 Financial year, the overall net cash flows from operating activities declined by 74% from 21 878 830 to 5 744 033. The decline is attributable to an increase in in cash outflows by 22% with an increase spend in payment of service providers and employee cost compared to prior year.

The decline in funds received from Grants by 14% and Receipts from non-exchange transactions.

The overall cash and cash equivalents at the end of the financial year had increased by 2%.

This represents an increase of R 2 358 018 for the organisation. The main drivers that contributed to this increase would be the interest income received during the financial current year.

13.3 Portfolio Committee Observations and Questions

- Members raised concern that, for professional teacher development, the target was not met for the number of educators who have earned a minimum of 50 professional development points in a year. Members sought an explanation on reasons for not meeting the target and perform so poorly. What measures were being taking to remedy the situation. How was this target planned and what were the mitigating factors. Did the Council receive any support and intervention from the Department. Members recommended that the Council institute consequence management steps against errand officials for the underperforming indicator.
- With the migration of ECD, Members queried the number of ECD Grade R practitioners who had their qualifications registered with SACE.
- With the indefinite removal of educators from the register by SACE, Members queried the circumstances under which such educators could reapply for readmitted – SACE to explain how the process worked.

- Members queried whether SACE had advertised any posts to enhance management and assistant management levels – and the number of posts advertised. When would the posts be filled by the Council.
- Members also sought clarity on the number of cases that were in backlog – and when would SACE be able to eradicate the case backlogs.
- Members also queried the advocacy of SACE in preaching the benefits of teacher development and training for educators.
- What were the preliminary findings on educators with areas of specialisation and specialisation needs in the data-base -and how could SACE enhance and promote these skills with incentivisation.
- Members needed clarity on what the qualification requirements for ECD practitioners were.
- Members raised the importance of the Department and National Treasury to allocate sufficient funds for entities to have adequate funding and human resources to finalise and complete cases.
- On the SIU investigation concerning the building acquired in the Eastern Cape, Members sought clarity on how this impacted on the acquiring of other building in other provinces. What was the impact of the investigation on the functions of SACE.
- From the AGSA report it was stated that there were material misstatements on performance indicators – did SACE have an internal auditor that assist SACE with financial reporting and could these not have been identified before the AGSA had to report on it.
- On professional development of teachers and the legislative mandate - how did the Council provide programmes to empower young educators to understand BELA Bill and make submissions.
- Members sought clarity on what the professional matters were that SACE supported teachers on.
- Members also sought an explanation and the rationale for the Council separating ECD teachers and Special Needs teachers.
- SACE was commended for the thorough investigation and handling of cases – but the same could not be said for teacher development – as SACE was not doing enough. Members noted a decrease of CPTD but there was an increase in revenue – Members sought an explanation for this as well as how are our teachers being development. There

are reports that indicate teachers and Grade 6 level were reading at a level of Grade 4 child.

- On recruitment of teachers for initial training, Members queried how SACE targeted these teachers – and whether that were appointed because of their knowledge base and capacity to teach. There was also a perception that the country was relying on teachers from other countries.
- On teacher registration, the general public was not happy with the services SACE offered – Members sought clarity from SACE on the matter.
- Members also queried the number of educators who may have applied for letters of good standing - and how many received their letters to date. People feel SACE was not responding to their needs.

13.4 SACE Responses to Portfolio Committee Observations and Questions

All registration applications received in the financial year have been dealt with – the matters raised on this would have to be investigated given the necessary specifics – to see were there may have been challenges. More often than not, the issues are miscommunication or incomplete documentation received by SACE. On the matter of dropped calls, SACE would again require the necessary specifics to further investigate and respond adequately. SACE did ongoing assessments of their system on how many calls dropped, and reasons for calls dropped etc. The SACE review and assessment remains ongoing. SACE also reported the Council every two months on statistics on calls received etc. SACE would always want to be responsive to the challenges raised by the general public.

Regarding the letters of good standing, SACE would have to check the information and give exact figures – SACE would study its database and respond in writing. In most cases those applicants go overseas first and want to demand letters when they have already left the country – there are many issues SACE needs to check before letters of good standing were issued. Some would have gone through university and leave the country immediately and SACE could not assist with such letters.

With recruitment of teachers and students at universities, SACE currently played no role in terms of such university recruitment. SACE was working on minimum requirements for entry into initial teacher education. SACE also had signed a MOA with the Council for Higher

Education to look at a joint accreditation process and criteria to ensure qualification is responsive enough.

In respect of reading literacy and numeracy, SACE had quality management system which was part of ELRC resolution - and implemented by the Department. The CPTD system managed by SACE speaks to the provider on only accredited programmes as informed by the needs of the sector. SACE had challenges with PEDs who were not reporting teacher participation in CPTD programmes and development. With professional development, the SACE legislative mandate was more about management but did support teachers and spell out those specifics in respect of professional matters e.g., ethics, code of conduct etc. Many of the SACE programmes were more on professional matters and the SACE mandate. Unfortunately, SACE did not do much to sensitise teachers on the BELA Bill.

SACE agreed that there was a need to strengthen their internal audit processes. On the matters pertaining to the SIU investigation, SACE was reluctant to give any detailed response as the matter was still being investigated. SACE would gladly report back to the Committee after the finalisation and reporting on the investigation.

SACE explained the CPTD points system where it was a requirement for educators to earn a minimum of 50 - with a total of 150 points over a 3-year period. When educators report to SACE, they have to say what they have done with a process of reflections to be completed. Educators participate and report, however, SACE discovered that educators were not warming to engaging in professional development to reflect on how to improve maths and reading etc. SACE needed to ensure credibility and therefore could not count such reporting of educators where it was clear they could not give reflection and portfolios. There were no consequence measures for not participating in CPTD. SACE believes there needed to be consideration of possible incentives to motivate teachers on CPTD. SACE received funds from National Treasury only for CPTD, nothing further.

On the qualification of ECD practitioners, the Department was managing the necessary human resource development strategy and professionalisation – and SACE worked in collaboration with the Department in this regard. The minimum starting level was Level 4 with proof of admission to a Level 5 qualification. Some had diplomas in Grade R teaching, but this was being phased out as it was restrictive. Not many had a B.Ed. qualification currently.

Backlogs and turnaround time for eradicating backlogs, the Council had discussions on the matter but due to financial and human resource constraints not much could be achieved in

dealing with backlogs. The cases needed human and financial resources. PEDs also did not take responsibility for their own cases and merely dumped them with SACE.

The Council was still in the process of finalising the review processes and was not able to advertise for any new posts. Once finalised the Council may look at filling posts where additional posts were identified.

SACE mentioned that if an educator was indefinitely removed, there was no way for that educator to return to the profession. The only time an educator may reapply for reinstatement is when they had been struck off for a specific period only. SACE had a policy on sanctions per category of cases - and this informed the sanction. The only body that could review SACE sanctions was a court of law.

On issue of material misstatements raised on performance information, SACE indicated that the Council had established an internal audit unit and further established planning performance and monitoring divisions to ensure compliance of performance information. The Council also ensured the external audit functions conducted by external auditors under the auspices of Auditor-General. All these did their parts and raised the inconsistencies in the mid-year and mitigations were undertaken. External auditors also did their job and picked up on these discrepancies,

13.5 Portfolio Committee Recommendations: SACE

Based on the observations made from inputs received from SACE, the Portfolio Committee recommends that the

- SACE should pay attention to effectiveness of the organization towards teacher registration process.
- It is recommended that SACE should implement the recommendations of the AGSA and the Portfolio Committee within reasonable time frames.
- SACE should address public complaints found on public media platforms for example ‘Hello Peter,’ and must respond timeously to teachers within 5 working days.
- SACE should address all challenges related to online application process for teacher registration and ensure that there is a dedicated officials to help educators.
- The Council must provide the Committee in 30 days’ time, after the adoption of this report with an updated information on the number of educators who had applied for letters of good standing and outline how many had received such letters.

- SACE must effectively fulfil its role as a teacher registration entity.
- The Council should address the performance gap in SACE's target to have a minimum of 25 000 educators confirmed to have earned 50 professional development points in a year. The council must provide the Committee with a report outlining the reasons for this underachievement as well as mitigating factors.
- The department should ensure that SACE addresses internal audit functionaries and external auditors linked to SACE, for accurate reporting in the 2023/24 period.
- In collaboration with DBE, SACE should empower all educators to understand the Basic Education Laws Amendment (BELA) Bill, as part of the Teachers Professional Development (CPTD). It is imperative that Teachers are informed to understand the amendments proposed in the South African Educators Act (1996) and, the Educator Act (1998) so that Teachers can play a meaningful role in Education related Policy proposals.
- The Minister should ensure that the Department of Basic Education, pays attention to SACE to ensure that the council is delivering on its mandate, in particular Professional Development of Teachers.

13.6 Overall Portfolio Committee Recommendations

Based on the observations made from inputs received from AGSA, Internal DBE Audit, FCC, Umalusi and SACE, the Portfolio Committee recommends that the Minister should ensure that the Department of Basic Education, consider the following recommendations:

- The Minister should develop a comprehensive ICT model to address inequalities.
- The Minister should implement all the recommendations of the AG and update the Portfolio Committee on implementation on a quarterly basis.
- The Minister should prioritise non-infrastructure grants.
- The Minister should develop plans to expand coding and robotics.

- The Minister should prioritise implementation of the MTSF targets (2019-2024).
- The Minister should approach National Treasury to increase funding for ECD and ICT development.
- The Minister should address the ECD, Learners Transport, and Nutrition matters in the programmes of the Department.

Report to be considered.