

**PARLIAMENT**  
OF THE  
**REPUBLIC OF SOUTH AFRICA**

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**ANNOUNCEMENTS,  
TABLINGS AND  
COMMITTEE REPORTS**

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THURSDAY, 13 MARCH 2014

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## ANNOUNCEMENTS

### National Assembly and National Council of Provinces

#### The Speaker and the Chairperson

#### 1. Bill to be referred to Mediation Committee

- (1) Bill, as amended by National Council of Provinces, and rejected by National Assembly on 13 March 2014, to be referred to Mediation Committee in terms of Joint Rule 186(1)(b):

- (a) **National Environmental Management: Integrated Coastal Management Amendment Bill** [B 8D – 2013] (National Assembly – sec 76).

### National Assembly

#### The Speaker

#### 1. Bill placed on Order Paper

- (1) The **National Environmental Management: Integrated Coastal Management Amendment Bill** [B 8D – 2013] (National Assembly – sec 76), as amended by the National Council of Provinces and returned to the Assembly for concurrence, has been placed on the Order Paper for debate and decision in accordance with Rule 274(1)(a).

#### 2. Membership of Mediation Committee

Members appointed to Mediation Committee in respect of the **National Environmental Management: Integrated Coastal Management Amendment Bill** [B 8D – 2013] (National Assembly – sec 76).

- (a) Adv J H de Lange (ANC);
  - (b) Ms L N Moss (ANC);
  - (c) Mrs X C Makasi (ANC);
  - (d) Mr M M Dikgacwi (ANC);
  - (e) Ms A van Wyk (ANC);
  - (f) Mr J P Gelderblom (ANC) as an alternate member;
  - (g) Adv A H Gaum (ANC) as an alternate member;
  - (h) Mr F A Rodgers (DA);
  - (i) Ms B D Ferguson (Cope);
  - (j) Mrs C N Z Zikalala (IFP); and
  - (k) Mr L W Greyling (ID).

## National Council of Provinces

### The Chairperson

#### 1. Message from National Assembly to National Council of Provinces in respect of Bills passed by Assembly and transmitted to Council

- (1) Bills passed by National Assembly and transmitted for concurrence on 13 March 2014:

- (a) **Division of Revenue Bill** [B 5 – 2014] (National Assembly – sec 76).

The Bill has been referred to the **Select Committee on Appropriations** of the National Council of Provinces.

#### 2. Referral to Committees of papers tabled

- (1) The following paper is referred to the **Select Committee on Security and Constitutional Development** for consideration and report:

- (a) Progress report dated 26 February 2014 on the conditional upliftment of provisional suspension from office of Mr P S Hole, a regional magistrate at Kimberley, in terms of section 13(3)(f) of the Magistrates Act, 1993 (No 90 of 1993).

#### 3. Membership of Mediation Committee

The following members have been appointed to serve on the Mediation Committee in respect of the **National Environmental Management: Integrated Coastal Management Amendment Bill** [B 8D – 2013] (National Assembly – sec 76).

Province	Member
1. Eastern Cape	Hon. Ms. A. N. D. Qikani
2. Free State	Hon. Mr. T. M. H Mofokeng
3. Gauteng	Hon. Ms. B. P. Mabe
4. KwaZulu-Natal	Hon. Ms. N. W. Magadla
5. Limpopo	Hon. Mr. T. L. Makunyane
6. Mpumalanga	Hon. Mr. M. P. Sibande
7. North West	Hon. Mr. H. Groenewald
8. Northern Cape	Hon. Mr. G. G. Mokgoro
9. Western Cape	Hon. Mr. O. De Beer

## **TABLINGS**

### **National Assembly and National Council of Provinces**

#### **1. The Speaker and the Chairperson**

- (a) Strategic Plan of the Financial and Fiscal Commission (FFC) for 2014 - 2019 and Annual Performance Plan for 2014 - 2015.
- (b) Annual Performance Plan of the Public Service Commission (PSC) for 2014/15.
- (c) Strategic Plan of the Electoral Commission (IEC) for 2014/15 - 2018/19.
- (d) Annual Performance Plan of the Electoral Commission (IEC) for 2014/15.

#### **2. The President of the Republic**

- (a) Annual Performance Plan of the Presidency for 2014/15.

#### **3. The Minister of Arts and Culture**

- (a) Annual Performance Plan of the Department of Arts and Culture for 2014/15.
- (b) Annual Performance Plan of the Afrikaans Taal-museum and Monument for 2014/2015.
- (c) Annual Performance Plan of the Iziko Museums of South Africa for 2014/15 – 2018/19 [RP 31-2014].
- (d) Annual Performance Plan of the National English Literary Museum for 2014/2015 [RP 334-2013].
- (e) Annual Performance Plan of the Kwazulu-Natal Museum for 2015-17 [RP 21-2014].
- (f) Annual Performance Plan of the Msunduzi/Voortrekker and Ncome Museums for 2014-2015 [RP 05-2014].
- (g) Annual Performance Plan of the National Museum – Bloemfontein for 2014 – 2015 [RP 06-2014].
- (h) Annual Performance Plan of the Ditsong Museums of South Africa for 2014 – 2015 [RP 20-2014].

- (i) Annual Performance Plan of the Robben Island Museum for 2014-15 [RP 58-2014].
- (j) Annual Performance Plan of the War Museum of the Boer Republics for 2014/2015 [RP 07-2014].
- (k) Annual Performance Plan of the William Humphreys Art Gallery Kimberley Northern Cape for 2014-15.
- (l) Annual Performance Plan of the Freedom Park for 2014 – 2015 [RP 09-2014].
- (m) Annual Performance Plan of the National Heritage Council for 2014 - 2015 [RP 19-2014].
- (n) Annual Performance Plan of the National Film and Video Foundation for 2014/15.
- (o) Annual Performance Plan of the South African Heritage Resources Agency (SAHRA) for 2014-2015 [RP 18-2014].
- (p) Annual Performance Plan of the South African Library for the Blind for 2014/15 [RP 22-2014].
- (q) Annual Performance Plan of the National Library of South Africa for 2014 – 2015.
- (r) Annual Performance Plan of Artscape for 2014/15 [RP 27-2014].
- (s) Annual Performance Plan of the Performing Arts Centre of the Free State for 2014/15 [RP 13-2014].
- (t) Annual Performance Plan of the South African State Theatre for 2014 – 2015 [RP 11-2014].
- (u) Annual Performance Plan of the Playhouse Company for 2014 – 2015 [RP 10-2014].
- (v) Annual Performance Plan of the Windybrow Theatre for 2014-15.
- (w) Annual Performance Plan of the Market Theatre Foundation for 2014 – 2015.
- (x) Annual Performance Plan of the Luthuli Museum for 2014/2015.

- (y) Annual Performance Plan of the National Arts Council for 2014/15 [RP 57-2014].
- (z) Annual Performance Plan of the Nelson Mandela Museum for 2014/15 [RP 61-2014].
- (aa) Annual Performance Plan of the Pan South African Language Board for 2014- 2015 [RP14-2014].

**4. The Minister of Basic Education**

- (a) Annual Performance Plan of the Department of Basic Education for 2014 – 2015.
- (b) Annual Performance Plan of the South African Council for Educators (SACE) for 2014/15.
- (c) Annual Performance Plan of the Quality Council for General and Further Education and Training (UMALUSI) for 2014 – 2015.
- (d) Annual Performance Plan of the Education Labour Relations Council (ELRC) for 2014-15.

**5. The Minister of Correctional Services**

- (a) Annual Performance Plan of the Department of Correctional Services for 2014/2015.

**6. The Minister of Defence and Military Veterans**

- (a) Annual Performance Plan of the Department of Military Veterans for 2014.
- (b) Executive Authority Overarching Annual Strategic Statement for 2014 [RP 339-2013].
- (c) Annual Performance Plan of the Defence Secretariat for 2014 [RP 340-2013].
- (d) Annual Performance Plan of the Castle Control Board for 2014 [RP 83-2014].
- (e) Strategic Plan (Corporate Plan) of the Armscor (Armaments Corporation) for 2014/15 – 2016/17.

**7. The Minister of Economic Development**

- (a) Economic Development Department Annual Performance Plan for 2014/15.
- (b) Annual Performance Plan of the International Trade and Administration Commission of South Africa for 2014-15.
- (c) Annual Performance Plan of the Competition Tribunal for 2014 – 2015.

**8. The Minister of Energy**

- (a) Annual Performance Plan of the Department of Energy for 2014/15.
- (b) Strategic Plan for 2014 – 2019 and Annual Corporate Balanced Scorecard and Annual Plan for 2014 – 2015 of the National Nuclear Regulator.
- (c) Annual Performance Plan of the South African National Energy Development Institute (SANEDI) for 2014/15.
- (d) Strategic Plan for 2012/13 – 2016/17 and Annual Performance Plan for 2014/15 – 2016/17-2017 of the National Energy Regulator of South Africa (NERSA).

**9. The Minister of Finance**

- (a) Municipal Budgets for the 2013 and 2014 Medium Term Revenue and Expenditure Framework (MTREF), tabled in terms of section 24(3) of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003).

**10. The Minister of Home Affairs**

- (a) Annual Performance Plan of the Department of Home Affairs for 2014 – 2015 [RP 70-2014].
- (b) Annual Performance Plan and Updated Strategic Plan for 2015 – 2019 of the Government Printing Works (GPW).
- (d) Strategic Plan of the Film and Publication Board for 2013/14 – 2017/18.



## **11. The Minister of Health**

- (a) Annual Performance Plan of the National Department of Health for 2014/15 - 2016/17 [RP 37-2014].
- (b) Strategic Plan of the National Department of Health for 2014/15 - 2018/19 [RP 37-2014].
- (b) Annual Performance Plan of the National Health Laboratory Service (NHLS) for 2014 - 2015.
- (c) Annual Performance Plan of the Compensation Commissioner for Occupational Diseases in Mines and Works (CCOD) and the Medical Bureau for Occupational Diseases (MBOD) for 2014 – 2015.
- (d) Annual Performance Plan of the South African Medical Research Council (MRC) for 2014/2015.
- (e) Strategic Plan of the South African Medical Research Council (MRC) for 2014/15 – 2018/19.
- (f) Strategic Plan and the Annual Performance Plan of the Council for Medical Schemes for 2014/15.

## **12. The Minister of Higher Education and Training**

- (a) Annual Performance Plan of the Department of Higher Education and Training for 2014 – 2015 [RP 43-2014].
- (b) Strategic Plan of the Department of Higher Education and Training for 2011/11 – 2014/15 [RP 55-2012].
- (c) Strategic Plan of Agricultural Sector Education and Training Authority (AGRI-SETA) for 2011 – 2016.
- (d) Annual Performance Plan of Agricultural Sector Education and Training Authority (AGRI-SETA) for 2014-15.
- (e) Annual Performance Plan and (MTEF) Budget for 2014/15 – 2016/17 of the Council on Higher Education (CHE).
- (f) Strategic Plan of the Construction Sector Education and Training Authority (CETA) for 2012 – 2013 and Annual Performance Plan for 2011 – 2016.

- (g) Annual Performance Plan of the Construction Sector Education and Training Authority (CETA) for 2014/15.
- (h) Strategic Plan of the Energy and Water Sector Education and Training Authority (EWSETA) for 2011/12 – 2015/16.
- (i) Strategic Plan of the Education Training and Development Practices Sector Education and Training Authority (ETDP) for 2012/13 – 2016/17.
- (j) Annual Performance Plan of the Education Training and Development Practices Sector Education and Training Authority (ETDP) for 2014 – 2015.
- (k) Strategic Plan of the Financial and Accounting Services Sector Education and Training Authority (FASSET) for 2011 – 2016.
- (l) Annual Performance Plan of the Financial and Accounting Services Sector Education and Training Authority (FASSET) for 2014 – 2015.
- (m) Annual Performance Plan of the Food and Beverages Manufacturing Sector Education and Training Authority (FOODBEV-SETA) for 2014 – 2015.
- (n) Strategic Plan of the Food and Beverages Manufacturing Sector Education and Training Authority (FOODBEV-SETA) for 2014/15 (Fiscal years 2011-2016).
- (o) Annual Performance and Five Year Plan of the Health and Welfare Sector Education and Training Authority (HW-SETA) for 2013 – 2017.
- (p) Strategic Plan of the Chemical Industries Education and Training Authority (CHIETA) for 2013/14 – 2017/18 and Annual Performance Plan for 2014 – 2015.
- (q) Strategic Plan for 2014/15 – 2016/17 and Annual Performance Plan of the Transport Education Training Authority (TETA) for 2014/15.
- (r) Annual Performance Plan of the Public Service Sector Education and Training Authority (PSETA) for 2014-2015.
- (s) Strategic Plan of the Public Service Sector Education and Training Authority (PSETA) for 2011-2016 (2014/15 Update).

- (t) Strategic Plan of the Insurance Sector Education and Training Authority (INSETA) for 2011 – 2016.
- (u) Annual Performance Plan of the Manufacturing, Engineering and Related Services Seta (MER-SETA) for 2014/15.
- (v) Strategic Plan of the Manufacturing, Engineering and Related Services Seta (MER-SETA) for 2014/15 – 2018/19.
- (w) Strategic Plan of the Mining Qualifications Authority (MQA) for 2014 – 2015 and Annual Performance Plan for 2014/15.
- (x) Strategic Plan of Safety and Security Sector Education and Training Authority (SAS SETA) for 2013/14 – 2015/16.
- (y) Annual Performance Plan of Safety and Security Sector Education and Training Authority (SAS SETA) for 2014 – 2015.
- (z) Annual Performance Plan of the Services Sector Education and Training Authority for 2014 – 2015.
- (aa) Strategic Plan of the Services Sector Education and Training Authority for 2011/12 – 2015/16.
- (bb) Strategic Plan of the Wholesale and Retail Sector Education and Training Authority (W&R-SETA) for 2011 – 2016.
- (cc) Strategic Plan of the Local Government Sector Education and Training Authority (LG-SETA) for 2011 – 2016.
- (dd) Annual Performance Plan of the Local Government Sector Education and Training Authority (LG-SETA) for 2014/15.
- (ee) Strategic Plan of the Fibre Processing and Manufacturing Sector Education and Training Authority (FP&M SETA) for 2011 – 2016 and Annual Performance Plan for 2014 - 2015.
- (ff) Revised Strategic Plan of the Quality Council for Trades & Occupations for 2012/13 – 2016 /17.
- (gg) Annual Performance Plan for 2014 – 2015 and Strategic Plan of the South African Qualifications Authority (SAQA) for 2012 – 2017.
- (hh) Strategic Plan of the National Student Financial Aid Scheme (NSFAS) for 2012 – 2017.

- (ii) Annual Performance Plan of the National Student Financial Aid Scheme (NSFAS) for 2014 – 2015.
- (jj) Strategic Plan of the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) for 2014/15 – 2018/19.
- (kk) Annual Performance Plan of the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) for 2014/15.
- (ll) Strategic Plan and Annual Performance Plan of the Banking Sector Education and Training Authority (BANKSETA) for 2014/15.
- (mm) Strategic Plan of the Media, Information and Communication Technologies Sector Education and Training Authority (“MICT SETA”) for 2014/15.
- (nn) Strategic Plan of the National Skills Fund (NSF) for 2011/12 - 2015/16.

**13. The Minister of International Relations and Cooperation**

- (a) Annual Performance Plan of the Department of International Relations and Cooperation for 2014 – 2015.
- (b) Strategic Plan for 2014 – 2017 and Annual Performance Plan for 2014 – 2015 of the African Renaissance and International Cooperation Fund.

**14. The Minister of Justice and Constitutional Development**

- (a) Annual Performance Plan for 2014/2015 of the Department of Justice and Constitutional Development.
- (b) Strategic Plan for 2014 - 2019 of the National Prosecuting Authority (NPA).
- (c) Annual Performance Plan for 2014 - 2015 of the National Prosecuting Authority (NPA).
- (d) Report and Financial Statements of the Department of Justice and Constitutional Development on the Third Party Funds for 2010-11, including the Report of the Auditor-General on the Financial Statements for 2010-11.
- (e) The 3<sup>rd</sup> Consolidated Annual Report on the Implementation of the Child Justice Act, 2008 (Act No 75 of 2008).

**15. The Minister of Labour**

- (a) Strategic Plan of the Department of Labour for 2014 - 2019 [RP 41-2014]
- (b) Annual Performance Plan of the Department of Labour for 2014 – 2015 [RP 44-2014].
- (c) Strategic Plan of the Compensation Fund for 2014/2015 – 2018/2019.
- (d) Annual Performance Plan of the Compensation Fund for 2014 – 2015.
- (e) Annual Performance Plan of the Unemployment Insurance Fund (UIF) for 2014/15.
- (f) Strategic Plan of the Unemployment Insurance Fund (UIF) for 2011/12 – 2015/16.
- (g) Strategic Plan of Productivity SA for 2014/15.
- (h) Annual Performance Plan of the Commission for Conciliation, Mediation and Arbitration (CCMA) for 2013 - 2018 and Annual Performance Plan for 2013/14.
- (i) Strategic Plan of the National Economic Development and Labour Council (NEDLAC) for 2014/15.
- (j) Annual Performance Plan of the National Economic Development and Labour Council (NEDLAC) for 2014 – 2015.
- (k) Strategic Plan of the National Economic Development and Labour Council (NEDLAC) for 2013/14 – 2014/15.

**16. The Minister of Police**

- (a) Annual Performance Plan of the South African Police Service for 2014/15 [RP 89-2014].
- (b) Strategic Plan of the Independent Police Investigative Directorate (IPID) for 2014 - 2019 [RP 55-2014].
- (c) Annual Performance Plan of the Independent Police Investigative Directorate (IPID) for 2014-2015 [RP 56-2014].

- (d) Strategic Plan of the Private Security Industry Regulatory Authority for 2014/2015- 2018/2019. (No letter attached to this report)
- (e) Annual Performance Plan of the Private Security Industry Regulatory Authority for 2014/15 – 2016/17.
- (f) Annual Performance Plan of the Civilian Secretariat for Police for 2014/15.

#### **17. The Minister of Science and Technology**

- (a) Annual Performance Plan of the Department of Science and Technology for 2014/15.
- (b) Annual Performance Plan of the South African National Space Agency (SANSa) for 2014- 2015. (no letter attached)
- (c) Strategic Plan of the Council for Scientific and Industrial Research (CSIR) for 2014/15 - 2018/19 and Annual Performance Plan for 2014/15 – 2016/17.
- (d) Strategic Plan of the National Research Foundation (NRF) for 2015.
- (e) Annual Performance Plan of the National Research Foundation (NRF) for 2014/15 -2016/17.
- (f) Strategic Plan of the Human Sciences Research Council (HSRC) for 2014/15 – 2018/19 and Annual Performance Plan for 2014/15.
- (g) Annual Performance Plan of the Academy of Science of South Africa (ASSAF) for 2014/2015.
- (h) Annual Performance Plan of the National Advisory Council on Innovation for 2014/15.
- (i) Annual Performance Plan of the Technology Innovation Agency (TIA) for 2014/15.

#### **18. The Minister of Social Development**

- (a) Annual Performance Plan of the Department of Social Development for 2014-2015 [RP 88-2014].

- (b) Strategic Plan Plan of the South African Social Security Agency (SASSA) for 2014/2015 – 2018/2019 [RP 76-2014].
- (c) Annual Performance Plan of the South African Social Security Agency (SASSA) for 2014/2015 [RP 77-2014].
- (d) Strategic Plan of the National Development Agency for 2014/15 – 2018/19 [RP 34-2014].
- (e) Annual Performance Plan of the National Development Agency for 2014/15[RP 33-2014].

**19. The Minister of Sport and Recreation**

- (a) Strategic Plan of the Department of Sport and Recreation South Africa for 2014 – 2019.
- (b) Annual Performance Plan of the Department of Sport and Recreation South Africa for 2014/15.
- (c) Strategic Plan of the South African Institute for Drug-Free Sport for 2013 – 2018.
- (d) Annual Performance Plan of Boxing South Africa for 2014/15.

**20. The Minister in The Presidency: Performance Monitoring and Evaluation as well as Administration**

- (a) Strategic Plan of the Department of Performance Monitoring and Evaluation for 2014/15 – 2018/19.
- (b) Annual Performance of the National Youth Development Agency (NYDA) for 2014 – 2015.
- (c) Annual Performance Plan / Business Plan of Brand South Africa for 2014-15.
- (d) Medium Term Expenditure Framework and Annual Performance Plan of the Media Development and Diversity Agency (MDDA) for 2014 – 2019.
- (e) Annual Performance Plan of the Government Communication and Information System (GCIS) for 2014/15 – 2016/17.

**21. The Minister of Tourism**

- (a) Strategic Plan (Updated - Final) of the Department of Tourism for 2014/15 – 2018/19 and Annual Performance Plan for 2014-15.

**22. The Minister of Trade and Industry**

- (a) Strategic Plan of the Department of Trade and Industry for 2014/19 and Annual Performance Plan for 2014/17.
- (b) Strategic Plan of the Small Enterprise Development Agency (SEDA) for 2014/15 - 2018/19.
- (c) Annual Performance Plan of the Small Enterprise Development Agency (SEDA) for 2014/2015 - 2016/2017.
- (d) Strategic Plan of the National Empowerment Fund (NEF) for 2014/15 – 2019.
- (e) Annual Performance Plan of the National Empowerment Fund (NEF) for 2014/15 - 2017.
- (f) Strategic Plan of the Export Credit Insurance Corporation of South Africa SOC Limited (ECIC) for 2014/15 - 2016/17.
- (g) Strategic Plan of the Companies and Intellectual Property Commission (CIPC) for 2014/15 – 2018/19.
- (h) Annual Performance Plan of the Companies and Intellectual Property Commission (CIPC) for 2014/15 – 2016/17.
- (i) Strategic Plan of the Company Tribunal for 2014/15 – 2018/19.
- (j) Annual Performance Plan of the Company Tribunal for 2014/15 – 2016/17.
- (k) Strategic Plan of the National Consumer Commission (NCC) for 2014/15 - 2018/19.
- (l) Annual Performance Plan of the National Consumer Commission (NCC) for 2014/15 - 2016/17.
- (m) Annual Performance Plan of the National Consumer Tribunal (NCT) for 2014/15 -2016/17.



- (n) Strategic Plan of the National Consumer Tribunal (NCT) for 2014/15 -2018/19.
- (o) (Five Year) Strategic Plan of the National Credit Regulator (NCR) for 2014/15 - 2018/19 and (Three Year) Annual Performance Plan for 2013/14- 2015/16.
- (p) Strategic Plan of the National Gambling Board (NGB) for 2014 /2019.
- (q) Annual Performance Plan of the National Gambling Board (NGB) for 2014 /2015.
- (r) Attachment A: Fraud Prevention Plan of the National Gambling Board (NGB).
- (s) Attachment B: Risk Register of the National Gambling Board (NGB).
- (t) Attachment C: Profile of Performance Indicators of the National Gambling Board (NGB).
- (u) Annual Performance Plan of the National Lotteries Board for 2014/15 – 2016/17.
- (v) Strategic Plan (Corporate) of the National Regulator for Compulsory Specifications (NRCS) for 2014 – 2019.
- (w) Annual Performance Plan for the Fiscal Years of the National Regulator for Compulsory Specifications (NRCS) for 2014 - 2016.
- (x) Strategic Plan of the South African National Accreditation System (SANAS) for 2014/15 - 2018/19.
- (y) Annual Performance Plan of the South African National Accreditation System (SANAS) for 2014/15 - 2016/17.
- (z) Corporate Plan of the South African Bureau of Standards (SABS) for 2014/15 - 2016/17 and Business Plan for 2014/2015.
- (aa) Strategic Plan of the National Metrology Institute of South Africa (NMISA) for 2014 - 2018.
- (bb) Annual Performance Plan of the National Metrology Institute of South Africa (NMISA) for 2014 - 2018.

**23. The Minister of Transport**

- (a) Annual Performance Plan of the Department of Transport for 2014/15-2016/17.
- (b) Strategic Plan of the Road Traffic Infringement Agency for 2014 – 2019.
- (c) Annual Performance Plan of the Road Traffic Infringement Agency for 2014/15.
- (d) Strategic Plan of the Cross-Border Road Transport Agency (C-BRTA) for 2014 - 2019.
- (e) Annual Performance Plan of the Cross-Border Road Transport Agency (C-BRTA) for 2014 - 2015.
- (f) Annual Performance Plan of the Driving License Card Account Trading Entity for 2014/15-2016/17.
- (f) Strategic Plan of the South African National Roads Agency SOC Limited (SANRAL) for 2012/2013 – 2016/2017.
- (g) Annual Performance Plan of the South African National Roads Agency SOC Limited (SANRAL) for 2014/2015 - 2016/2017.
- (f) Strategic Plan (Corporate and Budget Plan) of the Airports Company of South Africa SOC Limited (ACSA) for 2015 - 2017.
- (g) Revised Strategic Plan of the Road Accident Fund (RAF) for 2013 – 2017.
- (h) Annual Performance Plan of the Road Accident Fund (RAF) for 2014 – 2015 .
- (h) Corporate Plan (Final) of the Air Traffic and Navigation Services Company Limited (ATNS) for 2014/15 – 2016/17.
- (i) Strategic Plan of the Railway Safety Regulator (RSR) for 2014/2019 [RP 335-2013].
- (j) Strategic Plan (Corporate Plan) of the Passenger Rail Agency of South Africa (PRASA) for 2014/15 – 2016/17.

- (k) Strategic Plan of the South African Civil Aviation Authority (SACAA) for 2013-14 – 2017 and Annual Performance Plan for 2014/2015.
- (l) Revised Strategic Plan of the Road Traffic Management Corporation for 2014-2019.
- (m) Annual Performance Plan of the Road Traffic Management Corporation for 2014/15.

**24. The Minister of Water and Environmental Affairs**

- (a) Strategic Plan of the Department of Water Affairs for 2014/15 - 2018/19.
- (b) Annual Performance Plan of the Department of Water Affairs for 2014/15 – 2016/17.
- (c) Strategic Plan of the Department of Environmental Affairs for 2014/15 - 2018/19 and Annual Performance Plan for 2014/15.
- (d) Strategic Plan (Final Corporate Plan) of the South African National Biodiversity Institute (SANBI) for 2014 – 2019.
- (e) Annual Performance Plan of the South African National Biodiversity Institute (SANBI) for 2014/ 2015.
- (f) Strategic Plan of the South African Weather Service for 2014/15 - 2018/19 and Annual Performance Plan for 2014/15.
- (g) Strategic Plan of the South African National Parks for 2014/15 - 2018/19
- (h) Annual Performance Plan of the South African National Parks for 2014/15.
- (i) Strategic Plan (Corporate Strategy) of the iSimangaliso Wetland Park Authority for 2015 - 2019.

**25. The Minister of Public Works**

- (a) Strategic Plan of the Department of Public Works for 2014 – 2019.
- (b) Annual Performance Plan of the Department of Public Works for 2014 -15.

- (c) Strategic Plan of the Agrément South Africa (ASA) for 2014/2015 - 2018/2019.
- (d) Annual Performance Plan of the Construction Industry Development Board (CIDB) for 2014/15.
- (e) Annual Performance Plan of the Council for the Built Environment for 2014 – 2015.
- (f) Strategic Plan of the Independent Development Trust for 2014/15 - 2018/19 and Annual Performance Plan for 2014/15.

**26. The Minister of Rural Development and Land Reform**

- (a) Strategic Plan of the Department of Rural Development and Land Reform for 2014 – 2019.
- (b) Annual Performance Plan of the Department of Rural Development and Land Reform for 2014 – 2015 [RP 82-2014].

**27. The Minister of Women, Children and People with Disabilities**

- (a) Annual Performance Plan of the Department of Women, Children and People with Disabilities for 2014 – 2015.

**National Assembly**

**1. The Speaker**

- (a) Report of the Public Service Commission (PSC) on the Fact Sheet on the Financial Disclosure Framework for the 2011-2012 financial year – October 2012 [RP 174-2013].
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## **COMMITTEE REPORTS**

### **National Assembly**

#### **1. PORTFOLIO COMMITTEE ON CORRECTIONAL SERVICES HANDOVER REPORT MAY 2009 TO MARCH 2014**

##### **INTRODUCTION**

- 1.1 Parliament is established in terms of Chapter 4 of the Constitution of the Republic of South Africa (“the Constitution”), and comprises the National Assembly (NA) and the National Council of Provinces (NCOP). Chapter 4 of the Constitution establishes the National Assembly which comprises public representatives elected to “ensure government by the people” through “choosing the President of the RSA, providing a national forum for public consideration of issues, by passing legislation and by scrutinizing and overseeing executive action.”
- 1.2 Portfolio committees are established, and function in terms of National Assembly Rules 199 to 203, are charged with amongst others, monitoring the financial and non-financial performance of government departments and their entities to ensure that national objectives are met; processing legislation; facilitating public participation in relation to the above-mentioned processes; and maintaining oversight of Executive and Constitutional organs falling within its portfolio.
- 1.3 The NA’s Portfolio Committee on Correctional Services, and the NCOP’s Select Committee on Security and Constitutional Development are responsible for oversight of the Department of Correctional Services (DCS) as well as the Judicial Inspectorate for Correctional Services (JICS).
- 1.4 The Portfolio Committee on Correctional Services (the Committee) elected its chairperson on 28 May 2009. At the start of its term the Committee identified seven areas it would focus on during its five-year term.
- 1.5 This report provides an account and assessment of the Committee’s activities between May 2009 and March 2014. It is aimed at informing the incoming Committee of developments relating to key challenges the current Committee had identified during its term, and which should be pursued in the 5th parliamentary term. The report also contains the Committee’s recommendations for the strengthening of the administrative systems that support the committee’s functions and responsibilities.

#### **2. DEPARTMENTS AND ENTITIES REPORTING TO THE COMMITTEE**

Only the DCS, and the JICS report to the Committee. Although established in terms of the Correctional Services Act (No 111 of 1998), correctional supervision and parole boards (CSPBs), the National Council for Correctional Services (NCCS), the Correctional Supervision and Parole Review Board, and the Medical Parole Advisory Board are not accountable to the Committee.

**2.1 Department of Correctional Services**

- 2.1.1 According to its mission and vision statements, the DCS provides correctional services, and contributes to a just, peaceful, and safer South Africa through the effective and humane incarceration of inmates, and the rehabilitation and social reintegration of offenders.
- 2.1.2 The DCS's activities are prescribed in the Correctional Services Act (No 111 of 1998) and the Correctional Services Amendment Act (No 5 of 2011). Legislation relevant to the DCS include, the Criminal Procedures Act (No 51 of 1977), Criminal Law (Sexual Offences And Related Matters) Amendment Act (No 32 of 2007), and the Child Justice Act (No 75 of 2008).
- 2.1.3 There are approximately 241 correctional and remand detention facilities across the country that cater to male and female, juvenile and adult, sentenced and unsentenced, as well as medium and maximum security inmates. The management of correctional centres is decentralised to six regions i.e. Free State/Northern Cape; Western Cape; Eastern Cape; Limpopo/Mpumalanga/North West; Gauteng and Kwazulu Natal. In addition to these, the DCS also manages two training colleges in the Free State and Gauteng.

**2.2 Judicial Inspectorate for Correctional Services**

- 2.2.1 The JICS was established in terms of section 85 of the Correctional Services legislation, and is charged with inspecting correctional and remand detention centres in order to monitor and report on conditions of incarceration and the treatment of offenders.
- 2.2.2 The JICS's Head Office is situated in Cape Town, and the Inspecting Judge's Office in Durban. Its recently established regional offices are situated in Bloemfontein, George. Durban and Centurion.
- 2.2.3 The JICS is headed by the Inspecting Judge who is appointed by the President, on recommendation of the Minister of Correctional Services, and usually serves a three-year term. Its CEO is appointed by the National Commissioner for Correctional Services upon recommendation of the Inspecting Judge. The CEO is accountable to the Inspecting Judge.
- 2.2.4 The JICS has an extensive independent correctional centre visitor (ICCV) system which ensures that it has a presence at most correctional and remand detention centres. The ICCVs are appointed in terms of section 92 of the Correctional Services legislation and are charged with handling inmate complaints. Matters that cannot be resolved by ICCVs are referred to Visitors Committees for resolution or escalation to the Office of the Inspecting Judge.

**2.3 National Council for Correctional Services**

- 2.3.1 The NCCS was established in terms of sections 83 to 84 of the Correctional Services legislation, and advises the Minister of Correctional Services on matters related to correctional policy, issues related to sentencing as well as on the parole applications of those serving life sentences.

## **2.4 Correctional Supervision and Parole Boards**

2.4.1 CSPBs are established in terms of section 75 of the Correctional Services legislation, and are charged with considering parole applications by all offenders who are serving sentences of 24 months or longer, and eligible for parole consideration.

2.4.2 Although independent, CSPBs work closely with case management committees (CMCs) to ensure efficient parole administration.

## **2.5 Correctional Supervision and Parole Review Board**

2.5.1 The Correctional Supervision and Parole Review Board was established in terms of sections 76 and 77 of the Correctional Services Act, and considers parole matters referred to it for review by the Minister, National Commissioner or Inspecting Judge.

## **2.6 Medical Parole Advisory Board**

2.6.1 The Medical Parole Advisory Board was established in terms of section 3(a) of the Correctional Matters Amendment Act (No 5 of 2011) and provides independent medical reports to the Minister, National Commissioner and/or CSPBs to support medical parole applications.

# **3 MANAGEMENT AND EXECUTION OF COMMITTEE ACTIVITIES**

## **3.1 Focal Areas**

3.1.1 At the start of its term the Committee identified seven focal areas to be pursued during its five-year term. Oversight activities were therefore focussed on ensuring: steady progress towards the DCS's stability at senior management level, and improved financial management; better management of the inmate population through improved remand detainee-management in particular; appropriate, safe and secure inmate incarceration through improved facilities management and procurement; a reduction in recidivism through improved rehabilitation, care and development programmes; better reintegration through improved community awareness of the DCS's rehabilitation and reintegration efforts and improved parole administration; that inmate-rights and –privileges contribute to their rehabilitation and reintegration; and ensuring that the DCS met its obligation in terms of the Justice Crime Prevention and Security (JCPS) cluster efforts to streamline the justice system.

## **3.2 Committee planning**

3.2.1 Although no annual plans were developed, all term programmes were designed to meet the above-mentioned objectives. The Committee did not establish a sub-committee for the planning and management of committee activities. The Committee Secretary and Chairperson were responsible for the planning and coordination of committee activities. Proposed programmes and activities were presented to the Committee for consideration and approval.

**3.3 Committee meetings**

- 3.3.1 Between May 2009 and March 2014 the Committee held 152 meetings which included quarterly and annual report briefings by the DCS and JICS, stakeholder interactions, briefings by government entities and government departments impacting on the DCS's effectiveness and institutions supporting constitutional democracy.
- 3.3.2 In exercising its oversight responsibility several meetings were held with the DCS and JICS on its strategic and annual performance plans and budgets, and the execution of these plans.
- 3.3.3 Recognising that other government departments impacted on the DCS's effectiveness too, the Committee interacted with the departments of Public Works, Health, Basic Education, Higher Education and Training, Justice and Constitutional Development and Police.
- 3.3.4 In addition to the above, the Committee also received reports from other state entities that delivered services to the DCS i.e State Information and Technology Agency (SITA), Independent Development Trust (IDT) and Legal Aid South Africa (Legal Aid SA).
- 3.3.5 To assist it in its oversight duties, the Committee met with institutions established in terms of Chapter 9 of the Constitution and charged with supporting constitutional democracy e.g. the Auditor General of South Africa (AGSA), the South African Human Rights Commission and the Commission for Gender Equality (CGE).

**3.4 Site visits**

- 3.4.1 The Committee undertook 42 oversight visits, across all nine provinces, in the period under review. These were to the DCS's correctional and remand detention centres, training colleges, certain correctional centre construction sites, the DCS and JICS's head office, and to the office of the Inspecting Judge, and the JICS's regional offices.

**3.5 Budgetary Review and Recommendation process**

- 3.5.1 The Money Bills Amendment Procedure and Related Matters Act (Act 9 of 2009) provides for, amongst others, a parliamentary procedure to amend Money Bills, thus granting parliamentary committees greater opportunity to influence the allocation of funds to the departments they oversee. Section 5 of the Act compels the NA, through its Committees to submit annual Budgetary Review and Recommendation (BRR) reports on the financial performance of departments accountable to them. Essentially, the BRR report is a committee's assessment of the efficiency with which a department spent its allocation budget, and whether it succeeded delivering services in line with its strategic and annual plans. The BRR process was introduced in 2009, and the Committee's first BRR report was published in October 2011.



- 3.5.2 The BRR report must be informed by a Committee's interrogation of, amongst others, national departments' estimates of national expenditure, strategic priorities and measurable objectives, National Treasury-published expenditure reports, annual reports and financial statements, and all other oversight activities undertaken in the period under review. BRR reports are adopted after the adoption of the Appropriations Bill, and prior the adoption of reports on the Medium Term Budget Policy Statement (MTBPS).

### **3.6 International Study Tours**

- 3.6.1 Although the Committee had submitted several applications to undertake a study tour, these were not successful for reasons including changes to the parliamentary programme, countries not being able to host the Committee in its allocated study tour slot, and lack of funding.
- 3.6.2 As the Committee had not been permitted to undertake a study tour in at least two parliamentary terms, it should be treated as a priority in the in 2014-2019 term. It is advised that the incoming Committee should use the first year of its term to acquaint itself with South Africa's correctional system through consideration of the outgoing Committee's reports, introductory briefings by the DCS and JICS, and orientation workshops by correctional-services experts, as well as the Committee's content and research support. It is proposed that a study tour be prioritised as early as possible in its second year in office, so as to ensure that recommendations emanating from it may still be pursued and possibly implemented by the Committee and/or the DCS and/or JICS.

### **3.7 Stakeholder/Public participation**

- 3.7.1 The Committee established close working relationships with research, non-governmental and academic institutions as well as labour organisations. These institutions regularly commented on annual reports, strategic plans, policy developments, legislation and any other matters the Committee sought more information on. This did not only ensure that the Committee received views from a broad a spectrum of commentators as possible, but also served to supplement its research support.
- 3.7.2 The following stakeholders were regular contributors during public hearings, and other interactions: Public Service Association; Police and Prisons Civil Rights Union; Institute for Security Studies; Civil Society Prison Reform Initiative; Wits Justice Project; National Institute for Crime Prevention and the Reintegration of Offenders; Just Detention; and Sonke Gender Justice Network.
- 3.7.3 The public participation process should be reconsidered and broadened to ensure that all those likely to be affected by legislative and policy developments especially, are adequately informed of their impact, and afforded opportunity to participate in the relevant processes. Given the DCS and JICS's commitment to corrections being a societal responsibility, more should be done to involve ordinary citizens so as to ensure that challenges they experience in relation to the correctional system are taken into consideration when decisions are taken.

### **3.8 Complaints processing**

- 3.8.1 In the period under review the Committee processed in excess of 400 complaints/queries from inmates and their families, as well as from DCS officials. In the majority of cases matters were referred to the JICS for further handling, or to the DCS for response. Complaints were handled almost exclusively by the Committee Secretary, who consulted with the Chairperson where necessary.
- 3.8.2 Although the Committee had attempted to establish formal processes for the handling of complaints, the volume of complaints received combined with the Secretariat's capacity constraints made it difficult to do so.

## **4. NOTEWORTHY ACTIVITIES**

### **4.1 Policy Reforms**

#### ***White Paper on Remand Detention***

- 4.1.1 The legislative provisions relating to the management of the remand population which are mentioned in paragraph 4.2.1 are outlined in the White Paper on Remand Detention which was presented to the Committee for its consideration in February 2014.
- 4.1.2 Although the Committee welcomes and supports the policy, concerns were raised about the fact that the legislation was amended prior to the finalisation of the policy underpinning it.
- 4.1.3 The implementation of the White Paper on Remand Detention, and the sections of the principal legislation which is informed by it, should be closely monitored.

#### ***White Paper on Corrections in South Africa: Review***

- 4.1.4 In February 2013 the Committee, DCS and stakeholders agreed that the 2005 White Paper on Corrections in South Africa should be reviewed to assess its effectiveness in the approximately 10 years since its introduction, to determine whether it was still relevant and whether implementation was financially viable. The review was to take into consideration too whether the policy provided for the impact of sentencing reforms that took place after 2005.
- 4.1.5 The DCS had intended for the review to have been completed by the end of 2013, but at the time of reporting no outcome was available yet, largely owing to the service providers employed to perform the review not having adhered to the terms of reference provided by the DCS.
- 4.1.6 The incoming Committee is advised to scrutinize the reasons for the delay in the completion of the review, and to emphasise the need for its finalisation. The DCS should provide clarity on how much the review has cost, and how the losses incurred would be recouped.

## **4.2 Legislation**

- 4.2.1 The Correctional Matters Amendment Bill [B41-2010] was referred to in late 2010. The bill was aimed at firstly amending the Correctional Services Amendment Act of 2008 in order to repeal provisions establishing an incarceration framework; and secondly amending the Correctional Services Act (1998) in order to insert new definitions; provide for a new medical parole system; strengthen the parole system; provide for the management and detention of remand detainees; and provide for matters connected therewith. The Committee completed its processing of the bill which included public hearings, and several briefings by the DCS, in March 2011.
- 4.2.2 The legislative amendments necessitated amendments to the Correctional Services Regulations of 2004; amendments were tabled on 15 August 2011. Although the Committee considered all the amendments to the regulations, it was only required to approve regulations 29A and 29B which related to the medical parole process, and the establishment and composition of the medical advisory board.

## **4.3 Statutory appointments**

- 4.3.1 Section 83(2)(h) of the Correctional Services Act requires that the relevant parliamentary committees should be consulted in the appointment of the four or more persons not in full-time service of the State, and who will represent the public on the NCCS.
- 4.3.2 The Committee considered the shortlist of candidates on 28 January 2010, and approved the appointment of eight public representatives on 9 February 2010.

## **4.4 Recommendation**

- 4.4.1 It is strongly advised that as soon as possible upon taking office, the incoming Committee should undertake a workshop to familiarise itself with the DCS's principal legislation, the Correctional Services Regulations, and all other pieces of legislation relevant to the DCS.
- 4.4.2 The workshop could also include a session on international norms and standards governing the humane detention.
- 4.4.3 The medical parole, and remand detention management processes which were first introduced in 2011, should be closely monitored.

## **5. PROGRESS MADE IN RESOLVING KEY CHALLENGES IDENTIFIED BETWEEN MAY 2009 AND MARCH 2014**

### **5.1 Administration**

- 5.1.1 In the 2008/09 financial year the DCS received its 11th qualified audit report. At that time the DCS was heavily reliant on external service providers for its internal audit and IT functions in particular. At that time it had no chief financial officer (CFO), no chief audit executive (CAE) and the National Commissioner appointed in 2008 was its third in a four-year period. By the end of the 2009/10 financial year she too had resigned.

- 5.1.2 In that year the Auditor General concluded that although the DCS had reached a level of maturity in terms of its financial management, focus had to shift to the implementation of adequate financial reporting systems and the drafting, approval and implementation of policies and procedures if the DCS were to continue its progress towards adequate financial management and internal controls.

***Organisational restructuring***

- 5.1.3 In November 2013 the DCS reported that it was in the process of finalising its organogram, which now provided for three core units. Given the inmate population, staffing ratios had to be amended to ensure safe incarceration, and safe working conditions. Organised labour had been invited to provide input, and would have done so by the end of December 2013.

***Financial management and internal controls***

- 5.1.4 At the time of reporting the CFO and Chief Deputy Commissioner: Strategic Management posts had been vacant for longer than 12 months.
- 5.1.5 Towards the end of the 2013/14 financial year, and despite concerted efforts by the Committee to increase the monitoring of financial and administrative performance through the introduction of quarterly reports, the DCS has made little progress as far as its financial management and internal controls.
- 5.1.6 At the time of reporting the DCS's internal audit unit was still under-resourced, and largely managed by an external service provider. Little evidence could be found that the service provider was compelled to ensure that the necessary skills were transferred to officials, or that the DCS had a long-term plan for reducing its reliance on consultants. In February 2014 the acting CFO confirmed that the DCS's internal audit capacity did not meet minimum standards.
- 5.1.7 The Committee had welcomed the appointment in 2011 of a Chief Audit Executive, but his resignation less than a year later, and the sudden termination of the audit committee chairperson, and two other audit committee members' contracts at more or less the same time, imply that the internal audit environment had not yet stabilised.
- 5.1.8 As stated in our most recent BRR report, the Committee remains concerned about the integrity of the information contained in the DCS' planning documents. We agree with the Auditor General that the lack of proper risk assessment processes resulted in poor internal controls, which in turn compromises the integrity of performance information.
- 5.1.9 In its most recent BRR report, the Committee states that an urgent intervention was required to ensure that combined efforts to create a correctional environment built on good governance, accountability and a shared commitment to rehabilitating offenders, are successful.

- 5.1.10 The incoming Committee is encouraged to meet with the DCS's National Commissioner and Executive Authority as soon as it takes office, to clarify its expectations, and agree on the manner in which its oversight responsibility should be executed e.g. preparation for interactions, and honouring scheduled activities.

***Information Technology management***

- 5.1.11 The Committee had at the start of its term emphasised the important role IT-infrastructure would play in the management of the inmate population, in ensuring that the DCS would contribute to the overall more efficient management of the criminal justice system, and especially in improved performance monitoring and reporting.
- 5.1.12 Having taken heed of the Committee's concerns, the DCS appointed a Government Information Technology Officer (GITO) at deputy-director general level in 2012. By February 2014 it reported that it had reduced its IT-consultants from 180 in 2008/9 to 31, and only in areas requiring specialist skills. The IT-related shortcomings reported in the 2012/13 financial year, related to transversal systems mainly, and could therefore not be ascribed to the DCS entirely.
- 5.1.13 Although the relationship between the SITA and DCS is not yet ideal, the Committee's focussed attention on the challenges in the relationship had resulted the development of a service level agreement being accelerated, and unresolved billing-related challenges receiving the necessary attention. The agreement that the DCS could henceforth procure IT-services itself, provided that the Minister of Public Services and Administration's approval was sought in each instance, is welcomed and we hope that this will alleviate some of the challenges that could not be resolved.
- 5.1.14 It is believed that the weaknesses associated with offender management, as well as with performance reporting and monitoring will be addressed should the DCS' long-standing IT-related challenges be resolved, therefore the Committee welcomes that over the medium term, much focus will be on providing ICT services.
- 5.1.15 The DCS has a long history of procurement irregularities, and the incoming Committee may wish to pay special attention to monitoring the DCS' adherence to the applicable processes when procuring the services and equipment necessary to improve its IT environment.

***Seven Day Establishment***

- 5.1.16 Given the nature of the DCS' work it was impractical and costly for it to operate on a five-day work week, relying on skeleton staff at weekends and on public holidays. The implementation of the Seven Day Establishment in 2007 (7DE) was intended to ensure that the DCS would be able to guarantee delivery of services to inmates at all times. The DCS' severe challenges as far as determining suitable shift systems that could address centres' specific needs, has proven a major stumbling block. The challenges have resulted in shortcomings of both security and service delivery.

- 5.1.17 The Committee in its most recent BRR report expressed concern that the DCS' senior management appeared unable to develop strategies to ensure the effective implementation of the 7DE, whereby to improve both the working conditions of officials, and the treatment of offenders.

***Ministerial Task Team established in 2013***

- 5.1.18 The focus the Committee had placed on human-resource related matters and quarterly performance reports, contributed to the decision to establish a ministerial task team (MTT) in 2013 to find mutually agreed upon solutions to the human resource-related challenges that have plagued the DCS, and are well-documented in the Committee's oversight reports. The Committee is concerned however that in the absence of agreements formalising them, the decisions taken by the MTT might not be implemented.
- 5.1.19 The incoming Committee is advised to request the DCS to update it on progress made in the development of implementation plans for those matters that had been reported, and updates on those matters that at the time of reporting were still subject to negotiations.

***Leadership instability***

- 5.1.20 The above-mentioned concerns are intensified by the DCS's high staff turnover at its senior management level, and the impact this has had on leadership stability. At the time of reporting, and despite commitments to fill critical vacancies by January 2014, a key deputy director general-, the chief financial officer-, and the national commissioner-posts were vacant.
- 5.1.21 Between 2009 and 2013 the DCS pursued several initiatives which were aimed at, for example, establishing appropriate conditions of incarceration for women offenders, the establishment of a DCS trading entity, the implementation of a more efficient organisational structure, and better asset management and internal controls. The Committee has however noted with concern that many of these appeared to have been abandoned when the individuals who had driven them left office. The DCS should be held to ensuring that all activities undertaken are aligned to what is contained in its strategic and annual performance plans.
- 5.1.22 The incoming Committee is advised to follow up on the filling of all critical senior management posts, and to ensure that if not yet filled, the relevant authorities act with the necessary urgency to fill vacant posts, preferably with candidates with proven track-records for turning-around departments/institutions facing the challenges the DCS has been faced with for several years.

**5.2 Inmate Management**

***Inmate population***

- 5.2.1 South Africa's correctional centres can accommodate just under 120 000 inmates, and according to International Centre for Prison Studies statistics accommodated 156 370 in August 2013.

- 5.2.2 In 2009/10 the JICS reported that although the level of incarceration had dropped to 139%, considerably lower than the 170% recorded at the end of the 2002/03 financial year, South Africa's incarceration rate remained the highest in Africa and one of the highest in the world. At that time nineteen of South Africa's 239 operational correctional centres recorded levels of overcrowding greater than 200%. The JICS reported that, as is to be expected, conditions of incarceration at these centres were inhumane and did not comply with constitutional requirements governing detention.

***Remand Detention management***

- 5.2.3 The Committee had from the start of its term emphasised that the inmate population had to be reduced through better management of the remand detainee-population especially. It therefore welcomed the above-mentioned amendments to the Correctional Services legislation which introduced a system for managing remand detention, that is aimed at, amongst others, ensuring shorter periods in remand.
- 5.2.4 By the end of the Committee's term the DCS reported that cooperation between JCPS cluster departments under the coordination of the Criminal Justice Review Committee had already resulted in improvements in the management of the remand population: between 2007/08 and 4 February 2014 the population had been reduced from 54 000 to 46 000. It is hoped that the White Paper on Remand Detention will result in greater efficiency, and consistent improvements.
- 5.2.5 The Committee had placed much focus on the need for the finalisation of the remand detention and offender management system (RDOMS) project which was introduced as early as 2006, but which at the time of the Committee's coming into office had grinded to a halt. At the time of reporting the DCS was able to confirm that the system would be implemented in November 2014 at the latest.
- 5.2.6 During all the Committee's oversight activities inmates complained about the services provided by Legal Aid SA. Although Legal Aid SA had during previous interactions vehemently denied allegations of poor service delivery, the Committee believes that the volume of complaints received at every visit, suggests challenges in the manner in which services were being delivered.
- 5.2.7 In our most recent oversight visit report the Committee recommended that the DCS and Legal Aid SA should collaborate to ensure that consultation times were maximised. General information about legal processes should be made accessible in the form of pamphlets, posters etc.
- 5.2.8 The incoming Committee is advised to, as early as possible in its term, meet with the Criminal Justice Review Committee, and the National Efficiency Enhancement Committee to ensure that it is abreast of the latest developments in relation to efforts to streamline the criminal justice system especially in relation to those areas that impact on the DCS. Per the Chairperson of the Criminal Justice Review Committee's suggestion the incoming Committee should ensure that provincial efficiency enhancement committees participate in oversight visits to remand detention centres in particular.

**Facilities**

- 5.2.9 Paragraph 5.1.1 of the White Paper on Corrections states that offender management is based on “the principles of restoration or corrections, unit management, and secure, safe and humane custody and supervision”. The vast majority of correctional centres date back to the Apartheid-era, and therefore their outdated infrastructure made it impossible to adhere to the above-mentioned principles.
- 5.2.10 With the Committee’s encouragement and consistent monitoring the DCS and DPW made steady progress towards the conclusion of a service level agreement, formalising their working relationship.
- 5.2.11 The Committee’s concerns about the DCS and DPW’s working relationship remain however, mainly because there appears to be little improvement in the DPW’s ability to respond to the DCS’s needs. The Committee acknowledges that slow progress in addressing major maintenance work was beyond the DCS’s control, but is of the view that more should be done to ensure that centre managers responded better to minor maintenance needs.
- 5.2.12 The Committee consistently highlighted the impact continued weaknesses in the DPW tender processes, and project management has had on projects. Three projects in the Western Cape suffered major delays for this reason. At the time of reporting the DPW was in the process of appointing a new contractor to complete the two of the projects because the original service provider had been liquidated. The DPW’s failure to appoint qualified contractors and to manage projects in such a manner that potential risks were identified early, have resulted in already poor conditions of incarceration, becoming worse.
- 5.2.13 The Committee had recommended that, as inmate-labour was being utilised in large construction and maintenance projects forming part of the DCS’s community outreach efforts, alternatives to the DPW being solely responsible for major repair and maintenance projects could be explored. The incoming Committee is advised to follow-up on the feasibility of the recommendation.

**Public Private Partnership Correctional Centres**

- 5.2.14 The Committee had from the start of its term voiced its concerns about the appropriateness of outsourcing security operations to private companies, and called for a review of the PPP funding model through which the Mangaung and Kutama Sinthumule correctional centres were procured. It welcomed the 2010 Cabinet decision that the four correctional centres that would have been procured via this model had been abandoned.
- 5.2.15 Unrest and security breaches have been reported at both centres. The most recent incidents at Mangaung Correctional Centre had resulted in the DCS having to take over security operations at the centre. The serious allegations of ill-treatment of inmates had been investigated, but the Committee had not yet been provided with the findings at the time of reporting.



- 5.2.16 The incoming Committee is advised to establish how it will manage oversight of the two PPP correctional centres for the remainder of their contracts. This would be essential as far as ensuring that the rights of those incarcerated at these semi-private institutions are not violated, and to ensure that the relevant legislation and regulations are adhered to.

### **5.3 Security operations**

- 5.3.1 Although much success could be reported as far as the management of remand detainees, much more needs to be done to improve the management of the sentenced inmate population, and to ensure their safe and secure incarceration.

#### ***Abuse of authority***

- 5.3.2 The correctional environment should be safe for both inmates, and the officials working in correctional centres. In Paragraph 5.4.5 of the White Paper on Corrections the DCS acknowledges that because correctional centres operated within a “closed” system, they were more vulnerable to abuses of authority. Although the nature of the environment necessitated its occasional use, the use of force should be governed by clear and transparent procedures, and should only be resorted to “when order has completely broken down”. The security breaches reported, specifically those in which officials have been implicated, were of serious concern. They point not only to centre-level officials’ failure to understand their roles and the limitations to their powers, but also to the culture of inappropriately responding to blatant abuses of power. The DCS’s staff shortages and inappropriate shift systems led to increased opportunities to abuse authority, and increased security breaches. These placed both officials and inmates at risk.
- 5.3.3 Although the Committee recognises the risk the environment poses to officials, it has and continues to emphasise that the regulations and provisions governing the use of necessary force must be adhered to at all times. The DCS’s apparent lack of cooperation to ensure that inmates who have been assaulted by officials laid criminal charges, and the often too sporadic, and often too lenient outcome of internal disciplinary proceedings, draw into question the DCS’s ability to ensure humane incarceration.
- 5.3.4 The ease with which prohibited items such as cellphones, drugs and cash enter and circulate within facilities, suggests official-collusion and poor implementation of search procedures.

#### ***Sexual assault***

- 5.3.5 In 2013/14 the DCS intended to reduce the number of inmates assaulted in its centres to 2%. The DCS had ignored previous recommendations that “assaults” should be disaggregated to differentiate between general cases of assault and sexual assault. The DCS did not deny that sexual assaults took place in correctional centres, but stated that such incidents were under-reported. At the time of reporting the DCS had not yet given any indication of efforts to create awareness of sexual assault in correctional centre so as to address the stigma associated with it and thereby hopefully encourage victims to report such incidents.

- 5.3.6 The DCS had reported that it had, in partnership with stakeholders, developed a policy framework for creating awareness of, and managing sexual assaults. At the time of reporting the policy was in the final stages of approval. Although the policy had not been referred to in planning documents, it is hoped that the strategy, to be implemented with the assistance of stakeholders, will result in victims' increased reporting of sexual assaults, the DCS' improved monitoring and reporting on the prevalence of sexual assaults, and ultimately, in a reduction in sexual assaults. The incoming Committee may wish to receive a briefing on its finalisation, content and implementation.

### ***Vetting***

- 5.3.7 The numerous allegations of violence, assault, failure to act when inmates' safety was in danger, and other abuses of power by officials illustrate just how vulnerable the entire inmate population, and those working within correctional centres became when officials were not vetted, and adequately assessed and/or trained to ensure their suitability to work in the correctional environment.
- 5.3.8 The incoming Committee is advised to follow-up on the implementation of previous recommendations related to the vetting of officials, as well as on progress made by the DCS and National Intelligence Agency (NIA) as far as solving challenges impeding efforts to vet officials.

### ***Technological interventions to curb security breaches***

- 5.3.9 Although the suggestion had initially met with resistance, the Committee remains steadfast in its belief that technology such as cellphone signal blocking devices, and CCTV-cameras should be more extensively employed to ensure a secure incarceration. Every effort should also be made to ensure that an electronic access control system be implemented across all correctional centres.
- 5.3.10 Although little success has been reported in relation to this objective, the Committee is confident that the restructuring of the Judicial Inspectorate for Correctional Services, and the recommendations it has made with regard to its strengthening will lead to greater monitoring.

## **5.4 Rehabilitation and Reintegration**

- 5.4.1 As all committee reports revealed, the small budgets allocated to rehabilitation and reintegration-focussed programmes, and the DCS's perennial under-spending in relation to rehabilitation efforts in particular, remain a cause for concern. Focussed attempts to attract and retain relevant professionals remain inadequate and/or non-existent. Given the Committee's position regarding who should qualify for parole consideration, much more should be done to ensure that the DCS is able to provide the rehabilitation and reintegration services that would reduce recidivism.

### **Parole Administration**

- 5.4.2 The Committee in all its oversight reports highlighted that much of the frustration surrounding parole was the result of a lack of information, poor public awareness and inefficient administration. Unfortunately it had not had sufficient time to conduct a review of the parole system so as to assess the effectiveness with which it was administered, and to propose specific recommendations for its improvements.
- 5.4.3 The Committee had at the beginning of its term met with a cross section of CSPB chair- and vice-chairpersons. During the interaction the representatives raised a series of challenges impacting on their efficiency e.g. slow filling of vacancies, poor attendance by members, ineffective and poorly-resourced case management committees, and the impact of the social worker and psychologist-shortage.
- 5.4.4 The Committee had consistently advocated that parole should only be granted to those offenders who, in addition to the compulsory rehabilitation programmes, have participated in development and/or education programmes. It welcomed the introduction in 2013/14 of compulsory education services to inmates with only a very low level of basic education.
- 5.4.5 Stakeholders had during recent interactions highlighted challenges associated with the manner in which the DCS involved victims in the parole process. Concerns were raised about the criminal justice system's inadequate implementation of the Victims Charter, and poor management of the Victim's Roll. While the DCS could not be held responsible for these inefficiencies, care should be taken that its efforts to allow victim participation in the parole process were in line with international best practices, and did not unfairly disadvantage offenders, or traumatise victims.
- 5.4.6 The incoming Committee may consider prioritising a review of the parole system so as to establish its effectiveness and suitability. If necessary legislative amendments should be considered to ensure greater efficiency.

### **5.5 Judicial Inspectorate for Correctional Services**

- 5.5.1 The Committee considered the effectiveness of the JICS in 2012 and 2013, and have reported that certain legislative amendments may be required to ensure the JICS's independence and effectiveness. The Committee's recommendations should be considered, and if necessary further consultation may be undertaken, and amendments to the legislation effected as soon as possible. The Report on the Strengthening of the Judicial Inspectorate for Correctional Services may be referred to for the detail of the Committee's observations, concerns and recommendations.

## **6 CHALLENGES EXPERIENCED WITH REGARD TO THE ADMINISTRATIVE SYSTEM SUPPORTING COMMITTEES**

- 6.1.1 The Minister in the Presidency, Mr Trevor Manuel, in a debate on the 2013 State of the Nation Address (SONA) emphasised the importance of accountability in a democracy, stating that "it is crucial that society is able to look to the skills and competencies of Parliament to safeguard their interests. Good technical skills of parliamentarians backed by solid

research teams are critical to stronger parliamentary oversight". In May of the same year he elaborated on this theme in a speech on the role of parliaments in long term sustainable growth. The Minister then identified "vigilant Members and a strong administrative system" as essential to parliamentary oversight that took a broad, long-term view of the impact of Executive actions especially in relation to planning and budgeting.

- 6.1.2 Paragraphs 6.1.3 to 6.1.12 below highlight challenges the Committee had experienced in relation to administrative systems and support, as well as suggestions for how they may be addressed.

***Parliamentary programme and the scheduling of committee activities***

- 6.1.3 Frequent changes to the parliamentary programme, and the overly bureaucratic management of committees impacted negatively on the Committee's activities. The processes that have to be followed to be granted permission to undertake oversight activities should be developed in consultation with committee chairpersons, should be more efficient and should be consistently applied.

***Study Tours***

- 6.1.4 As the Committee had not been permitted to undertake a study tour in at least two parliamentary terms, it should be treated as a priority in the in 2014-2019 term. It is advised that the incoming Committee should use the first year of its term to acquaint itself with South Africa's correctional system through consideration of the outgoing Committee's reports, introductory briefings by the DCS and JICS, and orientation workshops by correctional-services experts, as well as the Committee's content and research support. It is proposed that a study tour be prioritised as early as possible in its second year in office, so as to ensure that recommendations emanating from it may still be pursued and possibly implemented by the Committee and/or the DCS and/or JICS.

***Secretariat***

- 6.1.5 Although its Secretariat attempted to ensure that the Committee was adequately prepared for all its oversight activities, more focussed support is required.
- 6.1.6 It is essential that each committee support staff member's role is adequately explained to ensure their individual accountability to the Committee, in relation to their different areas of responsibility i.e the coordination/facilitation of the Committee's activities, and procedural support (Committee Secretary), content and research support (Content Advisor and Researcher), logistical support (Committee Assistant), and administrative support in the office of the Committee Chairperson (Executive Secretary).
- 6.1.7 The Committee adopted minutes and reports as and when they were provided by the Committee Secretary. The Committee Secretary should be held to distributing draft minutes and reports within seven days of a committee meeting, and committee reports within a period not exceeding 30 days after the end of an oversight visit.

- 6.1.8 The Committee had little success in receiving formal responses to recommendations contained in reports adopted by the National Assembly (NA). The Committee Secretary, as the co-ordinator of the Committee's activities and the official person responsible for maintaining a reliable and up to date commitment register and Committee records, should establish a sound working relationship with the relevant officials in the Office of the Speaker as well as the relevant Parliamentary Liaison Officers, aimed at improving mechanisms whereby responses to recommendations may be monitored followed-up on.
- 6.1.9 The Committee has had little success in receiving written responses to questions which could not be responded to during oversight activities committee briefing. Where responses were received the Committee's programme, and inadequate support made the consideration of the written responses challenging at best. It is recommended that, instead of requesting written responses, the incoming Committee should, at the end of each term, schedule a separate feedback session during which those who are required to do so must be provided with an opportunity to respond to outstanding matters.
- 6.1.10 The incoming Committee should consider establishing a standard for content and research support. Content and research support should enhance Members' scrutiny of department-produced and other documents/information. It is essential that Members are given an opportunity to scrutinise research documents to ensure that research papers are useful, enhance the Committee's preparation, and contribute to the Committee's greater body of knowledge.
- 6.1.11 Reliance on information submitted to the Committee by those appearing before it, and accounting to it by the Department should be reduced, and officials responsible for research and content support should ensure that a database of credible and current sources of information and expertise is maintained.
- 6.1.12 While summaries of presentations are useful, especially given the volume of information provided to committees, summaries of presentations and documents referred to the Committee should not be a substitute for critical analysis.

## **7. ACKNOWLEDGEMENT**

The Committee wishes to express its appreciation to all those who have participated, and supported us in the execution of our activities. Special mention goes to our regular stakeholders whom we could rely on for independent input, and insight into the correctional system.

## **2. REPORT OF THE PORTFOLIO COMMITTEE ON SOCIAL DEVELOPMENT ON THE OVERSIGHT VISIT TO GAUTENG DEPARTMENT OF SOCIAL DEVELOPMENT, SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA) REGIONAL OFFICE, SASSA SERVICE AREA AND THE NATIONAL DEVELOPMENT AGENCY (NDA) PROJECTS, DATED 05 February 2014**

### **1. Introduction**

The Portfolio Committee on Social Development conducted an oversight visit on 29 July – 02 August 2013 to the Gauteng provincial Department of Social Development (DSD), South African Social Security Agency (SASSA) regional office and its service area in Maponya Mall, old age home, child and youth care centre, family preservation programme, victim empowerment programme and the National Development Agency (NDA) projects. The oversight visit formed part of the Committee's method of work as stated in its Five Year Strategic Plan: 2009-2014.

The Committee resolved that its method of work for this Parliamentary term would be more action orientated. It planned to conduct oversight visits that are well informed and respond to the needs of the society and ensure that the executive is accountable to their needs. The Committee thus resolved to conduct oversight to all the nine provinces in the country during its term of office. The Gauteng was the sixth province to be visited by the Committee.<sup>1</sup>

#### **1.1 Objectives of the oversight visit**

One objective of the oversight visit was to assess the performance of the provincial Department of Social Development, SASSA and the NDA. The oversight visit particularly focused on the alignment of the provincial department and SASSA's performance to the strategic priorities and policies set by the national department in line with the 2013 State of the Nation Address. These included recognising education as an apex priority, job creation, fight against violence on women and children and against corruption. The DSD contributes towards recognising education as an apex priority through the implementation of the Early Childhood Development (ECD) programme. The ECD programme is critical in the context of children's development and preparation for basic education.

Another objective of the visit was to evaluate the implementation of the Older Persons Act, Children's Act and the Prevention of and Treatment for Substance Abuse Act by visiting old age homes, children's home, child and youth care centre and the rehabilitation centre. It wanted to assess and evaluate the extent to which these facilities adhere to the policy and legislative stipulations.

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<sup>1</sup> In 2009, the Committee visited the Western Cape South African Social Security Agency (SASSA) offices and service points. In the same year, it conducted oversight in Mpumalanga where it visited the provincial Department of Social Development, SASSA regional office and the NDA. In 2011, it visited the Free State province (as part of People's Assembly programme) and the Eastern Cape Department of Social Development, SASSA and the National Development Agency (NDA). In 2012 it visited the KwaZulu Natal provincial Department of Social Development, SASSA, the NDA, coalition of NGOs, Children's Court and LifeLine.

The Committee also wanted to assess the performance of the regional SASSA and the NDA. Of particular interest to the Committee was to get progress made on the standardization of SASSA processes, roll out of biometric system to the retail sector and staff and progress made on the upgrade of the local offices.

Regarding the performance of the NDA, the Committee wanted to assess the successes or the impact the NDA funded projects have had on the lives of the beneficiaries, particularly in the eradication of poverty and job creation. The Committee aimed to visit food security and youth skills development projects.

## **2. Delegation**

### **Members of Parliament**

Hon Botha, Y R	ANC (Chairperson)
Hon Khumalo, F	ANC
Hon Mafolo M V	ANC
Hon Magagula, V V	ANC
Hon Xaba, PP	ANC
Hon Waters M	DA
Hon Gcume, N P	COPE
Hon Bhoola R	MF
Hon Makhuba, H N	IFP

### **Parliamentary staff**

Ms Ntsabo L	Committee Secretary
Ms Nogenga Y	Content Adviser
Ms Koyana S	Researcher
Ms Mnyovu N	Committee Assistant

## **3. Briefing at the Gauteng Provincial Legislature**

### **3.1 Opening remarks by the MEC**

In her opening remarks, the MEC, Ms Mayathula-Khoza, expressed her appreciation to the Committee for visiting the Gauteng province as this was in line with keeping the principle of inter-governmental relations in a democratic society. She reported that the department was continuing to improve ECD and provide access to the ECD services to children aged 0-5 years as a way of contributing towards the attainment of Government's Outcome 1 of providing quality education. It will also contribute towards the attainment of the Millennium Development Goal 2.

To achieve Government's Outcome 2 to provide a long and healthy life for all South Africans, the department's output was to provide an integrated substance abuse prevention, treatment and rehabilitation services to 379 044 recipients in the 2013/2014 financial year. The MEC stated that about 15% of South African youths were susceptible to drug abuse. Alcohol remains the primary substance abuse in many communities and it causes the greatest harm and leads to secondary risks such as injury, premature non-natural deaths and alcohol syndrome. To curb this scourge the department was implementing an integrated Anti-substance abuse

strategy to reduce or eliminate the incidence of substance abuse in the province. The strategy involved school holiday initiatives and the 'Ke Moja' Drug Prevention Programme.

The department had convened a summit to find ways to address the classification of nyaope as an illegal drug. The department and the stakeholders had resolved to lobby for the strengthening of law enforcement efforts to reduce access to this drug and other drugs. To ensure that criminal justice system becomes an effective deterrent for offenders through harsher punishment of drug-related offences. To establish a technical committee to pursue the classification of nyaope as an illegal drug and to conduct a research study on nyaope to establish the extent of the problem associated with this drug and its impact on communities and standardize treatment regimes at all treatment centres.

With regard to achieving Outcome 3 to ensure that all people in South Africa are and feel safe, the department aimed to provide an integrated care and services to older persons. The MEC pointed out that older persons were vulnerable to various forms of abuse inflicted to them by the younger generation and from opportunistic diseases associated with old age. The department supported no fewer than 74 luncheon clubs for older persons managed by NPOs and funded several NPOs to provide services to older persons.

With regard to achieving Outcome 4, which advocated for an integrated childcare and protection services for children, the department implemented a number of interventions focusing on the prevention of child abuse and neglect as well as child trafficking. During the 2013/2014 financial year the department provided funding to 106 Child and Youth Care Centres (CYCCs) and it would cater for a total of 6 275 children in need of care and protection.

The MEC also reported on the integrated victim empowerment services for victims of domestic violence wherein she informed the members that the department was intensifying the implementation of Victim Empowerment Programmes. The department was using an inter-sectoral and inter-departmental approach which was based on building and maintaining partnerships between the government and NPOs, media, volunteers, academics and research institutions as well as communities.

### **3.2 Remarks by the Chairperson of the Portfolio Committee on Social Development, Hon Y R Botha**

Hon Botha explained that the purpose of the oversight visit was to assess performance of the department in delivering services and meeting its strategic plan and objectives in line with the priorities set by the national Department of Social Development. The visit afforded the Committee an opportunity to identify challenges and areas of intervention. The Committee then forwards these to the Minister of Social Development for her intervention. She explained that social development is the crucial service which helps people face daily challenges with dignity. Therefore, the Committee's oversight programme was essential in ensuring that the Department of Social Development and its entities fulfil their constitutional mandates. Also, it afforded the Committee an opportunity to assess the level of intergovernmental relations between the national and provincial departments. She undertook that the Committee would provide the



provincial legislature with the copy of its oversight report. Also, the resident members (Hon Waters, Hon Makhuba and Hon Xaba) would do a follow up on the recommendations made by the Committee. These members would make follow ups with the MEC and the provincial Portfolio Committee on Social Development. Then they would report back to the national Portfolio Committee on Social Development.

### **3.3 Presentation by the Provincial Department of Social Development on service delivery**

Ms S Tshabalala, the Head of the Department, informed the delegation that the presentation would provide an overview of the departmental outcome plans and goals for 2013/2014 financial year. She reported that the department had set three strategic outcome orientated goals, namely:

- Goal 1 was to have the department's human capital management and development improved from adequate to good by 2014;
- Goal 2 was to provide efficient and effective integrated welfare services to 879 846 service recipients including children, older persons, persons with disabilities and women by 2014/2015 financial year; and
- Goal 3 was to provide an efficient and effective community development and youth services to 424 493 sustainable livelihoods beneficiaries and 31 834 youth within communities.

To achieve Goal 2, the department set the following strategic objectives for the year under review (2013/2014):

- (i) to have an integrated substance abuse prevention, treatment and rehabilitation services to 379 044 recipients;
- (ii) to integrate care and services to 34 230 older persons;
- (iii) to integrate crime prevention and support services to 72 804 adults and children in conflict with the law;
- (iv) to integrate services to 15 221 persons with disabilities;
- (v) to provide an integrated child care and protection services to 126 818 children;
- (vi) to integrate victim empowerment services to 57 101 victims of domestic violence;
- (vii) to combat the spread of HIV and AIDS to 162 079 infected and affected people, and (viii) to provide care and support services to 32 549 families.

To achieve goal 3, the department would facilitate community development services through sustainable livelihoods strategies to 424 493 recipients and facilitate community development services through youth development strategies to 31 824 youth. It also aimed to facilitate the development of institutional capacity to 3 031 non-profit organisations and other emerging organisations. It would also facilitate, conduct and manage the population and social development research in support of policy and programme development

To achieve the Government Outcomes, the presentation reported that the department had undertaken to achieve the following:

**Outcome 1: Quality Basic Education:** the targeted output of the department to this outcome was to develop an integrated protection services to children and provision of ECD services to 73 508 children aged 0-4 years. It also intended to increase the number of registered partial care sites and improve capacity of registered partial care sites. It aimed to implement the ECD regulating and funding strategy.

The department also planned to provide education support services to 310 000 children in the year under review. It also aimed to facilitate the distribution of dignity packs to ensure that the dignity and the rights of the girl child to school was restored, the rate of school attendance was improved and the health and reproductive rights of the girl children are upheld.

**Outcome 2: A long and healthy life for all South Africans:** the target output to this outcome was to combat the spread of HIV and AIDS to 162 079 infected and affected people. It also intended to integrate substance abuse prevention, treatment and rehabilitation services to 379 044 recipients.

**Outcome 3: All people in South African are and feel safe:** the department planned to provide an integrated care and services to 34 230 older persons in the 2013/2014 financial year. It also planned to provide integrated crime prevention and support services to 72 804 adults and children in conflict with the law. It also planned to establish community based structures. It started with organising active ageing programmes and provided old age homes with appropriate equipments, such as gym equipment, medical equipment, Occupational Health and Safety and fire fighting equipments which have prompt fire alerts to the Fire Department.

The department intended to establish an integrated services to 15 221 persons with disabilities. There was still a need to improve on preferential procurement, such as, provision of stationery.

- **Outcome 4: decent employment through inclusive economic growth:** the department's objectives were to have sustainable employment creation by facilitating the participation of youth in the department's internship, learnerships and external bursary programmes.

#### **Deliberations on issues that emanated from the presentation**

Having been briefed on the performance of the provincial department, the Committee raised the following issues:

- Adoption was an important policy issue that the department needed to address urgently by resolving challenges pertaining to red taping, particularly in the government. There was a need by the department to embark on awareness campaigns educating communities about adoption. The campaign should also focus on destigmatising adoption.

- The establishment of children's home and child and youth care centres was a positive direction taken by the department to ensure the safety of children. However, the shortage of old age homes was a serious concern. Also, these homes were not adequately equipped for frail care, to provide care to patients suffering from parkinsons and Alzheimers diseases.
- A strategy should be developed to ensure that old age homes are assessed to ensure compliance with norms and standards.
- The existence of the illegal rehabilitation centres was a serious concern that needed to be addressed urgently.
- The department should work with the Faith Based Organisations in its initiatives to fight substance abuse.
- The critical role played by the Local Drug Committee in the fight against substance abuse in communities needed to be strengthened.

#### **4. Site visits to NDA projects**

##### **4.1 Visit to the Ujimabakwena Shoe Cooperative**

Ujimabakwena is a shoe manufacturing cooperative, located in Roodepoort. It was established in 2006. It was formed as a result of a merger between Ujima and Bakwena cooperatives that were founded in 2005. The cooperative has 23 members who are fulltime workers, 14 are women, 7 are young people and 2 are people with disabilities. The cooperative had a contract with the Department of Social Development to produce 55 000 school shoes, which had to be delivered by November 2013. The workers were recruited from the impoverished neighbouring townships such as Princess and Dobsonville. The cooperative produces SABS approved school shoes.

The department funded the cooperative with the amount of R150 000 in 2006 for the purchase of equipment with an intention of ensuring that the cooperative was able to manufacture and deliver school shoes to the department for the School Uniform Project. The NDA also funded the cooperative with an amount of R819 000 to purchase a delivery van, office furniture and computers. The Department of Trade and Industry also supported the cooperative with equipment through Cooperative Incentive Scheme. It also received support from Sasol Chemistry for branding. It also received a financial support from the Independent Development Trust to pay stipends to trainee workers.

### **Challenges:**

The delegation was told that the cooperative had a challenge of **accessing** mainstream markets to sell its products. The Department of Social Development approached the National Empowerment Fund to assist the cooperative in developing a marketing strategy. After the presentation the delegation took a walk about at the factory floor to witness the shoe production process from inception to the final stage.

#### **4.2 Visit to the Thusa Farming and Multi Purpose Cooperative**

Thusa Bagale Farming and Multi Purpose cooperative was established by eight young people in plot six in Bagale village, under the Mogale Local Municipality. The cooperative had a permission to utilise a quarter hectare of land for the purpose of vegetable production. The Department of Agriculture and Rural Development supported the establishment of the cooperative by providing funding for fencing and installing taps for the purpose of irrigation. The department also provided basic agricultural technical training to the employees.

The main objective of the cooperative was to establish a sustainable agricultural project for the purpose of income generation, job creation and local economic development in Thusa Bagale within Tarlton. Specific objectives of the cooperative were to erect six hydronics for production of vegetables (cabbages, tomatoes, etc), create jobs for eight unemployed members and 20 seasonal workers from Tarlton community and develop a strong institutional capacity in organisational management and technical training.

The NDA funded the cooperative with an amount of R1.5 million for the purpose of purchasing six tunnels. At the time of oversight the cooperative had three tunnels, office equipments and an irrigation system. The cooperative had an agreement with the Spar supermarket in Krugersdorp, Fruit and Vege supermarket and with the South African Food Bank to supply them with vegetables. It was planning to expand its market to the bed and breakfast establishments and a hotel located nearby the Cradle of Humankind in Sterkfontein. It was also in a process of purchasing a truck that would assist with deliveries of the vegetables. The cooperative won a Best Community Project Award in June 2013.

### **Challenges**

- The cooperative is located closer to an informal settlement and incidents of theft were very high, as a result a bore-pipe was stolen.
- It did not have a truck to transport production but it was in a process of purchasing one.

#### **4.3 Visit to the National Development Agency, (NDA) Manger Care Centre**

The Manger Care Centre was established in 1987 as a non-profit organization caring for the homeless, destitute and abandoned. It was accredited as an education and training service provider by the Agri-Seta in terms of the South African Qualification Authority Act. The organization follows a non-discriminatory policy and provides for the needs of all those

members of society who are unable to do so for themselves. The initial objective of the project was to provide beneficiaries with agricultural and management skills to produce spinach in an 800square meter tunnel. The specific objectives of the project at the time of the oversight visit were to expand the existing successful garden produce unit from 6 tunnels to an additional 800 square metres, to improve the lives of the target beneficiaries through skills training, life skills training and job creation and to develop capacities for self-reliance through skills transfer and income generation.

In 2012, the project received a funding of R580 000 from the NDA. The total turnover of the project amounted to R11 million per annum. The Department of Agriculture, Forestry and Fisheries provided agricultural technical training of six months to the staff.

The project operates in a five hectare property with an office building that has training facilities, a pack house, three plant tunnels, drip-irrigation, borehole, tool shed, a cold room and vermicular (wormery) for organic fertilizing and plant nursery. These facilities make it possible to undertake agri-processing such as washing and packaging of produce.

For some of its projects (such as vegetable gardening and carpentry) the centre makes use of services from homeless people and provides them with accommodation for a period of three months and pays them a stipend of R20 per day. The vegetable gardening project comprised of four members. The total staff compliment of the project is 96. The production of spinach allowed the project to supply commercially to supermarkets such as OK, Spar, Fruit and Vege, Springs Market, local shops and vendors at the taxi ranks.

In addition to the aforementioned, the centre had initiated various projects that assisted communities with services ranging from:

- feeding schemes to ECDs, NGOs and homeless people in various centres in Ekurhuleni;
- clothing and access to social and medical assistance;
- provision of protective housing to abused women and children and orphanage for HIV and Aids affected orphans; and
- Training and skills development.

## **5. Visit to the SASSA Regional Office**

### **5.1 Presentation by SASSA (hereafter “the Agency” or “regional office”)**

The presentation reported on four performance areas, namely; standardisation of the business process, roll out of the payment biometric system to merchants and registration, upgrade of local offices and capacity building of staff and filling of vacant posts.

**Standardisation process**

It was reported that the purposes of standardisation were to standardize the Grants Administration business processes at service delivery level (at Local Office); to ensure uniformity in delivering services to customer so that all office lay outs were the same; to re-organise the flow of work so as to improve the quality of service delivery, thus implementing the Service Delivery Model and to ensure that there was provision of the same level of service and standardised Grants Administration forms for all grants units.

Implementation of the standardisation process would ensure that all social grants application processed were carried out in a Four Step process – screening, attesting, quality control and verification. By the time of the oversight visit, the regional office had managed to implement this process in 37 local offices out of 38 local offices. All grants applications with the exception of the Social Relief of Distress (SRD) and the completion of the reviews of grants were done online using the SOCPEN database. Implementation of the online applications for SRD and Grant Reviews were still awaiting further enhancement of the SOCPEN to support these applications, which would be completed in 2014. Despite these achievements, it was reported that the manual applications were still done at 44 service points.

**Challenges**

The regional office faced challenges pertaining to overcrowding at local offices due to high demand for services; shortage of staff in level 8; limited space to accommodate applicants and their children who were supposed to be enrolled once the application process was approved; not all administration processes were fully automated and the SOCPEN was not able to accommodate the increased volume of online applications.

The delegation was told that the Agency believed that the challenge of overcrowding would be resolved through the implementation of the Service Delivery Model. Regarding addressing the shortage of staff, the office was in the process of filling 11 team leader posts. To address the challenge of limited office space, the regional office was implementing the Integrated Community Registration Outreach Programme (*ICROP*). It also planned to decentralise big service offices.

**Roll out of the biometric system and re-registration**

The biometric system was rolled out to 141 pay points and to 129 participating merchants (mainly Pick n Pay, Shoprite, Boxer and Spar outlets). The Agency employed 122 Expanded Public Works Programme (EPWP) school leavers, of which 43 were child support grants recipients, to implement the new SASSA card and biometric re-registration of beneficiaries.

The advantage of this system was that SASSA cardholders could use their cards to purchase goods and draw cash at any merchant store. Other advantages of the system were that transactions in the merchant stores did not attract any bank charges, cardholders had access to a wide range of services such as purchasing prepaid airtime and electricity and making bill payments. The disadvantage of this kind of payment was that it caused overcrowding and long queues at the payment outlets. To address this challenge, the regional office embarked on a campaign to educate beneficiaries on other payment channels available. It also opened the payment system of a 12 day period to stagger the payment over these days.

It was reported that 3 206 638 beneficiaries and dependants were re-registered during the re-registration process and 140 396 re-registrations were still outstanding.

### **Challenges**

The regional office reported that it faced the following challenges regarding the implementation of the re-registration process:

- Despite the communication campaigns there were beneficiaries who still seemed ignorant of the requirement to be re-registered.
- Beneficiaries were not accompanied by dependants or were not always in possession of the correct documentation required for the re-registration process. Documents such as birth certificates or court orders were, for example, not brought to the enrolment venues where dependants needed to be enrolled.
- There were beneficiaries who were inclined to be afraid of the new technology and were weary of re-registering as they preferred to continue receiving their social grants as they had been receiving over the past number of years.

The delegation was told that the regional office would address the aforementioned challenges through increased communication campaigns targeting beneficiaries who had not re-registered. The Agency also started with the mop- up process (follow ups) via ICROP in May 2013 and would end in August 2013.

### **Upgrade of local offices**

In 2012/2013 financial year the regional office had planned to upgrade eight offices but ended up upgrading 14 offices. The budget allocation for the upgrade was R5, 649 million and the R1, 509 million had been spent by the time of the oversight visit.

**Challenges**

The delegation was told that the upgrading of local offices encountered challenges relating to the alignment of SASSA strategic objectives to the National Department of Public Works (NDPW) policies. For instance the NDPW's long turnaround times required that all lease renewals should only be for a period of 8 months. Other challenges related to the non availability of office space in certain areas, such as Bekkersdal; price collusion amongst service providers, failure by landlords and/ or service providers to meet their duties and/ or obligations.

To address the above mentioned challenges the regional offices reported that it requested approval from the SASSA Head Office to deviate from the approved procurement strategy. This was done to address challenges over the upgrade of the Kempton Park, Benoni, Springs and Alexandra offices. It would also engage with the Head Office to obtain approval to erect park homes. With regard to the price collusion, the regional office reported that such cases would be referred to the Head Office for investigation. To address the failure of landlords and service providers to meet their duties, the regional office reported that it would implement penalty clauses and/or refer such cases to the Legal Services unit in the Head Office to implement breach remedies.

**Capacity building of staff**

The regional offices reported that it had identified different training programmes for all salary levels. However, there were certain challenges that needed to be addressed. The challenges related to the following:

- Lack of funding to capacitate the support posts, resulting in the compromising of service delivery processes.
- Lack of sufficient funding to fill critical posts to implement the 4 step model in line with the delegations for Social Grants Administration.
- Longer processes taken by the State Security Agency to finalise the Personal Suitability Check during recruitment.
- Longer processes taken by the National Department of Public Works to improve and identify offices to provide reasonable accommodation for all customers and people with disabilities.

To address the above challenges the regional office informed the delegation that it had identified funding and/or savings to fill vacant support posts and new posts at local offices. Particularly, the funding would enable the Agency to fill critical staff required for the implementation of the four step model. In addition, the Agency had proposed that it should be allowed to appoint its vetting officers at a central point to fast track the recruitment process. Pertaining to the issue of office identification, the Agency had proposed that it should be allowed to use its own model of office identification.



**Deliberations on the issues that emanated from the presentation**

The delegation welcomed the progress made by the Agency in implementing the standardisation process as it believed this would address the challenge of regions implementing different business processes. This had proved to be a serious challenge to the offices that were affected by the demarcation process where local offices and pay points were moved to other provinces. This had created inconsistencies in the applications processes and general service delivery. Hammanskraal, Bronkhorspruit and Merafong were identified as examples of those affected local offices. These offices are located at the borders of Gauteng and North West; Gauteng and Mpumalanga provinces.

Related to the issue of office identification, the delegation sought clarity over the closure of the Kempton Park local office. The office had been closed for over a year. The Agency explained that, that office used to share office space with the Department of Social Development. The department vacated the premises because of problems related to the rent. Subsequently, the landlord decided not to renew the lease. The Agency then approached the Department of Public Works to address this issue. It was then found that the landlord did not have a tax certificate and at that time the building had been taken over by a new landlord. The new landlord had promised that the transfer of ownership would be finalised by end of July 2013. The Agency had also tried to find another office space as an alternative option but it had not been successful. A piece of land had been identified in Tembisa but there were delays in finalising the documents.

The challenge of long queues at payment outlets was also raised as an issue of concern. The delegation wanted to know if it was possible for SASSA to negotiate with local businesses to pay grants as an alternative option to ease queues at the big payment outlets. This could also be another measure of empowering local businesses. The regional office reported that the Minister of Social Development and the CEO of SASSA were already exploring that option.

The issue of money lenders was also raised as another area of concern. The regional office indicated that this was still a challenge but with the introduction of the payment card, SASSA had been able to monitor deductions from beneficiaries' accounts.

**5.2 Site visit to the Maponya Mall SASSA service office**

The Maponya service office is one of the biggest SASSA service offices in Gauteng. The office had identified certain areas to implement the four step process. It had a designated disability management unit which processes applications for disability grant. It also had consulting rooms that accommodate three SASSA doctors. The delegation observed that the office was adequately resources in all service areas.

## **Challenges**

The delegation's visit to the service office coincided with the cut off date (31 July 2013) of re-registration of beneficiaries who had received follow up letters. These had not re-registered by the end of April 2013. It therefore observed that there were long queues of beneficiaries who came for the re-registration. The beneficiaries complained to the delegation that SASSA officials had turned away some of them without attending them on a number of times. They also complained that some officials told them that "they were doing them a favour" when they were attending to their applications.

Regarding the officials not attending to some applications, the regional office explained that the reason was that the CEO of SASSA had issued a directive that there should be a cut off time (17:00) of the re-registration system to avoid security risks.

## **6. Site visits to the department's programmes**

### **6.1 Visit to the Walter Sisulu and Youth Care Centre**

The centre was officially launched as a pilot project of the Gauteng Provincial Government on 01 April 1997 by the political stalwart, Mr Walter Sisulu. The primary aim of the centre was to provide a positive and safe environment for the development and containment of children and youth at risk. The aim and objectives of the centre were to assist a child to reach a balance in his/her life in physical, emotional, educational, social and spiritual areas. It also assisted a child to adjust in his or her environment by developing and reducing the negative trauma and behavior that the child could have experienced. It also provided awareness, prevention, early intervention programmes and counseling services. The centre had two components, namely; the Temporary Safe Care and the Secure Care. The Temporary Safe Care admits children who are in need of care and protection referred through the Children's Court. The Secure Care admits children in conflict with the law referred through Criminal Courts.

Amongst other basic principles of the child and youth care centres, is to ensure that each young person has an appropriate development plan (Individual Development Plan) and a programme of care. It is also to ensure that young persons have access to educational opportunities, therapeutic services and participate actively in the development and review of this plan. Children are also given opportunities to participate in religious activities. The centre has a Chaplain that provides church services over weekends and during religious holidays. The centre endeavours to protect young persons from all forms of exploitation, discrimination and abuse. Children are given opportunities to enable them to learn, develop, and participate in programmes that seek to promote their rights and care for others.

Reasons for admission of boys to the secure centre were mainly due to the possession of drugs, rape, house breaking, theft, hijacking, fraud, murder and robbery. Girls were mainly admitted as a result of committing offences ranging from theft, assault with gravely body harm, murder robbery. The centre had three units with a capacity of accommodating 20 girls. However,

only two units were underutilized. One had not been utilized due to a small number of girls admitted in the secure centre. The centre had six units for boys and all of them were utilized. It was pointed out that more children were mostly admitted to the centre during school holidays and December holiday period.

### **Achievements**

The centre had partially implemented the Secure Care Norms and Standards (Blue print) commissioned by the Department of Social Development. It had established Active HIV/Aids and Substance Abuse Committees and young persons were participating in various research projects.

In terms of temporary safe care, it was reported that 22 children were on extended leave of absence as part of family reunification services and five children with special needs were placed to alternative care. It was also reported that at least more than six unaccompanied minors had been reunited with their families or placed in an alternative care in the past year (2012). The centre held regular meetings aimed at assisting with the fast tracking of placement of children.

### **Service delivery challenges**

It was reported that the centre was the only facility that admits girls in conflict with the law. Another challenge faced by the centre was that children with mental illnesses had to be admitted without having been properly diagnosed and therefore with no appropriate medication. Another challenge was that unaccompanied minors from other countries admitted in the centre were unable to converse in any of South African languages. This makes it difficult for the centre to provide services to them. Other problems faced by the centre included admission of pregnant girls and girls who had babies, children who had completed the diversion programme and had no place to go afterwards and xenophobic attitudes among children.

In terms of temporary safe care challenges, it was reported that the longer the children (especially orphans) stayed in the centre the more difficult it was to create accommodation for new admissions. The lack of alternative placement options to admit children was raised as another serious challenge. More children with special needs were admitted in the centre, even though the staff was not capacitated to work with such children. Foster parents were reluctant to foster children with behavioural problems.

It was further reported that physical infrastructure of the centre was not conducive for the physically challenged children. Other infrastructural challenges identified related to water seepage, plumbing and sewer problems.

### **Deliberations on the issues emanating from the presentation**

The Committee expressed its appreciation for the work done by the officials to ensure the smooth running of the centre. It however raised a concern over the delays in the registration of the centre due to the challenges experienced with the local government in ensuring that the centre was zoned. It encouraged the centre to try and get additional funding from other donors as this would assist it in meeting its financial needs.

## **6.2 Visit to Othandweni Children's Home**

Othandweni means a "Place of love". The centre was established in 1984 and it offers residential care to 90 children who were abused, abandoned, neglected or orphaned. It acts as a place of safety where children are placed until suitable families are found, either by foster care or adoption agencies. Children who could not be immediately placed stay at the centre for as long as it is necessary.

The centre has a nursery which provides care to 30 babies from 0-4 years of age. The nursery receives 24 hour supervision from qualified nurses, auxiliary nurses and nursery assistants. The delegation was told that babies who had been found abandoned or neglected were often suffering from a variety of ailments. These babies are nursed back to health while awaiting adoption, foster care or re-unification with their families.

In addition, students from the Occupational Therapy department at the University of Witwatersrand assisted the home by providing stimulation and support to the babies. Qualified occupational therapists from Thusanani foundation also provide the home with professional support. They visit the home every Thursdays. The delegation was told that it was the home's priority to place babies with suitable families as soon as possible so that they would not experience prolonged institutionalization, which can be detrimental to their healthy development.

The home also provides a granny programme for the babies. This programme is aimed at providing much needed nurturing stimulation and bonding programmes for children who reside in the home. The programme was launched in 2011 with funding from an American based NGO, called Spence- Chapin. The programme involves services of 15 grannies (gogos) from the community who spend quality time with specific young children aged between 0-6 years. Each granny is responsible for two children and they spend 2 hours with each child every day. They offer love, care, support, warmth and stimulation to the children and ensure that they develop well mentally, physically, and socially. It was highlighted that children in residential care institutions who have had minimal or no opportunity to receive proper care from their parents often developed bonding and attachments issues. This programme enables them to learn how to form positive social attachments that are key to early childhood developments.

The programme also offers supervised care in a family setting to 60 school going children and teenagers from 5 to 18 years of age. Children are housed in five cottages. Each cottage is named according to values that are core in any child's development, namely; the Houses of Hope, Dignity, Respect, Trust and Honesty. These same values are inculcated and re-modelled to the children on a daily basis. The children in each house live under the care of a child care worker.

The home also offers therapeutic services and developmental programmes to children. They also receive counselling from social workers and engaged in recreational programmes such as soccer, netball, karate, basket ball, indigenous games, gumboot dance, kwasakwasa, traditional dance, music, art, drama, etc.

It also offers an independent living programme which was designed for older children aged 16 years and above to receive training and guidance to prepare them for a transition from institutionalized living to an independent living as young adults. Relevant independent skills are also taught to all children. The home invite guests to present relevant topics such as financial literacy, entrepreneurship, career, guidance etc. A social worker was assigned to ensure that the programme runs smoothly.

The home consists of 40 permanent staff members, comprising of a manager, assistant manager, 2 social workers, 1 receptionist, 2 nursery supervisors, 12 nursery staff, 10 child care workers, 2 laundry staff, 1 driver, 1 cook, 2 gardeners and 5 general assistants. It also employed non-permanent staff members. These were relief workers, overnight supervisor and 15 grannies. Staff members attended workshops, seminars, teambuilding sessions, debriefing sessions and other relevant trainings to ensure that professional service is rendered to the beneficiaries

### **6.3 Visit to the Soweto Old Age Home**

The old age home was established in 1988 to address the problem of abandoned older persons. It provides residential care to 122 older persons both males and females of all races. Its main objective is to provide health care services and social work services to the older persons.

The delegation was informed that the home had, at the time of the oversight visit, an interim board. It was in the process of recruiting members of the new board. The home is structured into four departments and its personnel comprised of an administrator, a secretary, a centre manager, a professional social worker, a social auxiliary worker, a bookkeeper and an independent auditor. One of the departments, is the maintenance department, which is under the supervision of the house keeper. The department also supervises the security unit. The second department is the nursing department consists of of 16 care givers, 3 Enrolled Nursing Assistants, and 2 professional nurses. Two members of the staff had attended a training workshop in occupational therapy. The rest of the staff was scheduled to attend the training at the end of August 2013. In addition, the Lelakabe Fire Department regularly trained older persons and staff on fire drills. The home is also supported by Baragwanath Hospital and Mfulu clinic for referrals for medical treatment.

The home provides wellness programmes, golden games, intergenerational activities and indoor activities. These are organised under the supervision of a social worker and a social auxiliary worker. With regard to nutrition, it was reported that the menu was revised every three months and fruit and vegetables were bought every Thursdays.

**Challenges**

The delegation was informed the home faced the following challenges:

- It was still waiting to be issued with a health certificate for it to be registered. The problem was that the building plan could not be found and so the home was using a temporary building plan. The National Home Builders Registration Council (NHBRC) was assisting the home to get a new building plan.
- The frail care unit had a shortage of nurses and health care workers to both attend the elderly people in their wards and to escort them to the clinics.
- It had a shortage of some medication, particularly pain tablets. The Hillbrow clinic used to supply it with medication but it had since stopped. It also had a shortage of diabetes testing machines. It only had one visiting doctor.
- It had a shortage of crockery. The walking freezer was old and it required constant repairs. There was a need for a laundromat and kitchen for the frail care unit.

**Financial report**

The home's main source of funding was the Department of Social Development. In 2013, the department funded it with an amount of R3 million. Each beneficiary was allocated an amount of R2 500. The delegation was told that funding from donors had been reduced. In 2012/2013 financial year the home had received an amount of R980 894 from its fund raising activities. This money and some of the amount received from the Department of Social Development was used to pay salaries of social workers and social auxiliary workers. Despite of this, the delegation was told that the payment of salaries was not guaranteed because it was paid largely from the money received from the fund raising activities.

The beneficiaries contribute 75% (R890) per month from their Old Age Pension (OAP), which is paid into the home's account. Older persons who are in frail care contribute 100% of their OAP to the home's account. This was according to the arrangement the home made with SASSA.

**6.4 Visit to the FAMSA Family Preservation Programme in Lenasia**

The centre provides family and preventative oriented programmes to members of Lenasia and surrounding communities. It organises support groups for parents (single and married), child headed households, teenage mothers, children, individuals and older people to help them realise their role in the society. Older people support group sessions are held every

Thursdays. These sessions enable older people to share their experiences. Each group is taught life skills, stress coping mechanisms, relationships and family preservation skills.

The centre also provides a variety of trainings which are fully accredited and some of them are therapeutic. The therapeutic training teaches counselling skills to 150 adolescent counselling groups.

The delegation was informed that there had been an increase of single parenting in Eldorado Park. FAMSA in collaboration with the Faith Based Organisations had established a men's forum to raise awareness and educate men on the responsibilities of fatherhood. It was also reported that substance abuse and domestic violence were the two main social ills that affected the surrounding communities. Through these forums, FAMSA provided couples and families with coping mechanisms that were responsive to the changing structure of the families, such as single parenthood, divorced families and teenage parenthood.

The Centre gets referrals from schools and other entities in the society and its services are free of charge. It refers the cases which it is not able to provide intervention to the Department of Social Development for intervention.

### **Senior Survivor Club**

The centre also formed a Senior Survivor Club. The club consisted of a group of elders who are between the ages of 60 and 80 years. The club consisted of 49 (5 men and 44 women) members. The club meets every Tuesdays and Wednesdays and they are provided with meals. The members paid a membership fee of R30, which was used to buy things that the group needed. The members are transported to the centre but those who can, walk to the centre. It was reported that the benefit of the club was that it served as a place where the members could belong. The groups participate in various wellness activities like exercising and hairdressing. The members also receive motivational talks on different social issues. The club had a bookkeeper responsible for the management of books.

### **6.5 Visit to De Mazenod Pre-Primary School**

De Mazenod Pre-Primary School (or ECD centre) is located in Eldorado Park. It is managed by and funded by a Catholic Church. It is funded for 105 beneficiaries between the ages of 1 to 6 years in accordance with the National Integrated Plan for Early Childhood Development. The Department of Social Development provided the school with infrastructure aids to improve the educational stimulation of the children and means to improve the nutritional status of children. The department also assisted the centre in its registration to ensure that it complies with norms and standards. The Department of Basic Education trained the practitioners.

The Department of Communications provided the centre with two computers, which came with educational DVDs. Practitioners were trained on how to teach using these DVDs. The centre also has a sick bay, fitted kitchen and classes have fire detectors.

## Observations

The delegation was satisfied with the condition of the centre and its cleanliness.

### **6.6 Presentation by the Department of Community Safety on the report on the Eldorado Park VEP Functionality and the Department of Community Safety VEP support programmes**

It was reported that Tik (scientifically called Methamphetamin), cocaine, mandrax, marijuana (or dagga), alcohol and Nyaope were the main substances of choice in the area. As a result the VEP centre deals with a lot of cases of rape, missing children, domestic violence, substance abuse, behavioural problems, trauma counselling and any other family crisis. It also organises school anti substance abuse programmes as part of educational and awareness campaign.

The Department of Social Development and the South African Police Service hold regular meetings to discuss crime related issues in the area.

The high incidences of crime and substance abuse were attributed to the dysfunctional family environments. The presenter therefore strongly emphasised the importance of family preservation programmes.

The delegation was told that the centre had also conducted the following Social Crime Prevention programmes:

- Drug awareness campaigns at secondary and primary schools according to the Social Crime Prevention plan.
- Drug awareness campaigns in conjunction with the churches and pastors of different denominations.
- Weekly radio talks on *Radio Eldo* to inform listeners on the dangers of drug abuse.
- A forum for “men against women abuse” where issues of drug abuse and domestic violence were addressed.
- Frequent publications on the local newspaper on social crime prevention interventions in the community.
- Men’s Indaba to address drug abuse and domestic violence.

### **6.7 Visit to the Eldorado Park Crisis Centre (Victim Empowerment Programme (VEP) centre**

The centre is situated in Eldorado Park police station. It provides overnight shelter for victims of domestic violence and counseling sessions. It has a warrant officer who is responsible for opening cases of domestic violence. It also has a social worker who is responsible for providing counseling to the victims and makes referrals to the Department of Social Development and to the courts. The delegation was told that most community members did not have a clear understanding of the role and purpose of the VEP. They mainly used it as an information centre.

## Challenges

- The centre had inadequate office space. For instance, it does not have a waiting room.
- The centre had a high volume of cases.



- It did not have adequate supervision of its programmes.

### **6.8 Site visit to the SANCA in Eldorado Park**

The SANCA Eldorado Park is a satellite office of the SANCA (South African National Council on Alcoholism) Central Rand, which was founded in 1963 by a group of concerned community leaders in the Western Coloured Township (known as Westbury) to address the scourge of social problems that had manifested in the community. Their objectives were to address the problems that had escalated due to the misuse and abuse of alcohol. The group was particularly concerned about gangsterism, domestic violence, and abuse of women. The centre receives funding of R1.4182 million per annum for medical component (sessional doctor and a nurse) from the Department of Social Development. It received additional funding from the National Lottery Distribution Fund. The centre conducts outreach programmes to educate communities on substance abuse. The awareness and prevention programmes are funded by SANCA under the Newclare outreach programme. These programmes have a target to reach 20 000 beneficiaries. The project management component of the centre is allocated R272 000 per annum.

The Eldorado Park satellite office was established in 1985. It operates from a donated house that was turned into an office. The office staff comprises of 2 Social Workers, 2 Social Auxiliary Workers, 2 Community Development Workers and 1 nurse. This office had the highest number of clients compared to other SANCA satellite offices. It received referrals from the Department of Social Development social workers.

During the period of 01 May – 26 July 2013 the centre assessed a total of 130 clients. Eighteen of these clients were working full time, 38 were abusing marijuana and 15 were abusing nyaope. Services that are provided in the centre include: one on one counselling, group work for significant others and facilitation of patients into treatment centres, referrals for in-patient service assessments, drug testing, awareness and prevention programmes on substance abuse, after care and re-integration programmes. The centre also offers the following school holiday programmes:

- **Programmes of Primary Prevention: Educating Through Stories (POPPETS)**

POPPETS is one of the oldest SANC A programme that educates children in Early Childhood Development centres and junior primary schools of the dangers of substance abuse.

- **Diversion**

This programme aims at changing behaviours of teenagers who had been in conflict with the law. It focuses on attitude change and encouraging responsible behaviours among the youth with the aim to divert them from the criminal justice system. The programmes offers the following services:

- Assessment
- Motivational interventions

- Individual counselling
- Group therapy
- Family/significant other program
- Drug testing
- Referrals where indicated
- Networking with community resources
- Community service
- Regular reporting to point of referral
- **Out-patient treatment**

The out-patient treatment programme is provided to the alcohol and drug dependent persons. The programme conducts therapeutic assessments, medical assessments, on-going therapy and aftercare.

- **Training and educational programmes**

These programmes encompass training and educational programmes to schools, professionals, para-professionals and community groups educating them on the dangers of substance abuse.

- **Community Development**

Due to the high rate of poverty, unemployment, crime and substance abuse, SANCA provides a number of services to communities, such as help with needs assessment, initiate job creation projects and arrange skills training.

### **Challenges:**

The presentation reported that the centre faced the following challenges:

- Lack of facility to offer detoxification programmes and many clients are in need of this programme at the start of the treatment programme;
- High rate of youth unemployment in the community and increased usage of substance abuse by youth;
- Family members of the users are not always willing to make changes in their own lives and therefore clients often go back to the same circumstances that they were exposed to before they received treatment;
- Limited financial resources affects the needs to expand programmes to reach more people; and
- Getting clients into the treatment centres for in-patient is sometimes a lengthy process and some clients drop out.

To address the above-mentioned challenges, the centre identified interventions that link recovering users to the economic opportunities, such as, the Ennerdale Development Centre, SANCA and the Department of Social Development

### **6.9 Visit to the SANCA Johannesburg Society (SANCA Phoenix House)**

As part of the introductory remarks the presenter presented some general facts about the trends of substance abuse in the country. She reported that children as young as seven to twelve (7-12) years were starting to abuse alcohol and drugs. The most affected age groups were adolescents and young adults. Addiction was prevalent among males than females. Generally women were found to abuse mostly over the counter drugs, but, they are not accessing treatment programmes as easily as men due to gender stereotypes. She indicated that the most serious addictions were still with socially acceptable drugs like alcohol and marijuana.

The SANCA Phoenix House is a Non-Profit Organisation (NPO) specializing in the prevention and treatment of chemical dependency. Over the years, it had expanded to provide a range of services to address all the stages of the dependency process, which are:

- Prevention and awareness through education and capacity building;
- Early intervention programmes, such as adolescent and adult diversion; and
- Out-patient and in-patient treatment for more severe addictions.

The objectives of the centre are to increase public understanding of the nature and treatment of addictions in general, and specifically on alcoholism and drug dependence; to promote the tenets that substance abuse and addiction is a treatable medical condition with associated social, physical, psychological and community implications and to network and co-operate with other organizations or forums that have similar objectives.

The Phoenix House was registered to provide substance abuse services to adult male and females. It provides both in-patient and out-patient programmes. It receives an annual funding of R420 000 from the Department of Social Development. During the presentation, the department indicated that it would negotiate with the Phoenix House management to increase its bed capacity. This was critically important due to the high substance abuse in the country.

Its in-patient programme comprises of a three to six weeks treatment programme. The programme consists of four to five therapeutic and educational groups per day, two Alcohol Anonymous sessions per week, weekly individual, family and group therapy sessions, 12 months aftercare programme and an integrated treatment model. The latter offers behaviour modification and psychodynamic services. The out-patient programme consists of eight to twelve week programme, adolescent diversion programme for youth under the age of 18 years who had been in conflict with the law, adult diversion programme, early intervention programme for adolescents, weekly individual, group and family sessions.

Through its community awareness and prevention campaigns for high risk groups, the centre reached over 40 000 people. The aim of prevention and awareness campaigns was to supply reduction programme to postpone the onset of experimentation with substances as well as to reduce the harmful effects of substances for people already using substances. Examples of campaigns are as follows:

- Foetal Alcohol Syndrome education at 14 Gauteng Community Clinics in Johannesburg and Midrand with expecting mothers;
- “Poppets” programme for ECD Centres and crèches with three to ten year olds. “Poppets” is a programme of primary prevention and education through stories. It is a structured nine session programme with a manual that enables ECD and primary school educators to implement this programme for three to nine year olds. The centre trained 30 ECD practitioners and principals who were implementing the programme in Ennerdale.
- Youth Leadership Camps (or YADA – Youth Against Drug Abuse);
- Capacity building to provide skills to parents, educators, community leaders, professionals and para-professionals;
- Sewing groups for unemployed women;
- Public education and awareness through organised community marches, door-to-door campaigns and soccer tournaments; and
- Establishment of Local Drug Action Committees as per the requirement of the National Drug Master Plan.

### **Challenges**

The presentation highlighted the following challenges faced by the centre:

- It receives 47% of income from the Department of Social Development. As a result, it could only treat five in-patients per month and 550 out-patients per annum at both the Sophia Town and Ebony Park out-patient clinics and conduct 40 000 awareness and prevention programmes. The demand for free services exceeded what the centre could provide.
- It had a long waiting list for the in-patient clinic.
- It received no financial support from the National Lotteries Board for 2013. It was therefore expected to raise 37% funding through its fundraising initiatives. The challenge was that the donors were always reluctant to fund anti-substance abuse programmes.
- It could not afford fulltime staff and so it employed only sessional social workers and psychologists.
- It had staff retention problems due to its salaries not being competitive. The staff had not received bonuses for two years.
- It could not also afford a fulltime medical officer and a sessional psychiatrist.

To address the above-mentioned challenges, the centre identified short term and long term strategies. The short term strategy aimed at developing and implementing the fundraising and marketing strategies for financial sustainability, expanding the centre's service delivery to increase accessibility such as Ivory Park and in Hillbrow and revamping the centre's programmes to make them in line with the changing needs of the communities.

The long term strategy aimed at making SANCA Phoenix House financially sustainable and be able to pay its staff competitive salaries and thus retain them. The centre also aimed at opening out-patient clinics in Ivory Park, Randburg and in Hillbrow. It also aimed at opening its own adolescent inpatient clinic. The clinic will use the services of the young people to help their peers. It also aimed at opening its own half way house with a skills development section.

### **6.10 Recommendations**

The Portfolio Committee recommends that the Minister of Social Development and its entities should consider doing the following:

#### **The provincial Department of Social Development**

- The Faith Based Organisations (FBOs) play an important part in the fight against substance abuse.
- The challenge of illegal rehabilitation centres receives an urgent attention.
- A coordinated approach between the provincial department and its stakeholders in the fight against substance abuse is strengthened.
- A strategy to ensure that old age homes are monitored to ensure compliance with norms and standards is developed.

#### **The Gauteng South African Social Security Agency**

- The Provincial Portfolio Committee on Social Development and the SASSA Gauteng Office strengthen their working relationship by having regular meetings to discuss service delivery issues. One area that the provincial committee and the regional SASSA needed to urgently address was the issue of cross border local offices. The residing members of the national Portfolio Committee on Social Development would make a follow up with the provincial portfolio committee on this issue.
- The regional SASSA office establishes working relationships with the constituency offices, especially those that serve cross border areas. SASSA acknowledged that the transfer of these offices had been a challenge and it would appreciate an opportunity to meet with the provincial portfolio committee to discuss this issue.

- The regional SASSA office establishes working relationships with the non-government organisations (NGOs), the FBOs and community based organisations (CBOs) to strengthen its information dissemination and address challenges that were inherited with the transfer of local offices from neighbouring provinces.
- The regional SASSA office refers the issue of the closure of the Kempton Park local office to the CEO of SASSA as this was an area of serious concern.

**The Walter Sisulu and Youth Care Centre**

- Allocating additional budget to the centre to cover for the maintenance expenses.
- Assists the centre in developing a funding strategy that would enable it to source funding from donor organizations.

**Othandweni Children's Home**

- Assists the home in its fundraising strategy to look for sponsors to assist with the replacement of furniture so as to improve its interior decor in order to make the home more homely.

**Soweto Old Age Home**

- Assists the home to intensify its fundraising activities by approaching businesses that had visited it during the Mandela Day.
- Assists the home in reporting the challenges of the shortage of medication to the Department of Health to prevent the situation from escalating.

Report to be considered.

### **3. Report of the Portfolio Committee on Energy roundtable discussion on co-generation and tri-generation of electricity on 30 January 2014, dated 12 March 2014**

#### **1. Introduction**

##### **1.1. Subject of the report**

The subject of this report is to report back to the National Assembly (NA) on the Portfolio Committee on Energy's findings after scheduling a roundtable discussion on: Co-generation and tri-generation of electricity.

##### **1.2. Background**

Improving the energy efficiency of our manufacturing facilities, buildings and homes can help us meet our energy challenges affordably. It can save consumers money of their energy bills, drive business competitiveness and economic growth and jobs, enhance grid reliability and flexibility, and help protect public health and the environment. Combined Heat and Power (CHP) systems are strong examples of how energy-efficiency technologies can help achieve these significant benefits for end-user facilities, utilities and communities.

Co-generation or CHP is the simultaneous generation of both electricity and heat from the same fuel, for useful purposes. The fuel varies greatly and can include coal, biomass, natural gas, nuclear material, the sun or the heat stored in the earth. In the South African context, cogeneration also refers to the production of electricity and useful heat from a fuel/energy source which is a co-product, by-product, waste product or residual product of some underlying industrial process. It differs from conventional generation in that it is coupled to an industrial process of the host plant.

Co-generation is attractive to policy makers and private users and investors because it delivers a range of energy, environmental and economic benefits, including:

- Dramatically increased energy efficiency.
- Reduced CO<sub>2</sub> emissions and other pollutants;
- Increased energy security through reduced dependence on imported fuel;
- Cost savings for the energy consumer;
- Reduced need for transmission and distribution networks; and
- Beneficial use of local energy resources (particularly through the use of waste, biomass and geothermal resources in district heating and cooling systems), providing a transition to a low carbon future.

Just over 40 people, representing Parliament, Industry, Academia, Municipalities and Financial institutions attended the Roundtable on Co-generation and Tri-generation, organised by the PCE at the South African National Energy Development Institute (SANEDI) offices in Sandton on Thursday, 30 January 2014.

Members who formed part of the delegation included: Mr SJ Njikelana (Chairperson of the PC on Energy and Leader of the delegation), Mr S Radebe, Ms B Tinto, Ms N Mathibela and Mr L Greyling. The delegation

was supported by the following staff members: Mr A Kotze (Committee Secretary), Mr P Rampersadh (Content Advisor), Mr S Maboda (Researcher) and Mr M Dodo (Committee Assistant).

Stakeholders who were invited to attend the roundtable discussion included:

- ABSA
- MTN
- Vodacom
- City of Johannesburg
- Chamber of Mines
- Energy Intensive User Group (EIUG)
- ESKOM
- Industrial Development Corporation (IDC)
- Illovo
- National Energy Regulator of SA (NERSA)
- SA Local Government Association (SALGA)
- Tongaat Hulett
- SA Sugar Association
- Vuselela Energy
- Department of Public Enterprises
- MaPS Engineering (UNISA)
- Banking Association of SA (BASA)
- ArcelorMittal – Saldanha
- Exxaro
- Pulp and Paper Manufacturers Association of South Africa (PAMSA)
- Sebenzana

### **1.3. Objective**

The objective of the report is as follows:

- Provide an overview to members of the Portfolio Committee on Energy of the implications and impact of a carbon tax in the South African context;

## **2. Opening remarks by the Chairperson of the Portfolio Committee on Energy, Hon SJ Njikelana**

The Chairperson, the Hon. Sisa J. Njikelana welcomed everyone and indicated the reason for the roundtable.

Subsequently thereafter various industrial players were invited to discuss their successes and issues related to their experiences with co-generation and tri-generation.

### **1. Industry input**

#### **a. Telecommunications Industry**

The telecommunications industry, represented by Vodacom and MTN indicated that they have focused on Solar and gas generation options to



reduce their demand on the grid and to ensure energy security. In terms of their industry, they have successfully introduced solar and tri-generation into their energy mix but some challenges remains, these were listed as:

- The price of methane gas
- The availability of gas
- The small incentives to reclaim heat
- The above solutions reduce the energy load but cannot take them off grid as yet.

#### ***b. Bio Co-generation Industry***

Next, broadly speaking, the bio fuel industry, represented by the sugar, pulp and paper and sawmilling industry presented their viewpoints. They indicated that these industries have been producing co-generation power for years as there is ample availability of “fuel” being the by-products of their industries. The industries utilizes not only the electricity, but also the heat generated within their processes and have an over capacity that can be fed into the grid. The sugar industry indicated that they have 14 mills that utilize less than 10 MW each and hence can export 700 to 1000MW to the grid. Pulp and Paper, and indicated that they each can generate an additional 300MW for export. These industries indicated that they are looking for a procurement programme, similar to the REIPPP, and that barriers be removed, for them to re-invest in generation capacity. This industry indicated that there are issues with wheeling charges and Nersa was engaged on this in November 2012 with no outcome to date.

#### ***c. Mining***

The coal mining industry also indicated that there is massive potential to generate electricity from coal fines that are discarded by the mining industry. Most mines have a lifespan for 20 to 40 years, producing this waste and hence have the potential to generate power for this period. In summary, coal mines can generate power from:

- Coal fines
- Low grade waste (coal)
- Methane exhausted from coal mines
- Hydro (by dropping water down mineshafts).

Points raised that are a concern for the industry to invest in generation capacity include:

- Wheeling costs
- Regulatory issues
- Market structure

It was indicated to the Portfolio Committee that in India, coal mines are not allowed to discard coal hence they have invested in generation capacity, to utilize the waste. The Ferrochrome industry also indicated the potential to generate power and can generate power at below Eskom's rates. At least 200MW can be generated from waste gas and a further 180MW from thermal power (steam). This can be installed at a cost of R18m per MW and the projects need about eight years to break even.

#### ***d. Energy Intensive User Group (EIUG)***

The Energy Intensive User Group raised the following issues that affect investment in co-generation:

- A secure supply of gas is required, process gas can be utilized but a secure supply, e.g. from Mozambique is required.
- The period offered by the Municipalities for the Power Purchase Agreements, e.g. three years, is not acceptable for companies to raise finance for own generation
- The EIUG also indicated that there are problems with grid connections and wheeling.

### **2. Government Input**

#### ***a. Local Government***

Local government, represented by SALGA, had the following input. SALGA agreed there are challenges around the PPA's with Municipalities, however there are also some success stories and some players in the sugar industry in KZN are beneficiaries of this. They also indicated that it is not the intention of Municipalities to frustrate industry. Some industries, watching developments in the REIPPP programme, have been moving the goalposts making it difficult for municipalities. Municipalities also indicated that, contrary to belief that Municipalities will lose out if industry starts co-generating, it is not the case. Municipal tariffs for electricity are made up of tariff costs and infrastructure costs. The tariff costs are mostly the Eskom costs and as such are of no benefit to Municipalities, whereas the infrastructure costs will need to be paid by co-generators when using the grid. This is utilized to maintain the grid. In conclusion, Municipalities indicated that they are willing to negotiate and discuss challenges with industry. The telecommunications industry indicated that this is already happening, at the request of Municipalities.

#### ***b. Eskom***

Eskom indicated that they have contracted in 400MW of co-generation (this has been there for eight years) but indicated that there is no market for co-generation currently. The demand for co-generation will increase and industry needs to study the IRP documentation carefully as Nersa will only licence what is in this document. Further, if DoE makes a declaration, Eskom will purchase that power as specified in the declaration. Industry needs to note that there needs to be a willing buyer buyer-willing seller within an acceptable policy environment for this industry to succeed. Eskom also indicated that the MYPD3 cycle has funded co-generation till the cycle is completed and hence cannot purchase co-generation for the next four years. Hence industry needs to deal with the policy environment, to bring in more co-generation. Further, industry needs to note that there will be wheeling charges and these will be cost reflective.

#### ***c. Department of Energy***

The DoE indicated that the REIPPP is a new programme in SA and hence there were a fair degree of permutations and problems that needed to be managed down. Further SA has a vertically integrated utility and this posed

further challenges. This was a steep learning curve for them and hence although government agreed that co-generation should be part of the energy mix, the roll out of policies has been slow. DoE also indicated that some policies reside outside the DoE, making the policy environment more difficult. The DoE indicated that it aims to have some of the policy documentation ready by March and requested that all players involve themselves in the process and issues at hand.

### **3. GIZ (German Society for International Cooperation)**

On an international perspective, GIZ Germany, did an assessment of the co-generation market in SA and indicated that they were not convinced that this was required as SA does not have cold winters. Hence SA needs to look into the market and potential for co-generation in large industries. GIS Germany feels that Eskom should fund co-generation but that there should be incentives from industry also. Institutions like SANEDI can play a role by addressing the skills shortage issue and setting up training programmes.

### **4. Financial Institutions input**

The Industrial Development Corporation (IDC) indicated that they do have an appetite for these types of investments but the Power purchase investment periods need to be long enough. Further, there needs to be a fair and consistent market, for them to finance projects. There also needs to be a market and if one is not available, it should be created.

### **5. Discussion and Outputs**

- With regard to generation of power from the coal, Members indicated environmental concerns but the industry responded indicating that environmental issues can be managed.
- Members also indicated that the DoE needs to push this forward and ensure delivery of the appropriate policy documents, as changes are required to enable supply options, not making it onto the grid.
- The Members strongly supported the call that the participants submit comments on the draft IRP document that was recently released for public comment
- The roundtable supported the proposal that a meeting/conference be held soon so as to ensure issues raised be addressed.
- The Members further indicated that Development Financial Institutions and SALGA need to assist the industry by addressing their concerns.

### **6. Closing remarks by the Chairperson**

In Conclusion, the Chairperson indicated that a keenness and willingness of all parties to engage, as well as an adequate skills base, is required, to ensure success of this industry. This must be through a national platform to ensure commitment from all.

## 7. Recommendations

- The Speaker's office endorses the facilitation of a national symposium by the Portfolio Committee on Energy, assisted by any relevant body/ies that will create a National Platform for commitment and promotion of co-generation and tri-generation.
- In the interim, the South African Local Government Association (SALGA), the Department of Energy, the Development Financial Institutions and those businesses who are affected, convene meetings to address concerns that have been raised during the discussions.
- The Speaker's office endorses commissioning of in-depth research on comparative analysis on legislation that enables co-generation and tri-generation.

Report to be considered.

## **4. Report of the Portfolio Committee on Energy undertook to host public hearings on energy efficiency on 05 - 06 September 2012, dated 12 March 2014**

### **1. Introduction**

#### **1.1 Purpose of the report**

The purpose of this report is to report back to the National Assembly on the findings of the PC on Energy's public hearings on energy efficiency.

#### **1.2 Background**

Improved energy efficiency is now widely regarded as an essential part of sustainable development, and an effective means to ensure that there is adequate energy supplies to address economic, social and environmental challenges.

A variety of policies and measures are being used in both developed and developing countries to realize energy efficiency opportunities, but with varying degrees of success. Energy efficiency is a cross-cutting activity spanning all functions of government, business and society. For this reason an integrated approach is essential to achieving sustained energy efficiency gains.

Significant indigenous coal and mineral reserves have provided a competitive advantage for the South African economy, and this legacy is the root of a modern industrialized economy. South Africa is a developing nation with significant heavy and extractive industry components as part of the economy, contributing to placing it high in international rankings of energy intensive countries.

Improving energy efficiency is now recognized as a cost-effective means to improving many aspects of sustainability. Furthermore South Africa faces considerable electricity supply constraints for the foreseeable future. Further, it is still overly dependent on coal powered electricity generation,

lacks sufficient local refining capacity, faces a tipping point in energy prices and is characterized by various, inconsistent policies calling for greater energy efficiency. A strategic and integrated approach to energy efficiency offers the opportunity to spur economic development and much needed job creation, while supporting key social and environmental objectives.

### **1.3 Purpose of the public hearings**

The revision of the South African National Energy Efficiency Strategy is essential in order to enhance the co-ordination of National Energy Efficiency Programmes and Incentives, which are envisaged to result in an improvement in the overall national energy efficiency and hence reduce the energy intensity of the economy.

The public hearings will form part of the roadmap to engage with the Department of Energy (DoE) and make recommendations when the Energy Efficiency Strategy is revised by the department. This is necessary as the country remains short of reaching the targets it had set across all sectors.

## **2. Submissions**

**The following individuals and entities made oral presentations to the committee:**

- 1. Pert Industrials**
- 2. Mr D. Coetzee – a farmer from the Northern Cape**
- 3. South African National Energy Development Institute (SANEDI)**
- 4. Saint-Gobain Construction Products**
- 5. Energy Efficiency in the cities of the Southern Cape Karoo by George Municipality**
- 6. ESKOM**
- 7. Energy Intensive User Group (EIUG)**
- 8. Council for Scientific and Industrial Research (CSIR)**
- 9. Prof X. Xia: Centre of New Energy Systems (CNES) – University of Pretoria**
- 10. Prof W Leuschner - University of Pretoria**
- 11. National Energy Regulator of South Africa (NERSA)**
- 12. National Union of Metalworkers of SA (NUMSA)**
- 13. General Electric South Africa**
- 14. Southern African Association of Energy Efficiency (SAAEE)**
- 15. SA Local Government Association (SALGA)**
- 16. Department of Public Works (DPW)**
- 17. Green Building Council SA (GBCSA)**
- 18. National Foundries Technology Network (NFTN)**
- 19. Eskom submission on 49M**
- 20. National Business Initiative**
- 21. Energy Efficiency Forum (City of Cape Town - CoCT)**

### **2.1. Pert Industrials**

Mr Peter Horszowski, a sales representative with Pert Industrials (and also appearing in a private capacity), introduced Pert as a company that has been manufacturing technical and scientific educational materials since 1967. The company is located in Johannesburg and had 20 staff members including engineers and educators.

In an effort to show the committee that there are variable ways to generate power he illustrated the effectiveness of the thermo-electric converter which, with one leg in hot water and one in cool water, could generate power through energy conversion from heat to electricity. This tool is related to a Stirling engine which works with temperature differences to generate power. Although the thermo-electric converter is usable as an educational tool it is not for commercial production of power.

Pert is also involved in educational activities and workshops at schools as it was emphasised that teachers are facing more and more challenges at schools; with large class sizes, and little time to teach subjects which are not in the curriculum. Some possible solutions to dealing with South Africa's energy crisis would be more activities in schools on energy storage, distribution, efficiency and renewable.

He also strongly expressed that work done in primary schools to teach school children about energy would trickle down to parents at home and make a difference in communities. If children are talking about it, parents would then have a strong incentive to become involved.

## **2.2. Mr D. Coetzee**

Mr Coetzee, a farmer from the Northern Cape, appeared before the committee as a private citizen. He expressed a need for more energy generation capacity in South Africa. He noted three potential choices for energy generation in South Africa; coal- but had the consequence of global warming, nuclear power – which could lead to a nuclear disaster, and finally renewable- however they come at a high cost.

He demonstrated, via graphs, that there is a high demand for electricity by households from 7:00pm -11:00pm and emphasised that more energy efficient technology, such as solar irrigation systems are not popular but could provide an interesting solution for the future of energy consumption.

Noting the energy potential of solar power in South Africa, due to the amount of annual sunlight, the benefits of home power generation with Photo Voltaic solar power are high.

Possible solutions to the current energy crunch in the country are solar power cars for short distances of up to 100km per day, home solar systems.

## **2.3. Saint-Gobain Construction Products**

Mr Bruce Murray, National Sales Executive, Saint-Gobain, said that Saint-Gobain is a construction products company with 5 divisions which included gyproc, isover (insulation products), weber (mortars), PAM (cast iron pipes), and Norton (abrasives).

This could be achieved via a retrofitting plan for existing buildings thereby assisting the DOE in their strategy of energy savings in commercial and residential buildings. Possible interventions included installing wall and ceiling insulation in government subsidised housing projects.

Health concerns brought forth in the Nedlac report (2003) where R2.3 billion was spent on healthcare due to respiratory diseases caused by poor

indoor air quality from the burning of wood, paraffin and other fossil fuels for heat and cooking showed a need for better EE standards in homes. Advantages derived from interventions included increased energy efficiency, decreased driver for burning fossil fuels and better health outcomes with decreased costs.

In terms of job creation, from countries with similar programmes in place, measurements show that jobs created by retrofitting existing buildings, outpaced those derived from generating energy. Further jobs would result from onsite trainings and new training programmes.

To conclude it was emphasised that New Building Regulations would go far in achieving energy savings in building stock and it was strongly suggested that a retrofitting program should be implemented immediately which would create jobs and improve the health of residents.

#### **2.4. South African National Energy Development Institute (SANEDI)**

Mr Barry Bredenkamp, Senior Manager on Energy Efficiency, SANEDI, opened with a presentation on the measurement and verification processes involving energy efficiency (EE). It was emphasised that EE covers a far broader spectrum than simply electricity efficiency but that Liquid Petroleum Gas (LPG) and other forms of power generation which are all part of the mix.

According to SANEDI there is currently an approved national standard on how to report and measure energy savings which is known as SANS 50010. This is the blueprint guideline. However there are not sufficient number professionals in South Africa to cope with the demand for measurement as only seven universities nationwide are dealing with this area.

The current situation in South Africa is that Eskom received R5.4 billion of tax payer's money for energy efficiency and Demand Side Management implementation (EEDSM) through the MYPD2 allocation (via NERSA). The funding window is over a 3 year period and is required to deliver 1037MW in demand savings and 4055MW of energy savings. The monitoring and verification function to ensure these targets are met however, resides with Eskom and this is seen as a dire conflict of interest.

The gaps in the current context did not take the national picture into consideration; e.g. solar water heaters (SWH) 1 million target had progressed to 200 000. However although it is said these would provide free hot water, in poorer areas they had always lived without hot water but now with a 150L SWH there is a need to tell people that water is an expensive resource and that the water consumption cost goes up as water consumption increases.

There is also a focus on electrical energy which excluded the socio-economic impacts on sectoral jobs, job creation, and environmental impacts. The basic example of changing a light bulb was given; since with newer EE bulbs have a longer life span, there is no longer a need to change bulbs and therefore manual jobs would be lost as a consequence of better technology.

In 2008 with rolling black outs in Cape Town, free two plate LPG gas stoves were issued if customers traded their electric power stove, however this led to a gas shortage. Measures like this simply moved the problem from one resource to the other and are not considered long term solutions.

Further it was strongly emphasised that no penalties had been levied on any non-compliant projects to date. This meant putting at risk national planning for energy efficiency as a resource, since no one is looking at the consolidated picture, hence potentially, measurements could be 100 percent off the mark.

Proposed solutions to these issues included the consolidation of the measurement and verification function for all energy efficiency initiatives into one common portal with a central repository of auditable and value adding data such as electrical energy and demand savings, fuel switching impacts, economic sectoral impacts and jobs created.

### **SANEDI on the National Energy Efficiency Agency (NEEA)**

Mr Kadri Nassiep, Chief Executive Officer, South African National Energy Development Institute (SANEDI) noted, in his introduction, that problems with energy efficiency (EE) were found internationally, with an actual rise in the use of coal. China, for example, is responsible for almost half of the world's coal consumption and is responsible for 87 percent growth in the coal market. He said comprehensive subsidies were still handed out for fossil fuels, in South Africa and throughout the world, while there is not enough emphasis on EE, and there is the problem of financiers not understanding EE.

He noted that the body "National Energy Efficiency Agency (NEEA)" no longer existed; instead the body is referred to as the South African National Energy Development Institute –Energy Efficiency (SANEDI-EE). This was in-line with the National Energy Act, the DoE's recommendation and SANEDI's decision to adopt a monolithic brand position. It was also aimed at avoiding further confusion in the market.

SANEDI turned to the key strategies developed. Key strategies included an analysis of the skills gap for energy management, and the policy mapping exercise, (together with the Department of Energy), which is just awaiting the signature of the Minister as the study had been completed. There is also the need for an Alternate Energy Framework for households in SA to deal with household fuels. He found it shocking that the Paraffin Safety Association of South Africa (PSASSA) had closed its doors. SANEDI is also assisting the DoE with NEES and National Energy Efficiency Action Plan (NEEAP) development and the development of standards and labelling for EE-appliances. SANEDI noted the diplomatic EE Strategy to co-ordinate and align international funding of foreign governments with embassies in SA, as well as embassies in less-developed countries, with the emphasis on greening of embassies.

SANEDI outlined some current projects, noting that the development of solar-powered traffic signals was initiated and piloted by SANEDI and is now being implemented by various local authorities. A draft green IT strategy was developed for SA, but the project had not attained momentum. The pumping energy efficiency initiative in municipalities is still being pursued and would hopefully be included in the next round of the



Division of Revenue Act (DORA) funding applications. He noted the implementation of a big EE project, funded by the Wupperthal Institute in Germany, which involved the benchmarking of EE-policies, processes and technologies in, predominantly, the BRICS countries of Brazil, Russia, India, China and South Africa. There is also the hosting of a French Development Agency (AFD)-funded Technical Assistance Facility (TAF), for an EE-and- Renewable Energy (RE) green credit line to three commercial banks in SA.

SANEDI spoke about liquid fuels/transport; saying that it is a key area that had to date been neglected, being restricted primarily to the conversion of vehicles to Liquid Petroleum Gas (LPG). He also outlined the SANEDI research work into bio fuels and transport modelling. South Africa unfortunately did not yet have a reliable system of public transport, but there are alternatives to conventional petrol-driven transportation. SANEDI is working with other role-players to break through the limitations, particularly through a fee-bait system to encourage people to purchase EE and electronic vehicles. He urged that many similar measures needed to be introduced.

SANEDI talked about envisaged future projects and noted SA had joined the “Clean Energy Ministerial–Working Group (CEM-WG) on Cool Roofs” and had formally appointed SANEDI as the local representative on this working group. He said cool surfaces are a high-impact, low-cost, short-payback investment that improved buildings by cutting net energy use; helped roofs and the equipment on them last longer, and improved the comfort of non air-conditioned buildings, while the opposite applied to galvanized roofs. He said a pilot project would be introduced shortly in Gauteng to demonstrate the improved effects associated with cool roofing.

SANEDI is also hosting the GIZ-funded GIS specialist and system, mapping every Solar Water Heater (SWH) installed in the country, which is an exciting and helpful tool for data to keep track of the further roll out the project, together with the cool roofs initiative.

SANEDI turned to stakeholder engagement, stating that SANEDI continued to play a crucial role in engaging all stakeholders to avoid a fragmented system and to advance the need for a more-focussed EE-delivery solution for the country. It is an active member of all EE-related technical committees, an active member of the National Business Initiative (NBI) led the Energy Efficiency Leadership Network (EELN) and various other working groups (WGs) related to EE.

General comments are that SANEDI co-hosted the South African German Energy (SAGEN) programme, with support from GIZ, to address EE-activities. SANEDI-EE continued to provide an advisory and advocacy role in addressing numerous areas as well as bringing in international technical capacity, which will be available to SA in general, in about the next three years. He noted the research produced through SANEDI’s EE hub based at the University of Pretoria. 90 students had already been put through the system, with a high percentage being previously disadvantaged individuals (PDIs), although the proportion of female students needed to be improved.

He concluded that although it appeared that the need and awareness for EE in SA is escalating, the activities are becoming more fragmented and the nature of the industry is leading to duplication and wastage, as seen in

proposed directorates that would duplicate efforts in different departments. Proper co-ordination is needed, using DoE as the lead department, focussing on policy-development whilst SANEDI should focus on the co-ordination of implementation activities, performance tracking and consolidated national reporting.

Finally, in the South African context, SANEDI mentioned the good work done by Renewable Energy-Energy Efficiency Partnership (REEEP) in bringing in neighbouring countries into the EE space.

## **2.5. Energy Efficiency in the cities of the Southern Cape Karoo by George Municipality**

Mr Kevin Grunewaldt, City Energy Support Unit Manager, George Municipality, said that George would like to be energy self-sufficient by 2030 and is in talks with Eskom to put up a 500kW energy station. From 2006 the so-called Western Cape problem had emerged which brought about load shedding in those years and since then municipalities had looked at demand side management systems with the city energy support group in particular, being supported by the British Government in that regard.

The implementation of energy efficiency strategy had arisen out of the 2008 national electricity crisis which resulted in new EE technology being implemented on the 9<sup>th</sup> June 2009 and municipalities had begun looking at new sources of energy generation. Since then five municipalities had submitted EE informed business plans for the past three years. On September 3, 2012 new business plans have been submitted for the current year.

The Eskom grid at the Mossel Bay Proteus 400-132kv substation could save nearly 100MW with huge room for maximum demand and energy efficient measures.

The Western Cape total base load of 5200MW had to be transported by transmission lines coming down from the De Aar main transmission system. Weekly there is 180MW generated with a total base load average of 320MW so that it becomes necessary to try and develop, through energy efficiency, a smoothing out of the demand so that there is no need to run expensive peaking plants. There are various ways to control this which include, for example, cutting off geysers in households in the George municipality, and currently municipalities are doing this on their own. This means that a peak at Proteus at 7pm would be possible due to a peak at George that could happen at 8pm and is necessary to smooth out growth and hence decrease demands on the system.

In the Southern Cape Karoo, 50 percent of the load is coming from residential customers and there are two ways to solve this peak demand issue: one is to employ a more aggressive demand side management approach, while the other would create a time of use tariff on domestic customers to penalise people effectively shifting the load from peak to off peak periods.

Energy efficiency is the cheapest way to defer building of power stations and with embedded renewable energy, even more savings could be realised. Every local municipality must have at least 5MW of renewable

energy generation through solar, wind, or biomass. It is also emphasised that local municipalities are the best service delivery mechanism for energy efficiency and renewable power generation.

Local municipalities have proven without a doubt that allowed the space to lead their own energy efficiency programmes savings are inevitable.

The chairperson asked for more information from other municipalities and possible gaps. He wished to know about best practises across municipalities with a stated need for greater participation from SALGA.

## **2.6. Energy Intensive User Group (EIUG)**

Mr Mike Rossouw, EIUG Chairman, said that there is some good news: objectives are in place but the fundamental problem is that there is no effective strategy in place. Corrections are needed in some areas. EIUG had developed a scorecard. Before starting any endeavour, a fact base was needed as objectives are arbitrary at present.

The EIUG said that EIUG had consulted widely, including with international partners. The biggest growth area in Africa is for housing, which would require energy. As countries developed, their energy needs are initially satisfied by the use of wood and fossil fuel sources and eventually moved on to other energy sources.

The EIUG said the majority of domestic consumption is during the morning and evening peak hours. It is a myth that nothing was being done about energy efficiency. He demonstrated the different aspects of power usage, such as lighting and water heating, and the demands that they made on the electricity grid.

The EIUG said a framework was needed which would analyse why targets were not being met. Various factors were considered in developing this framework, focussing on each aspect of energy. An example of one of these was lighting. A desktop study had been done in 2007. This had shown that the mining industry is the biggest consumer of energy. Theoretical potential for energy saving had been identified, and so to, the difficulty in achieving such savings. Eskom had done a survey which showed that residential consumption is 17 percent of the total national consumption. The survey went further in determining the amount of power used by different household applications, such as water heating, kitchen appliances and lighting.

Some energy use could be regarded as compressible, loosely categorised as luxuries, and non-compressible. For example, more efficient water heating methods could be used but if the structure of the house is not thermally efficient, it would have to be rebuilt to achieve greater efficiency.

The EIUG said that they advocated a bottom up approach. A base line should be established at a facility level. This would move to an activity and then a sector level.

## **2.7. ESKOM**

Mr Andrew Etzinger, Eskom Senior General Manager, said that Eskom had been involved with energy efficiency for a number of years. The reasons for energy efficiency are clear. This is the quickest tool to implement, to manage energy supply and a number of other advantageous to the economy. Efficiency programmes would also create jobs.

The load shedding of 2008, when the Koeberg station had gone off-line, had been the first illustration of the need for energy efficiency. Eskom had started a campaign of encouraging energy efficiency and the use of alternative sources, such as gas stoves, as well as an awareness campaign of the load on the system. This is in the form of advertising a power alert on television. This worked well. There is still a constraint on the supply of power, and this problem would have to be dealt with in the long term. Decisions on new power stations would have to be taken soon, but these would be long-term plans. Energy saving is needed now.

Eskom said that maintenance is being done, but the programme had been cut back in order to keep enough supply available. Energy efficiency programmes need to be pursued vigorously. Eskom has an energy efficiency programme in place, funded from tariffs. Eskom set a target of 1 037 MW demand savings and 4 055 GWh energy savings over a three year period. Targets are being met, and performance is audited. The output of more than five generators had been saved. The energy savings for 2011/12 is equivalent to the annual consumption of Buffalo City municipality in a year. Practices such as using light emitting diode (LED) lights, heat pumps or solar water heating is achieving savings. Over 54 million compact fluorescent lighting (CFL) bulbs had been distributed, the largest such programme in the world. The World Bank recognised Eskom's achievements.

Eskom said that consumption is heaviest during the winter months, increasing as the temperature dropped.

Eskom said that skills development and localisation are addressed on an ongoing basis by Eskom. Local manufacturing of solar water heating systems is encouraged although some components have to be imported.

Eskom said that there was a 300 percent increase in the number of Energy Services Companies (ESCOs). Eskom itself is leading by example and had more than achieved its targets. One example is the use of solar panels to provide shaded parking at Megawatt Park which provides a large portion of the building's energy consumption.

Eskom said that initiatives could not be relaxed. Energy efficiency and demand side management would help to ensure security of supply. Continuity in Eskom's programmes is essential.

## **2.8. Council for Scientific and Industrial Research (CSIR)**

Mr Llewellyn van Wyk, CSIR Principal Researcher, complimented Eskom on their achievements. The World Energy Outlook of 2010 would target buildings. People worked, lived, worshipped and played in buildings. Non-residential buildings are the biggest growth sector. In South Africa the

situation is no different. Fossil fuels are being used for energy, contributing to the greenhouse gas problem.

The CSIR said that the slowdown in the construction sector is cyclic. The global figure of energy use in the built environment is 40 percent. The South African figure is slightly lower. The figures are stable. There are reasons to examine the way buildings are designed.

The CSIR said that lighting is a major component of energy usage, together with cooling systems, in the face of increasing temperatures, and office machinery. The same kind of efficiencies achieved in lighting needed to be mirrored in cooling and office equipment consumption. There is a major opportunity for savings.

The CSIR said that there is a bigger problem. There is a challenge in that the base construction materials are plentiful. The challenge is in the energy requirement to convert these base materials into a form suitable for building. One needed to understand the pattern of consumption. Transport used energy. Water had to be pumped to cities, and had to be pumped throughout the cycle of supply. The cycle is energy intensive.

The CSIR said that if 100 units of electricity are originally available, only 9 percent are actually used. This highlighted the level of losses along transmission.

The CSIR said that one of the problems is containing urban sprawl. Densification would only happen when sprawl is contained, and services could be delivered to a more compact area. He used the example of Phoenix in the United States of America in how cities should blend into the environment.

The CSIR said that transport is another area for savings. A massive opportunity had been missed with the Gautrain. People should be moved towards major transport nodes rather than relying on massive car parks. The full range of public transport should be considered. If this is done then proper urban development could be considered. He showed another example from the USA where residential and commercial properties shared energy sources.

The CSIR said that it had been able to cut the energy requirements of a typical reconstruction and development programme (RDP) house by 50 percent through more efficient design. There is a test site at CSIR site in Pretoria.

The CSIR supported small-scale solutions. Small buildings could become independent of water, electricity and sewerage grids. A building satisfying this requirement is being developed in Port Elizabeth. If a building could run itself, neutral energy and water requirements could be achieved. A South African model is being planned.

The CSIR said that the construction industry should be transformed by the use of energy efficient materials. Another initiative is to design construction (of buildings) to eliminate wastage. There are regulations to police dumping but they are difficult to enforce.

The CSIR said that some energy saving could be achieved in existing buildings, but more needed to be done to encourage savings. A project in Kleinmond had recently been completed. Although the measures looked modest, in solar panels and a rainwater tank, massive energy and water savings had been achieved and waste had been reduced. If such designs could be used when the housing backlog is addressed there would be massive benefits for the country. Government had a fantastic opportunity to achieve significant energy efficiencies.

## **2.9. Prof X. Xia: Centre of New Energy Systems (CNES) – University of Pretoria**

The national Hub is a five year project initiated by the South African National Energy Research Institute (SANERI). It is hosted by the Centre of New Energy Systems at the University of Pretoria. There are programmes across various disciplines, including Electrical, Electronic and Computer Engineering (EECE), Chemical Engineering, mechanical engineering, civil and bio engineering and architecture. Graduate, honours, masters and PhD programmes are available. The programme has received a number of awards since its inception...?

Experimental platforms had been developed, where a number of industrial solutions had been developed. He listed the research topics being undertaken. Open source training is provided. A tax incentive management system had been devised.

Prof Xia said that the Hub had been launched in June 2008. Short courses and open source training had been developed. The sixty papers produced by the Hub equated to half of the papers produced in the country. Since 2008, the number of students had increased from 27 to 109. Of the current number of students, 21 are female, 30 white, 48 black and 10 Asian. Only top students are selected for the project.

Prof Xia said the intention is to develop a regional research centre, which would be a national key lab on the model of the Lawrence Berkeley Lab. There would be a joint SANEDI/UP brand and related infrastructure. UP would provide the land and SANEDI the budget. There also would be an input from the Department of Higher Education and Training.

## **2.10. Prof Wilhelm Leuschner: Department of Electrical, Electronic & Computer Engineering, University of Pretoria**

Prof Wilhelm Leuschner, Department of Electrical, Electronic and Computer Engineering, University of Pretoria, claimed to be the only person in the country with both a Masters and PhD in lighting. He wanted to speak as a consumer. The current approach seemed to be to address the symptoms rather than the cause. People questioned the value returned by their investments, while those getting free handouts would not say no to such hand outs.

Prof Leuschner questioned whether energy reduction was being chased at all costs. He further claimed that electrical energy is being given a bad name. There is no saving when consumers are urged to turn off devices such as geysers and swimming pool pumps. The savings of turning appliances off rather than leaving them on standby are negligible.

Prof Leuschner said that there are inconsistencies in campaigns to save fuel. The battery-powered car is given a bad name, but the use of vehicles with photo-cells should be encouraged. Less use of electricity would make Eskom less profitable and might lead to higher taxes. Most energy saving systems are expensive. Further, consumers had to be convinced of the benefits. A major capital investment is needed, but this is hard to believe for a person with immediate cash flow problems. Subsidies would be needed.

Prof Leuschner asked what happened when energy saving systems failed. Low energy light bulbs did fail, and conventional bulbs might be used to replace them. Industrial users could measure their energy usage, but domestic consumers could only guess. A lamp should burn for at least three hours a day to repay their higher cost. New technology would be available for LEDs in the next few years.

Prof Leuschner said that energy saving gadgets are only of temporary benefit. He also noted that in terms of investment in renewable sources, electricity use would need to be increased to pay for their construction.

Prof Leuschner said that lighting is effective but should also be aesthetically pleasing. He could not think of a single LED lamp that could match an incandescent lamp in quality. There is great potential for LED lighting, and the technology is being developed daily. The marketing and development of LED lamps should be stimulated.

Prof Leuschner said that photovoltaic energy is the technology of the future. Solar energy could be used to heat water, but could also be linked to batteries. In Cape Town one could sell the energy derived in this manner back to the municipal grid.

Prof Leuschner said that electric vehicles are available in the country. The technology is simple, reliable and clean. Electric vehicles would support energy saving. The philosophy of “energy reduction at all costs” might have been the death-knell of the battery powered car. It is important to know what to measure.

## **2.11. National Energy Regulator of South Africa (NERSA)**

Ms Bianka Belinska, Head of Department: Electricity Infrastructure Planning, NERSA, defined the concepts of energy efficiency (EE), demand side management (DSM) and demand management programmes. The advantages of EEDSM are both economic and environmental in nature. In the first case it is cheaper than creating new generation plants and further, had shorter lead times to implement.

NERSA said that the EEDSM regulatory policy was introduced in 2004. Eskom started with the implementation of this policy in 2005. Funding is through electricity tariffs. A percentage of Eskom revenue had to be invested in EEDSM programmes. Funds for EEDSM would be ring-fenced by Eskom. There would be measurement and verification procedures. There would be a claw-back of the funds for EEDSM should targets not be achieved. Annual reports are to be submitted. The EEDSM fund would be audited annually.

NERSA said that several pillars are used in the EEDSM regulatory process. These are measured against a five year plan submitted by Eskom, review of regulatory rules, public consultation, regulatory analysis, regulatory determination, measurement and verification, monitoring and reporting, annual reports, annual audit and reconciliation of revenue.

NERSA highlighted some achievements, including the implementation of 974 projects. There was an accumulated peak demand saving of 2 604MW. The estimated accumulated peak energy saving was 19 960 GWh.

NERSA said that there had been a considerable acceleration in demand savings in recent years. EEDSM has been included as a resource option in the development of the IRP. The approved IRP 2010 included a cumulative amount of 3 420 MW in demand savings. Programmes implemented to date included the CFL replacement campaigns, LED lighting and solar water heaters.

NERSA suggested ways of improving on energy efficiency. Clearer government policies are needed. The role and obligations of NERSA should be clarified. Co-ordination is needed between government departments, policies and institutional mechanisms. Incentives should be diversified. Targets should be set. Institutional oversight is needed. Information mechanisms should be developed to gather and disseminate information. The Independent Systems and Market Operator (ISMO) Bill would place control of supply and demand in the hands of the System Operator. Government policy should provide municipalities with guidelines. The measurement and verification function should include small-scale broad based black economic empowerment concerns, and should operate independently of the fund administrator.

## **2.12. National Union of Metalworkers of SA (NUMSA)**

Mr Woody Aroun, NUMSA Parliamentary Officer, said that the country is the thirteenth highest carbon emitter in the world. According to NUMSA some major energy users has made significant savings with regard to energy efficiency. The Department of Energy was due to release an energy efficiency strategy document in 2011 but there is no sign of this yet.

NUMSA said that the accord on energy efficiency is a voluntary one. Energy efficiency is left in the hands of the private sector. The National Business Initiative (NBI) and Business Unity South Africa (BUSA) felt that voluntary efforts made by business to conserve energy should be recognised. Any power rationing should be applied fairly across all sectors of the economy. There should be more engagement from government. Government should provide incentives for business. More support was needed for SANEDI. There is a need for training in energy management. Support has become a one-sided affair. Business is setting the agenda. There is no civil society involvement. Trade Unions and civil society had been absent from the policy development process. The only reference from DoE to civil society is a referral to the National Economic Development and Labour Council (Nedlac).



Other feedback showed that companies are affecting energy efficiency measures, but there is little involvement with the unions. Management is seen to be taking all the credit. Unions should be taking a position on energy efficiency and not just negotiating wages and conditions of employment.

NUMSA said that it had its own plans. The first was a review of government-supported solar water heating projects. Many NUMSA members worked at these manufacturers. 40 percent of solar heaters are now imported from China to the detriment of local manufacturers. The second plan is to implement regulation on energy efficiency of buildings. Local content requirements had to remain part of the programme. A massive contract for low-pressure solar heaters had gone to a company that imported most of its stock.

NUMSA said that the third plan is the review of energy efficiency strategy. Finally, NUMSA is determining its position on a proposed carbon tax. NUMSA's energy research and development groups (RDGs) would focus on energy efficiency and renewable energy.

NUMSA said that energy efficiency will continue to be prejudiced until all stakeholders became involved.

### **2.13. General Electric South Africa**

Mr Lwazi Sikwebu, Commercial Manager, General Electric SA, said that the transport and industry sectors are the largest users of energy in South Africa. Iron and steel is the heaviest user, at 28 percent. The company manufactures high quality CFL and other light bulbs. It produced diesel powered generator sets. It manufactures energy storage batteries and rooftop solar panels. It developed a solar-powered traffic light although this could not yet be put into service. One of their products is a motion sensor which could switch off lights when there is no longer movement in an area.

General Electric SA said that General Electric SA is heavily involved in the transport sector. Initiatives include energy efficient railway locomotives, battery powered cars and hybrid buses.

General Electric SA said that the company had developed systems that could harness heat to produce electricity from any industrial process producing heat. Up to 125 kW of electricity could be generated from these systems. This could even be done with the heat produced by an electric generator to develop more power. A gas engine was designed which could recycle exhaust gases, leading to substantive savings. Breweries used reverse osmosis techniques in the brewing process, and this saved resources. Methane gas from grain could be used. The company had developed a landfill solution for eThekweni Municipality.

General Electric SA said that there are many offerings for municipalities. There are many losses due to leakages and inefficient transmission systems. Municipalities are responsible for electricity reticulation.

General Electric SA said some quick wins are possible. Solar powered street lamps could provide savings without a great capital expenditure. R20 billion had been set aside by energy efficiency. General Electric SA had the capability to deliver these programmes. He suggested that tax benefits

should be allowed for energy efficiency projects. There should be a balance between incentives such as tax breaks, and negative incentives such as the carbon tax. There is no reason why the Auditor-General should not comment on wasteful expenditure regarding energy.

#### **2.14. Southern African Association of Energy Efficiency (SAAEE)**

Prof LJ Grobler, Dean, Faculty of Engineering, North West University and President of the Southern African Association for Energy Efficiency (SAAEE), said that it is imperative to look at all energy sources. Sources should be used in appropriate ways. The overall mix included energy conservation, energy efficiency, energy substitution, re-generation and own generation.

The SAAEE said that energy efficiency presents the biggest opportunity for saving. The International Energy Agency (IEA) had concluded a study on the expected global temperature increase of 2 degrees celcius. To meet the target of a reduction in the carbon content of the atmosphere to 450 ppm of carbon dioxide, energy efficiency strategies could contribute 38 percent to the mix of strategies to reduce the dependence on fossil fuels.

The SAAEE said that it is a volunteer organisation focused on energy efficiency. It is a chapter of the USA based Association of Energy Engineers. The Board of Directors are all volunteers.

Almost 2000 professionals had been trained in energy management and related matters. SAAEE hosted an annual convention, and conducted awareness programmes in all regions. Stakeholders included students, end-users and equipment manufacturers.

The SAAEE said that it is not easy to define energy efficiency, but the concept is not easy to understand. It is like trying to measure a void. The challenge is to make this repeatable and transparent without discrediting the projects. Exploitation of misinformed end-users placed the credibility of the industry at risk.

The SAAEE said that knowledge and skills are the foundation for promotion of energy efficiency. Children should be taught energy efficiency at school. This had been done in Germany for some time, and that country is now reaping the benefits. At tertiary level, a new career path should be created in energy engineering. The management and accounting aspects of energy efficiency should also be boosted. Energy programmes should carry a similar weight to safety programmes. While PhD students might be needed, there is a requirement for tertiary skills at all levels

The SAAEE said that Germany had reduced its overall energy consumption by 15 percent. The total amount of energy used per year is decreasing, while South Africa still felt it necessary for growth to increase the energy capacity. Education and awareness are crucial.

The SAAEE said that a clear strategy was needed, with targets and objectives. Incentives would open up opportunities. Energy efficiency should be a catalyst for economic growth, as it is seen overseas.

## **2.15. SA Local Government Association (SALGA)**

Ms Linda Manyuchi, Technical Specialist: Energy Efficiency, SALGA, said that SALGA plays a coordinating role in energy efficiency initiatives at municipalities. Many metros, particularly the City of Cape Town, had initiated energy efficiency programmes. Some of these programmes had been incorporated into the Integrated Development Plans (IDPs).

Ms Manyuchi mentioned some of the interventions which were conducted by municipalities. These included urban planning and building control, solar water heating, street lighting and water services. In Johannesburg, sludge from the waste water treatment process is used as fuel to power the plant. Transport is another focus area, including the more efficient and popular public transport and the encouragement of non-motorised transport.

SALGA said that some municipalities did budget funds towards energy efficiency. There is an EEDSM grant from National Treasury. Some used the Eskom grant, other made use of loan or donor funds, and there are some private-public partnerships. SALGA listed the most prominent donors. SALGA is also part of the former International Council for Local Environmental Initiatives (ICLEI) Urban Low Emission Development Strategy.

SALGA said that some municipalities did not see energy efficiency as a core service delivery area. There is uncertainty over the EEDSM grant. Another challenge is the impact on municipal revenue, as electricity tariffs are used to cross-subsidise other services.

SALGA recommended that long term programmes be developed to support municipalities. Clarity was needed from national government. A benchmarking programme should be put in place regarding energy efficiency. The Blue Drop programme used for ensuring good water supplies could be used as a model.

## **2.16. Department of Public Works (DPW)**

Ms Sassa Subban, Deputy Director General, Department of Public Works said that the Department (DPW) is incorporating energy efficient techniques into all new and renovated buildings.

Mr Anselm Umoetok, Director, DPW, said that the mandate of the DPW is to provide a service to all national departments. It is mandated to implement a shared savings model, to conduct retrofitting projects and to influence behavioural changes. Design considerations were introduced to keep buildings cool during summer by construction techniques.

DPW listed progress made in terms of shared energy contracts. There had been contracts in four regional offices. Between 2003 and 2010, savings due to retrofits in Pretoria amounted to R36 million, Johannesburg R46 million, Bloemfontein R26 million and Cape Town R7 million.

DPW then outlined the challenges. The first is the lack of technical capacity within DPW, and the Department proposed the creation of a Chief Directorate to provide this function. There is no National Treasury (NT) allowance for DPW's Energy Efficiency Programme for the 2012/13 financial year (FY) and beyond. Frequent staff changes impacted on the

capacity of the Department. The programmes only cover a small number of the properties in the charge of DPW.

DPW briefed Members on a number of projects undertaken by the Independent Development Trust (IDT). Some 120 buildings had been targeted as pilot projects, of which 60 are in the Eastern Cape and 30 each in Mpumalanga and the Northern Cape. These happened during the 2010/11 and 2011/12 FYs. Of the 120 projects, 103 had been completed and the financial value was R127 million. The total energy saving achieved was R43 million. Challenges included a lack of professional services and monitoring and evaluation. More engagement was needed with the Eskom Demand Side rebate programme. There had been remarkable commitment from those involved. However, no funds were budgeted for by NT after the 2011/12 FY. Buildings targeted included military bases, South African Police Service stations, correctional facilities, museums and office buildings.

## **2.17. Green Building Council SA (GBCSA)**

Mr Brian Wilkinson, CEO - Green Building Council of South Africa noted that the Green Building Council (GBCSA) is part of the international body. Its vision is to ensure that all buildings are constructed in an environmentally-friendly way. The built environment generated a third of green house gases and significant amounts of waste. This is an area that afforded an excellent opportunity to do something significant regarding climate change.

The GBCSA said that key focus areas are the creation of awareness, educating members of the industry and recognising excellence. GBCSA introduced a star rating system for both new and renovated buildings. A socio-economic category was introduced to the evaluation criteria, a world first. There are ten environmental categories. These covers management, indoor environmental quality, energy, transport, innovation, water, materials, land use, emissions and the socio-economic aspect.

The GBCSA said that lighting is a major concern, and the ratings focus on lighting power density and zoning. A tool is available, freely; to building owners that would allow owners to rate the performance of any building is against a national benchmark.

The GBCSA listed some of the certified buildings. The NDPW Agrivaal Office in Pretoria is using 35 percent less energy than the national standard. The Manenberg Contact Centre in Cape Town had received a four star rating, and had achieved an 80 percent energy saving. ABSA Towers West in Johannesburg had achieved a five star rating. The Vodafone Site Solution Innovation Centre in Midrand had a six star rating. The entire roof is a photovoltaic surface, and produces twice the energy requirement. This is shared with an adjoining building. A project in Cato Manor had resulted in the country's first "green street" and had attracted international attention.

The GBCSA said that government is taking a lead. Certifications are required for buildings at all levels of government as well as the parastatals. A four star rating is set as the best practice for offices. He made a recommendation is that all new government buildings should be "built

green” by 2020. Half of existing government buildings should have water, energy and waste measurement and improvement systems by 2020.

## **2.18. National Foundries Technology Network (NFTN)**

Ms Adrie El Mohamadi, Programme Manager, National Foundries Technology Network presented a background of the Network (NFTN). Between 2007 and 2011, the number of foundries had decreased by 13 percent, as a result of both mergers and closures. It is estimated that up to 20 000 people are employed at foundries, but this number had been reduced by up to 15 percent since 2008. The majority of customers are in the mining and automotive sectors.

Ms El Mohamadi presented some examples of the everyday products manufactured in foundries. Foundries are crucial to the manufacturing industry. The NFTN produced a handbook for foundries to gauge their situation. A competitive improvement programme was launched. The baseline assessment compares the foundry, using various factors, to the local and international market. A cost analysis would be done to show companies where they could make savings.

Ms El Mohamadi said that the industry makes use of the incentives offered by Eskom to control demand side management. There is not enough local expertise to advice on issues regarding metal smelting techniques. There are no incentives for switching to alternative energy sources. Many foundries applied for incentives, but were unable to qualify.

Mr David Mertens, Representative, NFTN, noted that foundry operations are energy intensive. Up to 18 percent of an average foundry's costs are for energy. Two conditions are needed for growth. Foundries must have access to competitive tariffs, but must also be energy efficient.

Mr Mertens said that almost all foundries bought their electricity from municipalities, which charged up to 50 percent more than Eskom. This made energy more expensive than in many countries. Tariff increases had come thick and fast in recent years. Increases had also come in the midst of a recession. The tariffs are not cost reflective. The foundry industry paid more for energy than other users. There was a lot of uncertainty, and thus a need for a national strategy around tariffs.

Mr Mertens quoted the example of an Eastern Cape cast iron foundry which had reduced its energy consumption by 30 percent.

Mr Mertens identified a number of challenges. These included the cost of electricity, which made investment unattractive, and the investment incentives are also difficult to access, or unattractive. There are no specific credits for switching to alternative sources.

Mr Mertens recommended again that a national strategy for energy tariffs for the industry be implemented. IDM investment should be intensified.

## **2.19. Eskom submission on 49M**

Mr G Choeu, Divisional Executive, Eskom, briefed Members on the background to the 49M campaign. He noted that even small changes by individuals could lead to huge benefits. The first phase was to raise

awareness. The second phase, ending in March 2013, is to build momentum, and the third phase would be to sustain that momentum.

Eskom said that the first phase of raising awareness was launched with a powerful delegation from Cabinet, led by the Deputy President. There was free media coverage to the extent of R1.6 million. Television, print, radio, cinema and open air media was used.

Eskom said that the momentum would be built through various channels. The pillars of the campaign are to try to reach all South Africans through the media and by staying in the public eye in shopping malls. A number of articles were broadcasted. Eskom worked through the Minister of Public Enterprises. All Cabinet Ministers subscribed to the campaign, as had 74 partner companies. The glass house models erected in a number of malls are a demonstration to the public of how to embrace energy saving techniques.

Eskom said one of the challenges is a lack of public awareness. Partners had been slow to take up the campaign. Research had been conducted on the public's knowledge and understanding of the campaign. The research had been conducted in October 2012. Key outcomes were that 73 percent of the respondents are aware of the campaign. The majority of those aware learned of the campaign through television.

Eskom said that that 68 percent thought that it is a good campaign. There is a generally positive perception on the need to save electricity.

## **2.20. National Business Initiative**

Ms Valerie Geen, Director, National Business Initiative, noted that the Initiative (NBI) has been in existence since 1995 and is a non-profit, catalytic organisation to help drive change in the business community on issues of sustainable development. Some of these issues are in education, schooling support and skills development, EE, water and climate change. NBI's work in EE began in 2006 as a direct response to the promulgation of the 2005 Energy Efficiency Strategy and government's call for business to support the drive for EE through the EE Accord, which had now been reintroduced. It consisted presently of 58 member organisations, including some government departments, although others should be on board.

Ms Geen said the Energy Efficiency Leadership Network (EELN) is a leading network in driving continuous improvement in energy efficiency, with members taking the lead by showing best practice. The energy efficiency pledge of the members is to create a company plan for energy efficiency improvement, supported by an energy management system, with company level targets aligned to help deliver on agreed government strategy. They would report on progress and skills development and capacity building would take place through money and time invested by companies within their value-chain. Implementation of the pledge would occur through integrated planning, metering and monitoring of energy usage and the fact that energy is to be seen as a value driver. She pointed out that in many companies, EE is imperative, as electricity costs alone accounted for up to 40 percent of a company's budget and governance.

Ms Geen looked at capacity building, involving the development of proper auditing and baseline setting, EE opportunity identification, to make business cases to managers, monitoring reporting and verification of information and the accessing of funding/financing.

Members of the EELN would be required, during their engagement, to nominate energy champions and representatives to lead or co-ordinate energy management in the company, and interface with the EELN. They would drive the key commitments under the EELN Pledge, support performance reporting and knowledge sharing, facilitated through quarterly EELN meetings, so that others could learn from this, and exploit all opportunities for continuous improvement in Energy Efficiency.

Ms Geen said stakeholders could expect facilitation from the NBI for good and best practice sharing, which is of high value, as well as training and capacity building, collaboration to alignment, and reporting on collective performance. Some successes included the implementation of quick wins as seen in buildings – including initiatives for lighting, air conditioning, off grid solutions such as photo-voltaic, and target setting in relation to projects and facilities, which is difficult especially in large, diverse companies. Other successes are apparent in metering, monitoring, and improving fuel efficiency and these issues needed to be addressed collectively. Examples could be found in the 2011 Energy Efficiency case studies, or the Carbon Disclosure Report.

Reducing carbon emissions through EE is contained in an international report of the top 100 Johannesburg Stock Exchange (JSE) listed companies, who disclosed their carbon emissions, and showed progress in improvement. These companies (together with Eskom) made up over 60 percent of SA carbon emitters. They are changing mainly in their building usage, along with behavioural change for EE solutions. This report ranked SA second in performance, globally, just behind the UK 300, and showed SA's willingness to disclose. However, work is still needed in target setting.

Challenges are seen in the baseline setting, where companies struggled with scope and with determining how many buildings to measure, whilst there are also problems with data, capacity building and bankable projects. The recommendations are the nomination of champions and the training of artisans. Other challenges are seen with the investment of large scale projects or operations (which, in some instances, are not viable) especially retro-fitting. As a result, banks did not buy-in to provide funding. Behavioural change is another challenge, but recommendations are now being made and campaigns run on how to make the initiatives work, with attention to policies, how regulations are policed, incentives, giving recognition to those doing well and municipal billing to reward company savings.

## **2.21. Energy Efficiency Forum (City of Cape Town - CoCT)**

Ms Sarah Ward, Head: Energy and Climate Change, City of Cape Town (CoCT), said the Energy Efficiency Forum (EEF) is run in Cape Town as part of its EE programme, specifically for commercial buildings. It is a Public Private Partnership (PPP) where the EEF is the lead partner and they worked very closely with Eskom. There are a number of supporting partners to this PPP who helped to make the EEF successful, such as the University of Cape Town. Membership is based on a partnership network

focused on Cape Town. Three meetings are held per year, at Old Mutual (Pinelands) who is a great supporter of the EEF. There are two information meetings for building owners and managers, and one market place at which suppliers could showcase their wares and market their goods. EE Forum Awards are held once per year and this had been newly introduced as a system of reward, with strict criteria and professional evaluation.

The CoCT presented an overview of previous events, noting that attendance was between 160 and 220 participants at each event. Outreach is based on a networking system through a partner's database of 800 of all the partners and supporters, who had provided their databases as contacts, and further sent out invitations. Registration is automatic on the website, as well as notice of attendance, with about 40 percent new attendees each time. A survey showed that 95 percent felt that they were provided with valuable/useful information and 92 percent were motivated to make improvements in their building/s or company through what they had learned at the Forum.

The CoCT tabled a number of graphs, and noted the clear disengagement between economic growth and energy consumption, which was a good indicator.

The CoCT then turned to themes and topics, and noted that the case studies presented by companies always created a lot of interest and presented an opportunity for them to showcase what they were doing. Useful information was provided on tariffs, national building regulations, Green Building Council of SA star tools and Eskom EE financial offerings. Awareness is raised through green leasing, insurance in a changing climate, and benchmarking. Other themes and topics were new technology inputs and the EE Forum Awards. Case study examples of winners of the EE Forum Awards were the V&A Waterfront and Vuyani Properties, 14 Loop Street, Cape Town.

The CoCT turned to the challenges and queries which included the implementation of Part XA of National Building Regulations monitoring and assessing, the linking of all resource efficiency together with energy, water and waste. There is a need for clarity with regard to supply, and the low pressure solar water heater programme, appliance labelling and net-metering. She said behaviour change is critical but sometimes there is an overemphasis on technology changes.

### **3. Discussions**

- Members commended George Municipality with regard to its energy efficiency initiative including being able to measure energy efficiency.
- Members noted that many building contractors might not even be aware of energy efficiency building regulations, and requested that there be more advocacy campaigns in the marketplace focusing on these.
- St Gobain stated that skylights are not the best way to go, unless there are other measures to move heat in the house such as fans or air conditioners.
- George Municipality stated that households need to be reminded to switch off lights, but households need to be incentivised to do this.



- George Municipality stated that if one looked at the energy mix and looked the full Southern Cape which included two main transmission systems, the Proteus substation at Mossel Bay, and another at Beaufort West; with 450 load MW coming from the two. In the future at least 50 percent must be from a renewable base load.
- According to George Municipality, smart meters were meant to be implemented from 01 January 2012 for those consuming over 1000MW. At present the uptake from customers is not very high, and there is a need for increased educational programmes.
- According to SANEDI, two tax incentives had been made available from DTI and National Treasury (NT) to attract Foreign Direct Investment.
- Members enquired as to what extent was energy efficiency retrofitting of homes happening for the poor and indicated this process at present, is more appropriate for middle income earners.
- Members raised concern that there was a serious lack of information on public participation across all the presentations. Members noted that without changing people's habits there would be no effect on the use of energy and no positive progress forward.
- Members enquired as to how it is possible that ESKOM has achieved its targets with such large margin in the second year. Members are concerned that the initial targets set by ESKOM might have been too low, and members pointed out that the target for savings should be increased. Furthermore, verification of the method used is important.
- Members pointed out that the long-term strategy should be on reducing peak demand, where time-of-use meters might be an option.
- The EIUG stated that the problem with energy efficiency lies in the sequencing of policy. An integrated energy plan should be in place but was not. Consequently any policy would have to compensate for the lack of other policies. Energy efficiency should be an integrated part of the energy plan. This fact had to be recognised.
- SALGA said that the Swiss Agency for Development and Cooperation signed an agreement with SALGA on energy efficiency monitoring. Targeted support is being provided to five smaller municipalities. Energy efficiency strategies and implementation plans was developed in these five pilot municipalities. Resources are shared and there is regular interaction with SALGA.
- SALGA said that some municipalities did not see energy efficiency as a core service delivery area. There is uncertainty over the EEDSM grant. Another challenge is the impact on municipal revenue, as electricity tariffs are used to cross-subsidise other services.
- The GBCSA said that in its five years of existence it already gave 29 certifications and the number is doubling every year. Another 31 buildings are currently being evaluated, of which 20 percent are in the public sector.

#### **4. Findings**

- There are not sufficient number professionals in South Africa to cope with the demand for energy efficient measurement, as only seven universities nationwide are dealing with this area.
- Despite the initial cost factor it is strongly put forth that thermal insulation especially in the Cape region would provide a massive benefit to the consumer.
- Southern Sun Hotels were rolling out hotel key cards to turn off room power, and motion sensor technology was being installed in offices. The Green Building Council was promoting this technology as an easy and low cost opportunity to save on energy consumption. A non-mechanical way to optimise light and heat within a home was by planting trees in front of windows, which was a very simple, common sense solution to energy issues.
- George municipality received good support from Eskom on energy efficiency and demand side management, and that they are working hand in hand with Eskom to look at those places and customers which could be assisted.
- Energy efficiency programmes will create jobs.
- There is a constraint on the supply of power.
- The energy savings achieved by Eskom for 2011/12 is equivalent to the annual consumption of Buffalo City municipality in a year.
- A percentage of Eskom's revenue is allocated to EEDSM programmes and these funds must be ring-fenced.
- Clearer government policies are needed for addressing energy efficiency
- The role and obligations of NERSA should be clarified.
- Co-ordination is needed between government departments, policies and institutional mechanisms.
- Monitoring and evaluating progress with regard to energy efficiency need to be addressed.
- The Independent Systems and Market Operator (ISMO) Bill will place control of supply and demand in the hands of the System Operator.
- To meet the target of a reduction in the carbon content of the atmosphere to 450 ppm of carbon dioxide, energy efficiency strategies could contribute 38 percent to the mix of strategies to reduce the dependence on fossil fuels (SAAEE).
- Energy efficiency should be a catalyst for economic growth,
- Some municipalities incorporated energy efficiency into the normal institutional arrangements. SALGA singled out the Sol Plaatje, Ethekwini, Ekurhuleni and Cape Town municipalities.
- The Department (DPW) is incorporating energy efficient techniques into all new and renovated buildings.
- Some of the energy efficiency initiatives of the DPW are undertaken by the Independent Development Trust (IDT).
- Up to 18 percent of an average foundry's costs are for energy.
- The Energy Efficiency Leadership Network (EELN) is a leading network in driving continuous improvement in energy efficiency, with members taking the lead by showing best practice.
- A formalised system for collecting, managing data and calculating indicators is necessary for monitoring the implementation and success of activities initiated as part of the strategies for energy efficiency.

- An effective policy making, strategy formulation and planning cannot take place in the absence of a sound knowledge base. A detailed understanding of the state of energy efficiency in South Africa needs to be developed in relation to energy use, technological developments and efficiency opportunities. This knowledge base will facilitate the establishment of accurate baselines, provide for necessary data collection.
- Policy integration and alignment is critical to any successful energy efficiency programme.
- Energy labeling of appliances is an internationally tried and tested tool to build an awareness of energy efficiency among consumers.
- Technology options hold significant potential for energy efficiency improvements and in most instances these are well researched and developed.
- The local manufacture of energy efficient products represents a challenge for industry and government, particularly as the drive to promote energy efficiency gains momentum, and the opportunity to develop new local job opportunity presents.
- Due to the State being constrained by budget limitations and much of the necessary change in energy usage practices is in private hands, the EE Strategy will require that government involves business and civil society in a concerted effort to improve energy efficiency.
- Energy Usage Rating systems and Performance Certificates are used internationally to ensure that energy efficient practices are employed in buildings. In many countries these systems have been made mandatory, particularly for public buildings. In SA the Green Star rating tools of the Green Building Council of South Africa (GBCSA) are available at present for new buildings.
- Information and generic awareness are key elements to achieve success in terms of changing South Africa into a more energy efficient society.
- Laws have been promulgated and regulations published in order to establish energy efficiency. Following on this process, guidance is needed to establish the required changes in practice.
- Organised business can play a critical role in raising awareness of the need for energy efficiency and sharing of best practice amongst members.
- The PCE is also expected to facilitate engagement with other stakeholders on the feasibility study and a transitional action plan as proposed by SANEDI.

## **5. Conclusion(s)**

The elaborate presentations and intensive debates by more than 20 institutions is a reflection of the vitality of and very keen interest on energy efficiency in SA. Such displays the need for Parliament and government be seized with energy efficiency especially during this period of energy crunch. It is imperative that all and sundry commit to ensure the revised Energy Efficiency Programme be implemented with resolve it deserves.

## 6. Recommendation(s)

The Minister of Energy:

- Ensures that Energy Efficiency covers a far broader spectrum than simply electricity efficiency and also include Liquid Petroleum Gas (LPG) and other forms of energy that comprise the energy mix.
- Regular updates the PCE to ensure that all public buildings become energy efficient within record time.
- To develop a programme that will increase the number of professionals in South Africa to cope with the demand for EE measurement as well as increasing the number of universities that are dealing with this area.
- Ensure the monitoring and verification function to ensure these targets does not reside with Eskom because it is seen as a conflict of interest.
- Reinforce awareness campaigns on water conservation since water is an expensive resource and that the water consumption cost increase as water consumption increases
- Ensures penalties on any non-compliant projects be levied so that national planning for energy efficiency as a resource is not put at risk.
- Introduce integrate solutions that include the consolidation of the measurement and verification function for all energy efficiency initiatives into one common portal with a central repository of auditable and value adding data such as electrical energy and demand savings, fuel switching impacts, economic sectoral impacts and jobs created.
- Ensures that SANEDI develops a more detailed feasibility study and a transitional action plan be undertaken towards future implementation of consolidation of the measurement and verification function for all energy efficiency initiatives into one common portal with a central repository of auditable and value adding data such as electrical energy and demand savings, fuel switching impacts, economic sectoral impacts and jobs created
- Ensures that Comprehensive subsidies on EE be emphasised just as they are still handed out for fossil fuels, in South Africa and throughout the world.
- Places Focus on awareness drive for financiers to understand EE with the aim of enhancing investments that are EE related.
- Ensures that the momentum on finalisation of the draft green IT strategy be intensified.
- Ensures that Pursuit of the Pumping Energy Efficiency Initiative in municipalities be strengthened
- Facilitates Regular updates for the PCE on the pilot project to demonstrate the improved effects associated with cool roofing which will be introduced shortly in Gauteng be conducted.
- Through SANEDI engages all stakeholders and work on avoidance and even reversal of a fragmented EE system and to advance the need for a more-focused EE-delivery solution for the country.

- Provides regular updates on Renewable Energy-Energy Efficiency Partnership (REEEP) which brings neighbouring countries into the EE space.
- Explores how energy efficiency can be integrated with embedded renewable energy generation.
- Initiates a campaign, in partnership with DCOGTA and SALGA, to mobilise every local municipality must have at least 10MW of renewable energy generation through solar, wind, biomass or hydrogen fuel.
- In partnership with DCOGTA mobilises for greater participation of SALGA on EE programmes.
- In conjunction with CSIR works on a programme that will seek to transform the construction industry on the use of energy efficient materials. Such will include addressing energy requirements to convert base construction materials into a form suitable for building.
- Further promotes the initiative that is will focus on design construction (of buildings) to eliminate wastage. Such must also include enforcement of regulations to police dumping.
- Works with CSIR on how residential and commercial properties can share energy sources.
- Ensures regular update from CSIR on the project that is redesigning (RDP) houses to be 50 percent more energy efficient. NOTE: There is a test site at CSIR site in Pretoria.
- Ensures that CSIR to regularly brief and update on the project that seeks small-scale solutions for small buildings to be become independent of water, electricity and sewerage grids.
- Ensures that Regular updates from ESKOM and NERSA on EEDSM programmes.
- Explores ways of improving on energy efficiency including:
  - Policy integration and alignment be addressed as it is critical to any successful energy efficiency programme.
  - Clearer government policies on energy efficiency including provision of municipalities with guidelines on EE.
  - The role and obligations of NERSA be clarified.
  - Co-ordination between government departments, policies and institutional mechanisms be strengthened.
  - Incentives be diversified.
  - Institutional oversight be strengthened.
  - Information mechanisms should be developed to gather and disseminate information.
  - The measurement and verification function should include small-scale broad based black economic empowerment concerns, and should operate independently of the fund administrator.
  - Training in energy management.

- At tertiary level, a new career path should be created in energy engineering - the management and accounting aspects of energy efficiency should also be boosted – in other words energy programmes should carry a similar weight to safety programmes.
- Ensure that civil society involvement is improved on EE programmes.
- Reviews the EEDSM grant provided by the National Treasury.
- In conjunction with National Treasury review tax benefits for energy efficiency projects including a balance between incentives such as tax breaks, and negative effects of the carbon tax.
- Investigate whether the Auditor-General should not comment on wasteful expenditure regarding energy efficiency
- Ensures that Awareness programmes on energy efficiency be intensified in school programmes.
- Assists SALGA in mobilising municipalities to acknowledge and integrate energy efficiency as a core service delivery area including incorporating energy efficiency into the normal institutional arrangements
- Ensures uncertainty over the EEDSM grant be addressed and clarified – such be linked to seeking alternatives on the negative impact of EE initiatives on municipal revenue, as electricity tariffs are used to cross-subsidise other services
- Ensures long term programmes be developed to support municipalities including clarity from national government.
- Ensure that a benchmarking programme should be put in place regarding energy efficiency.
- Ensure that The Blue Drop programme used for ensuring good water supplies be used as a model for EE.
- Works jointly with DPW on the lack of technical capacity including proposed creation of a Chief Directorate to handle EE.
- Ensure that National Treasury (NT) be requested for reinstatement of allowance for DPW's Energy Efficiency Programme.
- Works jointly with the GBCSA to promote the star rating system for both new and renovated buildings.
- Ensures that Certifications are secured for buildings at all levels of government as well as the parastatals.
- Together with Minister of Public Works to ensures that all new government buildings should be “built green” by 2020.
- Together with Minister of Public Works to ensures that half of existing government buildings should have water, energy and waste measurement and improvement systems by 2020.
- In conjunction with the Minister of Higher Education and Training addresses inadequate local expertise to advice on issues regarding metal smelting techniques as well as incentives for switching to alternative energy sources.
- Investigates the claim that many foundries are unable to qualify for EE incentives.

- Investigates if foundries are or explore if foundries can be in regarded as KSACS
- Explores a national strategy on rationalisation of electricity tariffs including ensuring tariffs are cost reflective
- Works with SALGA to ensure the involvement of municipalities in Eskom's Integrated Demand Management-IDM.
- Ensures that investment on Integrated Demand Management-IDM be intensified.
- Promotes the EE Accord and encourage those government departments who have not yet joined to join.
- Creates a conducive environment for investment on large scale projects or operations especially retro-fitting.
- Facilitates a buy-in from banks to provide funding on EE programmes.
- As part of inducing behavioural change on EE, campaigns to be run on how to make the initiatives work, with attention to policies, how regulations are policed, incentives, giving recognition to those doing well and municipal billing to reward company savings.
- Ensures focus on the implementation, monitoring and assessing of National Building Regulations as well as linking of all resource efficiency together with energy, water and waste.
- Provides clarity with regard to appliance labelling and net-metering.
- Ensures an awareness campaign to building contractors on energy efficiency building regulations, and more advocacy campaigns in the marketplace focusing on the regulations.
- Increases educational programmes on smart meters for those consuming over 1000MW.
- Attends to EE retrofitting of homes for the poor since this process at present, is more appropriate for middle income earners
- Ensure that Regular updates on public participation on EE.
- Explores a long-term strategy on reducing peak demand including time-of-use meters as an option.
- Explores improvement of thermal insulation especially in the Cape region in housing and property development.
- Ensures that Eskom's allocations for EEDSM programmes are ring-fenced.
- Ensure that Monitoring and evaluating of progress with regard to energy efficiency programmes be firmly addressed.
- Updates on some of the energy efficiency initiatives of the DPW that are undertaken by the Independent Development Trust (IDT).
- Ensure that a sound knowledge base for an effective policy making, strategy formulation and planning be intensified. A detailed understanding of the state of energy efficiency in South Africa needs to be developed in relation to energy use, technological developments and efficiency opportunities. This knowledge base will facilitate the establishment of accurate baselines, provide for necessary data collection.

- Expedites energy labeling of appliances as it is an internationally tried and tested tool to build an awareness of energy efficiency among consumers.
- In partnership with the Minister of Science and Technology promote technology options that hold significant potential for energy efficiency improvements since in most instances these are well researched and developed.
- In partnership with the Minister of Trade and Industry promote the local manufacture of energy efficient products although such represents a challenge for industry and government.
- Involves business and civil society in a concerted effort to improve energy efficiency due to the State being constrained by budget limitations.
- Ensure that Energy Usage Rating systems and Performance Certificates be made mandatory, particularly for public buildings.
- Ensures that guidance to establish the required changes in practice due to laws that have been promulgated and regulations published in order to establish energy efficiency is implemented.
  
- Encourage through GBCSA, EELN, NFTN, 49M, SAPOA integration of energy efficiency at design level.
- DoE to engage with as many institutions of learning and training with the purpose of promoting training on energy efficiency.
- DoE to develop, in conjunction with other national departments, other spheres of government, relevant industries and relevant NGO's, a national strategy and programme on retrofitting for energy efficiency-such to include incentive schemes as well.
- DoE to develop a joint programme to reduce vulnerability of individuals due to energy emissions together with relevant departments, other spheres of government institutions of learning and training as well as organised civil society.
- DoE to champion consolidation and rationalisation of a comprehensive energy efficiency program not using the current revision of the NEES and NEEAP.



**5. Report of the Portfolio Committee on Energy on its oversight visit to energy efficiency projects in the Cape Town area on 21<sup>st</sup> June 2012, dated 12 March 2014**

The Portfolio Committee on Energy, having undertaken an oversight visit to various energy efficiency projects, report as follows:

**1. Introduction**

**1.1 Purpose of the report**

The purpose of this report is to report back to the National Assembly on the findings of the PC on Energy's study tour to various energy efficiency projects in the Cape Town area.

**1.2 Background**

Worldwide, nations are beginning to face up to the challenge of sustainable energy – in other words to alter the way that energy is utilised so that social, environmental and economic aims of sustainable development are supported.

South Africa is a developing nation with significant heavy industry, which is by its nature energy intensive. This energy intensive economy largely relies on indigenous coal reserves for its driving force. At first sight there would appear to be an apparent paradox between using less energy and developing a healthy and prosperous nation based on energy intensive activities. This is not the case. In recent years energy efficiency has significantly gained in stature and has become recognised as one of the most cost effective ways of meeting the demands of sustainable development.

The benefits of energy efficiency upon the environment are self-evident. These benefits are of particular relevance, as South Africa remains one of the highest emitters of the Greenhouse gas CO<sub>2</sub> per capita in the world. At a local level the problems of SO<sub>2</sub> and smoke emissions have been the focus of concern for many communities living adjacent to heavily industrialised areas. Energy efficiency can address both the macroscopic and microscopic aspects of atmospheric pollution.

The economic benefits of improving energy efficiency have been well documented since the first Oil Crisis in the early 1970's. Many forward-thinking industrial and commercial concerns have already adopted energy efficiency as a key policy towards maximising profits. The national electricity utility, Eskom, has itself embarked upon a Demand Side Management programme to help reduce the requirements for investment in new power generation capacity.

Such positive contributions to both our physical and economic environments will inevitably benefit our social well-being also; the alleviation of fuel poverty, job creation, improvements to human health, better working conditions - the list goes on. All of these factors will significantly contribute towards the aims of sustainable social development.

It is for these reasons that South Africa needs an Energy Efficiency Strategy.

### **1.3. Purpose of the oversight visit**

The committee envisages scheduling public hearings on energy efficiency, where stakeholders and interested individuals will be invited to make written and oral presentations to the committee.

The committee therefore resolved to undertake a study tour on energy efficiency projects prior the public hearings, in order to get a sense of what initiatives is being undertaken and what challenges are being experienced.

The committee identified several initiatives undertaken by the City of Cape Town, as well as initiatives undertaken by business.

### **1.4. Plan of development**

The report will firstly describe the initiatives undertaken by the City of Cape Town and secondly those undertaken by business.

## **2. City of Cape Town Energy Efficiency initiatives**

### **2.1 Kuyasa Clean Development Mechanism Pilot Project**

The Kuyasa CDM Pilot Project involves the retrofitting of solar water heater (SWHs), insulated ceilings and energy efficient lighting in over 2 300 low-cost homes in Khayelitsha, Cape Town. The project will see an immediate impact on the social, health and economic well-being of the targeted beneficiaries.

Kuyasa is South Africa's first internationally registered Clean Development Mechanism (CDM) project under the Kyoto Protocol on climate change and was the first Gold Standard Project to be registered in the world. The project has generated substantial interest locally and internationally as a pilot for the energy-efficient adaptation of South African low-cost housing.

Kuyasa is a low-income community in Cape Town. The particular area within Kuyasa comprises 2,300 low-income RDP households. The Kuyasa Clean Development Mechanism (CDM) project was developed to address the inefficient design of the houses, with a particular aim of improving the quality of life of the Kuyasa residents and reducing the required monthly

expenditure on energy sources. The successful implementation of this project required finance, buy-in and support from many different parties, notably the UNFCCC, private sector, as well as national, provincial and local government.

The project's main interventions were the installation of solar water heaters (SWHs), thermal insulating ceilings, energy-efficient lighting and improved wiring. Some houses also received 'hotboxes' (thermal insulation cooking devices), which help to reduce the cost of cooking. One of the project's key aims was to support local job creation and skills development, and members of the community were trained and employed through the project to install the various technologies; this resulted in over 65,000 person-days of labour



**Figure 1: Solar Water Heater on one of the houses in Kuyasa**

The Kuyasa project was developed by the nongovernmental organisation (NGO) South South North (SSN) for the City of Cape Town's Environmental Resource Management Department and Urban Renewal Programme. Ten pilot houses were adapted in 2005, providing the practical data for an efficiency measuring system.

With funding from the Department of Environment and Tourism's (DEAT's), Social Responsibility Programme and Provincial Government's Department of Housing, the retrofitting of 2,300 houses in Kuyasa, Khayelitsha started in August 2008 and was completed in October 2010.

**2.1.1. Findings**

- Community members of Kuyasa have been involved from the initial stages, where they have ownership of the project, i.e. there is community buy-in.
- Because of the community involvement there has been no vandalism or break-ins.
- The cost to retrofit the houses is around R10 000.
- Initially Chinese manufactured solar water heaters were used. Since its inception, 10 has already been replaced.
- No local manufacturer could initially be found in SA, however the City found a service provider who could manufacture solar water heaters for R6 000 per unit.
- The life span of the Chinese solar water heaters (R3 500) is around 4 to 5 years (the delegation was informed that these ones rust quickly as well), whereas the locally produced solar water heaters' (R6 000) life span is around 20 years.
- With regard to replacing the units, the City does have a maintenance budget and maintenance plan in place
- One hundred (100) people are currently employed by the project.
- A number of participants have undergone training as plumbers at Northlink College for between 2 – 3 months.
- Four members trained have been accredited as certified plumbers by Eskom.
- Two participants has found employment with the City of Cape Town
- This project was the first in South Africa to access the United Nation's CDM and was the first in the world to be registered as a Gold Standard project.
- The Kuyasa project has been the focus of much interest, both locally and internationally, and is a good example of the potential that energy-efficiency projects have within low-income communities.
- Of the 680 households surveyed after the completion of the project, 148 had received hotboxes. Of these households, 123 made use of the hotboxes, most commonly for cooking samp and rice. The hotboxes are also used for cooking pap (maize), meat and vegetables. The savings attributed to the hotbox vary significantly, but those using it on a regular basis have positive feedback.
- The survey conducted after the installation of ceilings identified a significant drop in the incidence of respiratory illnesses. 81% of households indicated that there had been a decrease in the frequency of illnesses.

## **3.2. Manenberg Human Settlements Contact centre**

### **3.2.1. What is a green building?**

A green building is energy and resource efficient and environmentally responsible, and incorporates design, construction and operational practices that significantly reduce or eliminate negative impacts on the environment and its occupants.

On a practical level, this involves the use of design, materials and technology to reduce energy and resource consumption. Green building measures include careful design to reduce heat loads, maximize natural light and promote the circulation of fresh air; the use of energy-efficient air-conditioning and lighting; the use of environmentally friendly, non-toxic materials; the reduction of waste, and the use of recycled materials; water-efficient plumbing fittings and water harvesting; the use of renewable energy sources, and sensitivity to the environmental impact of the development.

### **3.2.2. Information on the centre**

The City's new Human Settlements contact centre in Manenberg could be the first municipal building in the country to receive a Green Star SA rating from the Green Building Council of South Africa.

To earn this prestigious rating, the design team was asked to create a contact centre that would be sustainable from an environmental, economic and socially responsible perspective. This meant designing and building a structure that incorporated sustainable site development, water saving, energy efficiency, material selection, indoor and outdoor environmental quality and social connectivity.

There are only a handful of buildings that carry a Green Star rating in South Africa. The contact centre provides facilities for two departments, Existing Settlements and Revenue. It has a public component of cash offices, meeting cubicles and waiting halls, and a staff component of offices, meeting rooms and planted breakaway courtyards. At the new offices, Manenberg residents can access the City's service hotline; make enquiries regarding the Housing database, tenancy matters, service and rental accounts; pay municipal accounts and traffic fines; buy prepaid electricity, and apply for services, rates rebates and indigent benefits.

The bar was set high. The team had to create a green building in relatively uncharted construction territory within budget – and they had to factor in the challenge posed by its location in an area notorious for gang activity. The building needed to be secure, yet approachable, so the design strategy incorporated simple materials and blurred the distinction between fence lines and building edges.

The public space in front of the building's public courtyard has been landscaped for the pleasure of the community. It consists of lawn areas

with shade trees and seats, and beds with indigenous, locally indigenous and even endemic plants.

Over the next year, a building facilities manager will monitor and report back on the effectiveness of the environmental controls used in the centre's construction, for later review by both the design and construction team.

A proud highlight for the City of Cape Town is that the building will be their first Green Star rated building - a 4-Star Certified rating that recognises 'best practice' in the industry. It has been designed to be sustainable, economically and socially responsible. Ecologically approved building material will be used. Maximum water saving measures have been incorporated into the design - these will ensure that 100% of rainwater falling onto the roofs will be recycled, and that all waste water will be captured and recycled into the ablution facilities and landscaping irrigation. 75% of the centre's electricity usage will be harvested from the sun and wind, with intelligent electrical systems and task lighting allowing it to function efficiently, almost independent of the electricity grid. The indoor office space has also been considered with a plentiful supply of fresh air, natural light and landscaped courtyards.

The area on the southern and eastern side of the building will be publically accessible and will be landscaped with predominantly indigenous vegetation for the enjoyment of the community. The landscaping will include pathways, pedestrian lighting, bicycle lock-up facilities, seating and lawn areas with shade trees. Bio-retention ponds will form part of the landscaping and help to reduce the annual stormwater load.

### **3.2.3. Findings**

- About seventy five (75) percent of the building's energy usage will be harvested from the sun and the wind
- All rainwater will be captured in collection tanks and recycled.
- A black water (sewage) treatment system has been implemented, to capture wastewater and recycle it back into the ablution facilities, with a portion redirected for landscape irrigation.
- The goal is zero water wastage, with minimum freshwater use.
- The site's bio-retention ponds will also reduce the stormwater pollutant load, which helps meet the City's sustainable drainage system objectives in terms of its urban stormwater policy.
- Materials used in construction were selected for their eco-friendly content and low-carbon footprint in manufacture and delivery; Forestry Stewardship Council (FSC)-certified timber was specified, and recycled plastic bottles were used as insulation material.
- The developers also reduced their cement content by substituting industrial waste products, and a large percentage of all steel specified had to be re-used or recycled
- Indoor environmental quality has been enhanced by increasing fresh-air intake significantly, inviting daylight into the workspace and

incorporating landscaped courtyards that will encourage staff productivity and improve their general health and well-being.

- Local people worked in the construction, landscaping, civil works and artwork.

### **3.3. Traffic Management Centre - Goodwood**

The Traffic Management Centre (TMC) – a 2010 FIFA World Cup™ project - will integrate services such as Freeway Management, Urban Traffic Control, the Transport Information Centre, the new Integrated Rapid Transit system(MyCiti), Traffic Services and Metro Police in a single operational environment so that they are able to function side-by-side. This will improve Cape Town's incident and information management capability and will ensure effective and efficient traffic and public transport operations.

The new centre operates from Goodwood in a custom designed building funded by National Government and the City. Council approved the original plans in May 2008, the ASTII Consortium was appointed in June 2008 to manage the project, and the building was completed in November 2009.

The TMC will enable the City to actively manage traffic flows, public transport, safety and security and incident and information from one central point.

The Goodwood Transport Management Centre (TMC) is a building that houses most of the Cities Transport department employees. This building was used as an energy efficient building as the lighting in the building as well the design of the building all encompasses energy efficient technology.

#### **3.3.1. Energy efficiency retrofits in Council buildings and Electricity Saving Campaign**

##### **Energy efficiency retrofits in 4 Council buildings**

The City has many programmes that it's running that form part of our Energy and Climate Action Plan. They focus on energy efficiency, renewable energy and improving the City's resilience to climate change, through effective planning. One of these programmes focuses on energy efficiency retrofits of City owned and operated buildings. Interventions in these buildings include: Light & lighting controls, solar water heaters, Power factor correction, intelligent thermostat control on Air Cons & operating hour's optimisation

According to the City, overall, the project is performing better than expected. The guarantee is based on average savings, where the City can see that the guarantee period will be shorter than anticipated, if the performance continues. The City highlighted that they have installed good quality meters as a means to track consumption effectively. This online tool allows the City to monitor electricity consumption in the buildings in real time, half hourly intervals. This will help the City to improve their

information on its buildings, and will also serve as a facilities management tool, to help manage behaviour in these buildings.

The City is also utilizing Division of Revenue Act (DoRA) which has been allocated to the building retrofit project. This covered 14 buildings in four areas of the City. The funds will only be spent on lighting and metering, and the savings that will be guaranteed are staggering, according to the City. Alongside technical retrofit the City also embarked on behavioural change interventions, where they will be able to increase savings even more if staff are included in the process and are conscious of their consumption habits and impact. Interventions took the form of workshops, exhibitions, handouts (flyers), and monthly tracking of consumption through posters in the facilities.

Not only is the City focusing on changing behaviour in the Cape Town municipality, but also looking at a wider audience. According to the City, the electricity saving campaign, launched in 2011, has been a resounding success. The material developed for the campaign has been incredibly well received – it is attractive, accessible and provides actual interventions that households across Cape Town can use. The next phase of the campaign, expected to start in September 2012 will be a 2 ½ year campaign. It will also include the commercial sector, through the continuation of the City's energy efficiency forum, and will help companies to access various EE incentives (like Eskom's standard offer). The City aims to focus its messaging around periods of tariff increases, to help households and businesses to cope with the extra costs.

### **3.3.2. Division of Revenue Act (DoRA): Energy Efficiency Demand Side Management (EEDSM) program**

The Energy Efficiency Demand Side Management (EEDSM) program is a grant fund disbursed to municipalities to implement energy efficient retrofits, which is managed by Department of Energy (DoE). The program currently only focuses on lighting interventions, where the City has been a participant in the EEDSM program since 2009-2012.



**Projects implemented and savings realized:**

Financial year	Funds allocated	Capex	Outcomes
2009/10	R4 million	Street lights	<u>Luminaires retrofitted:</u> 3154 <u>Energy savings:</u> 1 406 053 kWh/pa <u>Carbon Savings:</u> 1401 tCO <sub>2</sub> e
2010/11	R20 million	Street lights: R10 543 848 Traffic lights: R9 456 152	<b><u>Street lights:</u></b> Luminaires retrofitted: <b>7765</b> Energy savings: <b>1 669 216 kWh/pa</b> Carbon Savings: <b>1663 tCO<sub>2</sub>e</b> <b><u>Traffic lights:</u></b> Luminaires retrofitted: <b>20 214</b> Energy savings: <b>4 449 000 kWh/pa</b> Carbon Savings: <b>4433 tCO<sub>2</sub>e</b>
2011/12	R40 million	Street lights: R14 985 001 Traffic lights: R16 144 999 Building lights: R6 300 000 <u>Opex projects</u> M&V: R1 769 998 Capacity Building & interns: R400 000 Public awareness & promotion: R400 000	<b><u>Street lights:</u></b> Luminaires to be retrofitted: <b>13 468</b> Energy savings: <b>1 731 509 kWh/pa</b> Carbon Savings: <b>1725 tCO<sub>2</sub>e</b> <b><u>Traffic lights:</u></b> Luminaires to be retrofitted: <b>20 400</b> Energy savings: <b>4 690 980 kWh/pa</b> Carbon Savings: <b>4 675 tCO<sub>2</sub>e</b> <b><u>Building lights:</u></b> Luminaires to be retrofitted: <b>5 963</b> Energy savings: <b>148 839 kWh/pa</b> Carbon Savings: <b>148 tCO<sub>2</sub>e</b>

**Source: Presentation by CoCT on 21 June 2012**

**4. Visits to businesses**

The Industrial Energy Efficiency Improvement Project (IEE) in South Africa assisted the committee in identifying the various businesses which can be visited.

The IEE project was established in 2010 in response to the growing need to improve the energy efficiency of South Africa. UNIDO, along with the Swiss Secretariat for Economic Affairs, the UK Department of International Development and partnered by the Department of Trade and Industry (dti) and the Department of Energy (DoE) of South Africa, embarked on a program to address the global drive for greater energy efficiency; the ultimate goal being to demonstrate the positive impact of energy management as a means of reducing carbon-dioxide emissions and to demonstrate the effectiveness and financial impact of in-plant energy management. The project is hosted by the National Cleaner Production Centre of South Africa (NCPC-SA) at the CSIR and will be integrated into the centre after it has completed its 4 year lifespan.

It has been demonstrated, time and time again, that energy-efficiency saves industrial firms money, increases the reliability of operations and has a positive effect on productivity and competitiveness. The Department of Trade and Industry (the dti), the Department of Energy (DoE), the Department of Environmental Affairs, and Business Unity South Africa (BUSA), in collaboration with the United Nations Industrial Development Organisation (UNIDO) and the Swiss State Secretariat for Economic Affairs, have initiated a project to improve the capacity of the South African industry to use available energy resources more efficiently and productively.

The project is housed by the National Cleaner Production Centre of South Africa (NCPC-SA) at its offices in Pretoria and Cape Town. Started in 2010, the goal of the Industrial Energy Efficiency (IEE) project is to contribute to South Africa's industrial energy-efficiency, reduce carbon-dioxide emissions and demonstrate the effectiveness of in-plant energy management as a means of increasing profitability.

#### 4.1. Nampak - Bellville

Nampak offers the most comprehensive product range, across multiple industries throughout Africa, manufacturing to the highest commercial and environmental standards in metal, glass, paper and plastic.

A positive customer experience is made possible by Nampak's large geographic footprint, extensive value-added services, large infrastructure, significant capacity to deliver, one of the world's leading packaging research and development facility and a proven innovation process.

Nampak acknowledge the benefits of corporate driven **strategic initiatives, systems and best practices** to strengthen its leading market position. Nampak highlighted that they believe in a culture that actively recruits, develops and retains talent and diversity. They value **mutually beneficial long-term partnerships** with both their suppliers and customers, built on a foundation of superior quality, innovation and service. They continuously drive **sustainable business excellence** through **profitable operations, sound asset management and satisfied stakeholders**.

Nampak is committed to operating in an **environmentally responsible** way. In terms of their environmental policy, any impact on the environment is minimised by:

- considering the environment in all business decisions and actions
- promoting environmental awareness internally and externally
- continually improving environmental performance
- setting internal controls that recognise legislated standards and practices
- providing the necessary financial and human resources.

As a group, Nampak have adopted an environmental management system that is based on the **ISO 14001 standard**.

Nampak has a target of allocating up to 1% of profit-after-tax to corporate social investment. Key focus areas are education, health and welfare and the environment.

#### **4.1.1. Findings**

- Nampak produces around 60 000 ton of products, which is 20 percent more than an equivalent company.
- Energy costs are currently around R8 million a year.
- The Johannesburg and Durban factories mostly use natural gas, whereas the Cape Town factory uses liquefied petroleum gas (LPG), which is more expensive.
- Energy as a percentage of Nampak's costs: in 2008 it was 8 percent and 2011 increased to 11 percent.
- In order to address the efficiency and to reduce the base load, Nampak embarked on the following initiatives:
  - Establishing an Energy Water and Waste Committee – for the entire Nampak group
  - Establishment of plant level Energy Committees
  - Conducting Energy audits
- Projects undertaken to address energy efficiency included:
  - Utilization of a boiler – where Nampak aims to save 43 000MWhr per annum, which will be used from September 2012.
  - Steam system optimisation techniques
  - Redesigning energy intensive procurement policies
  - Removal of unnecessary and inefficient processing steps
- With the increases in electricity, Nampak is unable to recover the costs from the consumer.
- Nampak is the 4<sup>th</sup> largest electricity user in the Western Cape. They used to be part of the "Power User Group"

#### **4.2. Hose Manufacturing Company - Stikland**

Hose manufacturers(Pty) Ltd, is part of an international group spanning Europe, USA, South America and Australia, which was established in the early 1960's to manufacture fire hose for the Southern African continent.

Their strategy has always been to dedicate time and energy to research and development, which can be seen in their approach to rapidly changing and emerging markets where they will find themselves in, while being part of an overseas company which gives them access to and keeps them abreast of the latest technologies and developments.

Hose Manufacturers is part of the South African Bureau of Standards (SABS), where they have all their quality mark of approval for all hoses under SABS 1456-2 to 5. They have also passed standards required by the countries to which they export, including Ozone, Fuels, Oils & Chemicals, Foods and varying temperature tests. Hoses are manufactured according to ISO 9001:2000 Quality Management System.

Hose Manufacturer's firehose market has developed over the years, where they now have a range of six types of firehoses used for various situations.

They have developed hoses for different working environments including rugged hoses for the mining sector and extra-tough hoses for the industrial sector. Irrigation hoses for the agricultural sector and submersible hoses for boreholes.

#### **4.2.1. Findings**

- The electrical tubing in transformers used to be big business for Hose Manufactures, as this was one of Eskom's capex expenditures. However since Eskom is not building as many transformers as they use to, business has gone down.
- Hose Manufacturer's applied in February 2012 for the installation of a transformer and in about 2 weeks the transformer was installed. The whole process took about 5-6 months at a cost of R600 000.
- Certain processes at Hose Manufacturing are very energy intensive, therefore the request to install a transformer, where all the different lines can be run simultaneously.
- The Department of Trade & Industry (thedti) with the Industrial Development Corporation (IDC) approved an amount of R250 000, to upgrade the facility to adhere to food and safety standards, in order to export. The funding received was from the Textile Improvement programme.
- Hose Manufacturers employ 40 full-time staff and 7 contractors.
- Weaving operations runs for 24 hours, whereas the extrusion and back-up runs normal working hours.
- Hose Manufacturer receives its PVC from Durban, polyurethane from Germany and polyfibres from Japan.
- Other initiatives to address energy efficiency include:
  - Utilization of heating towers
  - Lighting savings via Eskom subsidies
  - Hose Manufacturing also ascertained that they were billed at the incorrect tariff by Eskom.

### **4.3. Aurecon Building - Century City**

#### **4.3.1. Introduction**

Aurecon's office building in Century City, Cape Town, which is nearing completion, is the first building in South Africa to be awarded a 5 Star Green Star SA – Office Design v1 rating by the Green Building Council of South Africa (GBCSA).

Developed by the Rabie Property Group at a cost of around R130million, the 7000 square metre office block is also the first building in Cape Town and only the fifth country-wide to achieve Green Star accreditation from the GBCSA. The four other buildings all achieved a 4 Star rating.

#### **4.3.2. Background**

Aurecon has 26 offices throughout South Africa, with its first office having opened in Tshwane in the early 1950s. These also include subsidiary companies such as Geostrada Engineering Materials Laboratory and the Asprita Microbiological Chemical Laboratory.

Aurecon's involvement in projects in South Africa ranges from the provision of basic services in rural areas, to the design of multi-modal transportation projects in metropolitan areas. Aurecon ensures the involvement of local engineers through our local offices. The result is effective knowledge and technology sharing and networking. In this way the group ensures local knowledge is combined with Aurecon's international expertise.

Projects undertaken by Aurecon included the award winning Department of International Relations and Cooperation Head office and Berg Water Project, the Gauteng Freeway Improvement Project, and the Peter Mokaba Sporting Complex.

#### **4.3.3. Green measures undertaken**

The new building will serve as the new regional offices for global engineering, management and specialist technical services group Aurecon who were responsible for the design of all the engineering services on the project and also the Green Star Rating application, with documentation assistance from PJ Carew Consulting.

Rabie director Colin Anderson, who was responsible for the development, says they were ecstatic with the achievement which was amazing given that they had to complete the building within a normal commercial budget. Anderson stated that their success is due to the commitment, hard work and effort put into the project by the entire team.

According to Aurecon it has become important to demonstrate that their own buildings and facilities have been built in a sustainable manner. The

group is committed to ensuring that they design and execute sustainable and environmentally responsible infrastructure projects and they further ensured that their teams include suitably trained and registered professionals, including environmentalists and Green Star SA Accredited Professionals.

Aurecon stated that the building has been built to design, so there is no reason stopping Aurecon from also applying for an As Built Green Rating from the Green Building Council SA (GBCSA). Only one other building in the country has so far achieved a Green Star rating in two categories and this was the Nedbank building in Johannesburg which achieved a 4 Star Green Star SA – Office Design v1 and a 4 Star Green Star SA – As Built v 1.

Aurecon stated that in their quest for a Green-Star rating the professional team and building owners took into account the Green-Star SA criteria, namely Management, Indoor Environmental Quality, Energy, Water, Transport, Materials, Emissions, Land Use and Ecology and Innovation.

The four storey building, which has been constructed on a podium covering a naturally-ventilated semi-basement of covered parking, was designed by MaC Architects and its orientation ensures maximum indirect sunlight and reduced east and west direct sunlight.

Other measures undertaken include the following:

- A state-of-the-art air-conditioning system with a full economy cycle to provide free cooling when outside conditions are favourable
- A state-of-the-art Building Management System which monitors and controls and energy consumption
- Treated effluent irrigation and the harvesting of rain water for the flushing of toilets
- High-performance glazing on the windows to reduce glare and radiant heat
- Innovative measures include the implementation of a “Green Lease”, believed to be the first in the country, in terms of which both the landlord and the tenant have undertaken to run the building as it was designed in terms of Green building principles

#### **4.4. St Gobain**

##### **4.4.1. Introduction**

Saint-Gobain, the world leader in the habitat and construction markets, designs, manufactures and distributes building materials, providing innovative solutions to meet growing demand in emerging economies.

As one of the top 100 industrial groups in the world, Saint-Gobain continues to deploy its technological know-how, often in partnership with the most prestigious universities and laboratories.

For Saint-Gobain South Africa, sustainability is critical where it represents both a daily responsibility and a fantastic business opportunity. They are committed to integrating sustainable principles into the very nature of their business, from the development and manufacture of its products.

Saint-Gobain's global business activities are grouped into four sectors:

1. Construction products: This includes insulation, gypsum, exterior products, piping and industrial mortars. The complementary nature of these products makes it possible for Saint-Gobain to meet the needs of every part of the construction industry, from the creation of new buildings to the renovation of old.
2. Innovative materials: This encompasses flat glass (manufacturing; transformation and distribution for the building sector; automotive glazing and specialties), as well as high-performance materials such as ceramics, plastics, abrasives and textile solutions, applied in the housing, energy and environmental fields.
3. Building distribution: With more than 4 000 outlets, Saint-Gobain is the leading distributor of construction materials in Europe, and excels in the building standards training that we provide to our tradesmen.
4. Packaging: As the world's second-ranking producer of glass containers, they manufacture bottles and jars for the food and beverage industry.

#### **4.4.2. Background**

In South Africa, Saint-Gobain represents two of the four sectors. The construction products brands operating locally include Gyproc, Isover, PAM and Weber. These provide system solutions incorporating plasterboard and gypsum plasters, glasswool and mineral wool for thermal and acoustic insulation, a variety of foam insulation products, ductile iron and cast iron products, wall, floor and pool finishes, and tile adhesives and grouts.

The innovative materials sector embodies Saint-Gobain's innovation orientated culture. In South Africa it includes the Norton brand.

Saint-Gobain is a founding member of the Green Building Council of South Africa (GBCSA), an independent, non-profit, membership-based organisation that was formed in 2007 by leaders from all sectors of the commercial property industry. GBCSA is a full member of the World Green Building Council, and the official certification body of buildings under the Green Star SA Environmental Rating System.

Each of Saint-Gobain's activities has silver status membership. The company actively supports the GBCSA in its goal of ensuring that all buildings are built and operated in environmentally sustainable ways, so that all South Africans may work and live in healthy, effective and productive environments.

#### **4.4.3. Targeted energy use**

Saint-Gobain's operations in South Africa collectively aim to reduce its total energy usage by 6% by end 2012, measured from 2010. To this end world-class manufacturing principles have already been implemented in four of the five local manufacturing sites that have the highest total energy usage.

Saint-Gobain is compelled to purchase electricity from the country's parastatal power company, Eskom. This electricity has an inherently high carbon footprint of 968g carbon per kWh of electricity generated. We therefore ensure that 52% of our operations' energy consumption is in the form of natural gas, which has a far lower carbon footprint (one third of that of electricity) Another 30% of our energy usage is in the form of primary fuels, such as oils and coal, as well as a small but growing percentage of renewable power, such as solar PV and thermal Using electricity from the national grid is always our last resort.

The results speak for themselves: in 2011, the energy inflation in South Africa was 30%, while at Saint-Gobain they kept the increase in energy spend to 17% unlike most hot gas manufacturing plants that use coalfired and heavy oil-fired systems, Saint-Gobain in South Africa uses 96% natural gas and light oils. They further continue to investigate the use of alternative and renewable energy sources in order to protect the environment and reduce its reliance on electricity.

### **5. Study tour to PetroSA Synthetic Fuels Innovation Centre at the University of the Western Cape (UWC)**

#### **5.1. Introduction**

PetroSA and the University of the Western Cape (UWC) signed an agreement on 27 January 2010 in which PetroSA has committed R36 million for a five year initial project period 2010 – 2015 at the South African Institute of Advanced Materials Chemistry (SAIAMC) to further develop COD (conversion of olefins to distillates) process technology.

The project is focused on improving the efficiency of the COD process and the possibility of using alternative feed stocks such as alcohols and naphthas. Since then the PetroSA Synthetic Fuels Innovation Centre (PSFIC) has been established and a COD pilot plant has been relocated from Mossel Bay to a custom built laboratory at UWC.



The vision of the centre is to establish the PSFIC as leading research centre for the creation of marketable technologies for synthetic fuels.

PetroSA operates one of the world's largest Gas-to-liquid (GTL) complexes at Mossel Bay, South Africa. With 15 years of operational experience, the GTL plant and processes are well proven, producing fuels with qualities unrivalled by those produced by conventional oil refiners. The COD technology itself, as part the bigger GTL process, originated on a commercial scale at the same time in an effort to allow PetroSA operational flexibility in changing diesel versus gasoline yields as market conditions change. The COD technology is thus strongly supported by a wealth of operational know-how and experience.

## **5.2. Objectives of the Centre**

- Enhance the IP position of PetroSA by the further development of COD Technology
- Develop human capital for the oil and gas industry of SA.
- Contribute to the scholarly publications output of the UWC
- Recommend a way forward for the for the development of improved marketable COD technologies.

## **5.3. Current research projects and progress**

The above objectives are being attained via three major research directions which are alternative feed stocks, catalyst development and process optimization to improve product quality.

Already promising research results have led to filing of a provisional patent application and the presentation of some other aspects of the research progress local scientific conferences.

## **5.4. PetroSA value proposition**

In exploitation of these opportunities and through use of its patented COD technology, PetroSA is able to increase product value by:

- Increasing overall diesel to petrol yield
- Converting mixed olefins normally targeted for lower value gasoline products to higher value distillate products
- Lowering aromatic content of products
- Improving cold flow and emission properties of distillate products.

## **5.5. Research and Development**

While PetroSA has commercially operated a COD plant in Mossel Bay, it has lately invigorated its development drive on COD technology. Proof in case is the full-time operation of COD pilot plant in the PetroSA laboratories. This pilot plant is supplemented with laboratory scale reactors

allowing full-time optimisation efforts of the COD processes and catalysts. COD clients therefore have access to world-class R&D facilities.

### Findings:

- The rationale for the establishment of a COD research facility at the SAIAMC at UWC is that there already exists expertise in catalysis research and gas conversion technology at the SAIAMC, although not specifically in COD. Thus the COD facility, which is called the PetroSA Synthetic Fuels Innovation Centre (PSFIC), includes in its staff complement PetroSA COD experts who will transfer their knowledge and skills to both staff and students at the SAIAMC.
- The COD pilot plant is located in a custom built laboratory which also houses a control room, analytical laboratory, storage areas for gases and fuels, offices and the PSFIC Board room.
- Additional laboratory spaces have also been provided in the adjacent SAIAMC Innovation Centre
- There are currently 3 graduates in training, 2 masters students and 1 PhD student at the centre.
- In addition there are 8 pilot plant operators who are students from the Cape Peninsula University of Technology (CPUT) completing the experiential learning component of their diplomas. A further 5 students are working as research assistants.
- The PetroSA COD technology converts light olefins predominantly into sought after low aromatic content (<10%) distillate through utilising its patented COD technology.
- The process uses catalytic conversion (oligomerisation and isomerisation) by means of a zeolite type catalyst.
- The unit is designed to operate between two extreme operating modes, which are termed the Gasoline and the Distillate Modes, allowing a range of operating conditions where the yields can be manipulated to a considerable scale.
- The COD process produces distillates, gasoline and propane. The distillates can be hydro-treated and fractionated to produce low aromatic diesel and kerosene. The gasoline can typically form part of the gasoline blend pool. Propane will end up in the LPG pool
- Application of the COD diesel is specifically suited to use in niche transportation fuel markets such as very cold climates and underground environments.
- When deep hydro-treated to reduce aromatics content to very low levels, the aromatic diesel and kerosene are excellent for the following applications, inter alia: indoor fuels, lubricants, drilling fluids, ecodiesel, copper extraction fluids etc
- The diesel from this process is of exceptional quality and already exceeds future European low sulphur specifications.
- The COD process offers flexibility in terms of changing distillate to gasoline yields.

- The Centre is also in a position to test alternative feedstocks in their pilot plant and laboratory facilities.

## **6. Conclusion(s)**

Strong incentives exist for energy efficiency improvement in the South African industry, namely increased profit, reduction of GHG emissions, and the need to maintain economic competitiveness. Several case study assessments of industry leaders in South Africa suggest that South African industry has an even higher potential for energy cost saving. Organisation structure, financial controls and culture/attitude can be barriers to the implementation of energy projects. Further investigation into the extent of energy management in South African industry may help in estimating the impact of energy efficiency programs on energy consumption and energy intensity.

The establishment of a fuels innovation centre at pilot-plant scale represents a new venture as far as technology development partnerships between industry and academia in South Africa are concerned. The Committee wishes to congratulate the PetroSA for its vision in funding this important enterprise, as well as the University of the Western Cape in housing on its campus a pilot plant facility that is dedicated to technological innovation in the national interest. The Committee is optimistic that this strategic partnership, between PetroSA and the University of the Western Cape will grow from strength to strength.

## **7. Recommendations**

The Minister of Energy:

- Promotes Kuyasa Clean Development Mechanism Pilot Project and facilitates its replication in the rest of the country;
- In partnership with the relevant Ministers, ensure that policy development for all new public buildings to be environmentally sensitive with energy efficient designing;
- Ensure promotion of Industrial Energy Efficiency Improvement Project and increased resourcing of the National Cleaner Production Centre
- Promotes gas as an alternative source for industrial use and reviews policy to facilitate such.

## **6. Report of the Portfolio Committee on Energy on its oversight visit to the Western Cape, scheduled on 31 July – 01 August 2013, dated 11 March 2014**

### **1. Introduction**

The Portfolio Committee on Energy (PCE) undertook oversight visits on various projects in the Western Cape Province from 31 July 2013 to 01 August 2013. The report gives an overview of the visits, observations and recommendations emanating therein.

The Members of the Committee who took part on the 31<sup>st</sup> July visit were: Mr. S.J. Njikelana (Chairperson), Mr. J. Smalle and Mrs. B. Ferguson. On the 1<sup>st</sup> August, Members who took part were Mr. S.J. Njikelana, Mr. L. Greyling and Mrs. B. Ferguson (only for the morning session).

The support staff assisting the committee were: Mr. A. Kotze (Committee Secretary), Mr. S. Maboda (Committee Researcher), Mr. P. Rampersadh (Content Advisor), and Mr. M. Dodo (Committee Assistant), Mrs Y. Landu (Media) and Mr. B. Vilakazi (Photographer - Media).

The objectives of the Committee visits were to gain an insight on implementation of projects, challenges and opportunities of solar home systems (Enkanini), solar water heaters (Klapmuts and Nuwe Begin), gas infrastructure (BPSA and Easigas) and waste-to-energy (SA Breweries), respectively. The delegation visited the following sites:

- Enkanini informal settlement (iShack project) and Sustainability Institute in Stellenbosch
- Integrated National Electrification Projects, Klapmuts in Stellenbosch and Nuwe Begin in Blue Downs.
- Industrial sites on Liquid Petroleum Gas (LPG), a visit to Easigas and British Petroleum (BP), and
- South African Breweries (SABMiller) Waste to Energy Project in Newlands, Cape Town.

### **2. Day 1: 31<sup>st</sup> July 2013 - Visit to Enkanini Informal Settlement (Stellenbosch)**

Enkanini informal settlement has about 8 000 residents; it is an illegal informal settlement hence the name Enkanini. The estimated 8 000 people who live in Enkanini have to make do with 36 taps, 60 toilets, no electricity, inadequate waste disposal and flimsy dwellings subject to floods and fires. The Stellenbosch Sustainability Institute initiated a project which officially started in July 2012 – the aim of the project is to provide sustainable energy and sustainable housing solutions to the poor. The project involves the improvement of the selected 20 shacks in Enkanini informal settlement. In short the project is called “iShack” wherein “I” stands for improved (shack). The iShack is a 14.2m<sup>2</sup> structure equipped with the following features:



**Picture 1: Enkanini Improved Shacks (iShacks)**

The **ecological design** principles that are incorporated in the iShack improve living comfort levels by:

- Orientating the shack in a northerly direction to capitalise on the winter sun,
- Strategically placing windows for adaptive temperature control and ventilation,
- Insulating walls and roof-spaces to moderate indoor temperature levels
- Creating a slanted roof with overhang for rain water collection and to shield the facade from the midday summer sun,
- Applying water-proofing and using fire retardant paint.

**Solar power** is harnessed through a Solar Photovoltaic (PV) direct current (DC) Microgrid developed by Specialised Solar Systems based in George, South Africa. Households can upgrade the solar infrastructure from an entry level to include:

- Light-emitting diode (LED) lights,
- A cell phone charger and a security light to include other *DC* appliances such as radio, television, DVD and fridge.

**A sanitation** component has recently been introduced as part of the iShack project. This involves the provision of bio-digester toilets. The biogas from the bio-digester (which produces electricity) will be used for cooking by the beneficiaries. Currently there are four bio-digester toilets which cater for 20 households. It is hoped that electricity from the bio-digester will be produced in the next six months.

Past technological interventions in community upgrading have often failed owing to inadequate operations and maintenance plans. To address the operational challenge in this project, local entrepreneurs are trained in

basic business and technical skills which are then applied in the servicing of iShack customers within their territory.

An e-spaza or “energy hub” will provide a physical base from which a trained operator will conduct his or her business and service their customers. The sale of appliances, improvement of shacks, answering customer queries and topping-up energy user accounts will be directed from the energy spaza.

In terms of the stakeholders involved in the project, the Sustainability Institute Innovation Lab liaises with the community of Enkanini, the Stellenbosch Municipality, the Community Organisation Resource Centre (CORC), the Informal Settlement Network (ISN) and Specialised Solar Systems.

The project is funded by the Gates Foundation and National Research Foundation (NRF). The Water Research Commission funded the sanitation (toilet) component of the project. National Treasury, in the current budget, has allocated R17 million from the Green Fund for this project – the aim is to upscale the project.

Members of the Committee and the support staff toured the Enkanini area. After the tour, presentations about the project were made by the Sustainability Institute and the beneficiaries. Members welcomed the project and appreciated the innovative idea that the Sustainability Institute and its team came up with.

The Committee proceeded to another site visit on electrification projects in Nuwe Begin and Klapmuts.

### **3. Visit to the Integrated Electrification Projects in Klapmuts and Nuwe Begin (Blue Downs)**

#### **3.1. Visit to Klapmuts project**

At the Klapmuts site the delegation was briefed on the status of the Klapmuts and Nuwe Begin solar water heater programmes, respectively. This was followed by visits to a few of the households in both Klapmuts and Nuwe Begin.

Klapmuts is a settlement in Cape Winelands District Municipality in the Western Cape province. A little town just off the R45 road between Kraaifontein and Paarl. Klapmuts is well known for its surrounding wine farms. It is a small village situated approximately 15km from Paarl, Kraaifontein and Stellenbosch in the valleys of the Hottentots Holland mountain range. As the area is almost surrounded by vineyards; it provides numerous opportunities for wine tours and wine tastings at various wine farms around the village.

Mr M. Mzalisi of the Department of Energy (DoE) gave a presentation on the status of the two projects. In attendance, as well, were representatives from the Stellenbosch Municipality.

Mr Mzalisi indicated that 95 percent of households in the Western Cape Province are electrified. The first project that the Committee visited is in **Klapmuts**. The project in Klapmuts is an Eskom project and was allocated

R5 790 000 for 579 connections in the 2013/14 financial year. The total number of connections in this project is 832. This means that Eskom will have to apply to the DoE for the 253 connections that are not allocated funds. The project was started in the 2012/13 financial year. Regarding the social and economic impact of the project, Mr Mzalisi and his team indicated that a formal study on this hasn't happened and that the study that was conducted by Shack Dwellers International focused on informal settlements not formal houses.

The Project Managers at Klappmuts indicated to the PCE that there are some challenges that need to be addressed in terms of electrification programme and are as follows:

- Project Management: it was indicated that electrification projects involving Eskom results in the appointment of three project managers, one for the council, one at the DoE and one from Eskom. This results in some tripping up (Managers defeating each other's efforts) and hence projects getting delayed.
- Eskom: there appears to be problems in communication within departments. Councils get approval from Eskom technical for higher rated electrical installations however when it comes to payment, Eskom finance only pays for what DoE approved hence short payment to Municipalities (there is a problem here as technical approval may not imply financial approval).
- DoE pays for municipal electrification projects that are 80 percent complete while Municipalities can only budget for an electrification project when they are in possession of the funds or funds are in municipal account. Therefore there is a need for a change of *modus operandi* in this regard. Project Managers proposed that the DoE should guarantee payment to municipalities through written agreement.

### 3.2. Visit to Nuwe Begin – Blue Downs

The second electrification project that the Committee visited is the **Nuwe Begin**. The **Nuwe Begin project** is under Cape Metro's jurisdiction but is serviced by Eskom.

The Nuwe Begin site is located in the Blue Downs area and is surrounded by standard road and service infrastructure, Hindle Road to the North, Eersteriver Way to the east and Faure/Klipfontein road to the West. Bardale village is on the left and the existing residential development of Malibu Village occupies the area east of Eersteriver Way. Blue Downs is a suburb of Cape Town. It is part of the Oostenberg sub-region of the city.

This is a pilot project managed by the Western Cape Provincial Government; and the Department of Human Settlements. The project aims to create a new and innovative direction to the provision of housing showcasing the use of high density urban planning to create Sustainable Human Settlements. The project yields 1200 Breaking New Ground (BNG) housing opportunities and 591 Gap housing opportunities all on single residential erven. The Gap housing prices start from R299, 000 and the first batch came on sale from October 2012. The project is implemented by BVN 2000 (Pty) Ltd, a full subsidiary of Motlekar Cape, a MOTLEKAR holdings company.

The Department of Human Settlements (DOHS) aim for the project is to urgently relocate existing informal settlements, thereby addressing the urgent housing and development needs of the communities located in the concerned target areas, which include the Bongani and Nkqubela areas in Khayelitsha and the Ward 17 and Ward 108 areas of Greater Blue Downs and Mfuleni. Beneficiaries consist of a large number of flood victims as well as backyard dwellers from the aforementioned residential areas. The 903 beneficiaries have taken occupation since June 2012 when the first houses were completed. The remaining beneficiaries were to occupy the houses in July 2013. According to the project implementers, 3 disabled beneficiaries received grants and subsidies and were also part of the first occupants. Furthermore, a total of 213 labourers have been employed as a result of the project.



**Picture 2: Chairperson and his team engaging with the residents in Nuwe Begin**

Similarly with Klapmuts, DoE allocated R5 790 000 for 579 connections in the 2013/14 financial year for this project

Members of the Committee had conversations with the beneficiaries. Generally, beneficiaries expressed satisfaction with the houses, however, a strong need for alternative energy, such as solar water heaters was emphasised by the residents (particularly for the old and disabled). The desire for solar water heaters was also triggered by a temporary (demonstration, see picture below) house for contractors which had solar water heaters installed. Representatives of the residents strongly raised the need for rolling out of solar water heaters, especially for the old and disabled.





**Picture 3: Demonstration (contractor) houses with solar water heaters.**

#### **4. DAY 2: 01 August 2013 – Visit to British Petroleum (BP) South Africa**

An overview of the BP Liquid Petroleum Gas (LPG) Plant was presented by the BP officials – the aim of which was to familiarise Members with the Plant prior to the site tour. Regarding the ownership of the space (infrastructure/storage facilities) within the BP Cape Town Terminal, 2 x 45 m<sup>3</sup> is owned by BP whereas 1 x 68 m<sup>3</sup> + 1 x 100m<sup>3</sup> is owned by Reatile. Key issues that emerged from the presentations and discussions are as follows:

- A Basic Fuel Price (BFP) formula was reviewed by South African Petroleum Industry Association (SAPIA) which also affected the price of LPG. However, the concern is that this exercise did not focus on LPG pricing.
- The current Maximum Refinery Gate Price (MRGP) does not reflect true import parity pricing. Currently all imports are landed at an MRGP plus a premium and therefore an importer is not compensated, in other words the costs of production is not recovered. Secondly, the price of LPG is based on petrol price.
- The storage capacity of LPG in the country is inadequate
- Prices of appliances are a problem as such appliances become too expensive for poor households.

The LPG sector has been sold to Oryx as of the 1<sup>st</sup> August 2013 and will be moved off site in the future. This was based on a BP International decision to sell off its gas business units internationally for safety reasons.

#### **5. Visit to Easigas – Bellville-South**

Mrs Lorraine Van Wyk and Mr Duane Dennis, from Easigas gave an overview of Easigas indicating that the company is dedicated to LPG marketing and distribution throughout Southern Africa. It operates in Lesotho, Botswana, Swaziland and South Africa and is owned by Rubis, a

French company listed on the French stock exchange. Key issues emanating from the presentations and the tour were that:

- There is lack of import terminals (currently only two – one in Richards Bay maximum capacity 3.7 kt and two spheres in Port Elizabeth maximum capacity 1.1kt). Tenders to build a storage facility were allocated to certain companies e.g. Reatile and Vopac at Richards Bay in 2008 but nothing has happened since then;
- Avedia Company was also awarded a tender to build an import terminal in Saldana. However, there are concerns about the legitimacy of the tender;
- Ability to make a return on investment is hampered by the regulated price levels;
- No incentive for refineries to produce additional LPG;
- No correlation between MRGP and actual logistical cost of imports;
- No adjustment to cost recovery elements in regulated pricing during the last 18 months
- Issuing of wholesale licenses to parties that do not have resources or customer base that leads to a mushrooming of middlemen that charge exorbitant prices
- LPG price is based on Petrol Price and this has implications (SA is the only country in the world doing so).
- An additional point that was raised was “the bolt on fees”. Gas refiners add Gantry and transport fees and this is not revealed but results in the costs escalation.
- Easigas is considering at commissioning storage at Nigel (800t) and Durban (1.2Kt)
- It was indicated that there is a host of illegal fillers in SA which has brand and safety implications. Regulation in this regard is not easily enforceable.
- No alignment between the Gas Bill and the Petroleum Pipelines Act.
- No strategy to deliver to low income households and
- There needs to be investment in distribution infrastructure
- Easigas introduced a household cylinder (targeting the indigent population) but this was not widely accepted. There were issues of pricing and public acceptance.
- In terms of manufacturing of cylinders, Easigas indicated that the price of steel is an issue in SA and should be reviewed.

The suggested way forward was that there is a need for the government to:

- Address complaints that have been received about the current regulations and rules relating to Maximum Refinery Gate Price [MRGP] (LPG pricing must be at a level that encourages importation). Maximum Retail Price for residential customers must be in line with MRGP/import price;
- Enable the industry to build import facilities; and
- Promulgate regulated prices in line with current supply/demand situation in the country.
- The prices of appliances are too high (they suggested a subsidy for appliances)

## **6. Visit to the SA Breweries – Newlands, Cape Town**

South African Breweries identified energy value in waste water and hence decided to pursue a waste-to-energy process. SAB identifies this energy value as “chemical oxygen demand” but is basically a carbon source that can be converted to methane by biological methods using bacteria. The methane is thereafter an available energy source. Currently this provides 12% of the brewery’s energy needs but SAB are (with UCT) looking at waste yeast (6% potential) and spent brewers grain (30% potential). Hence using waste, this brewery can generate 48% of their energy needs. Key issues identified included, inter alia, the following:

### **6.1. Co-generation**

SAB is looking at electricity co-generation to provide for its energy needs at its Roslyn plant. Plans were already approved, but later put on hold. This was so after the NERSA determination on the price Sasol can charge for gas (Sasol purchases gas from Mozambique for less than R20 (USD 1.82) GJoule and sells currently for about R40 GJoule. With the NERSA declaration on maximum prices they can increase their selling price to R80 GJoule). Hence SAB feels that this make co-generation not feasible for them anymore. Tony Cole (Engineering Manager) also part of the “Gas User Group (still being formalized)” argued that the NERSA determination will result in job losses. Further gas prices should be dropping, e.g. US gas price dropped from USD 7 GJoule to USD 3 GJoule since the discovery of shale gas.

### **6.2. Municipal Electricity charges**

The City of Cape Town charge industry at the maximum usage rate for the entire month, called a “maximum demand charge”, hence industry with power peak demands are affected the most. The municipality also have other charges included, adding to the cost to industry.

### **6.3. Municipal service charges**

This is specifically with regard to waste water. The City of Cape Town charge separately for Chemical Oxygen Demand (COD) and volume for waste water. SAB reduced the COD content hence expected a reduction in cost, however the municipality adjusted the charges such that SAB sees no financial benefit.

SAB also indicated that the Municipality required assistance with infrastructure maintenance and development e.g. water purification works. However SAB feels there should be “Strategic Synergistic Industrial Planning” and this should be government facilitated.

## **7. Recommendation(s)**

7.1. The Minister of Energy to address the following:

- SAB indicated that they are willing to partner with government in terms of skills development, investment in energy projects and job creation (SAB sees great opportunity in clearing alien vegetation).
- Institutional arrangements in project management of electrification projects at municipal level, between the Department of Energy, ESKOM and a municipality be reviewed and improved.

- Technical and financial approvals for electrical installations be rationalised.
- Reviewal of the modus operandi of payment for electrification projects by the Department of Energy and ESKOM including exploration of guarantees and improved formalisation.
- Installation of solar water heaters in Nuwe Begin with a priority on the old and disabled.
- Arranges a meeting between the Department of Energy and the gas industry to address all gas related issues raised in the report.
- Arranges a meeting with the Gas Users Group to address their proposals and concerns.

Other recommendations:

- The City of Cape Town to be written a formal letter and request to address issues raised in 6.2. and 6.3
- The PC on Energy to arrange its own meeting with the Gas Users group to get insight of its programmes, proposals and concerns.
- The Committee would require a clarification on how the proposed changes on the Stellenbosch Municipality Indigent Policy would affect the Free Basic Electricity (FBE), Free Basic Alternative Energy (FBAE) subsidies and the R100 monthly fee which the community is currently paying for solar electricity.
- Furthermore the Committee noted the idea of investing on bio-digester toilets through collaboration with the Stellenbosch Municipality in order to improve household access to sanitation, which would ultimately improve household access to gas electricity.
- The Committee recommended the Sustainability Institute to collaborate with the Department of Human Settlements and the Department of Health.
- The Sustainability Institute indicated that an “incremental approach” to electrification appeared to be a good approach for informal settlements.
- It was suggested that the Department of Energy visits the Institute and discuss options available regarding projects of this nature.
- The Director of the Sustainability Institute, Mr Mark Swilling suggested that the Committee hold Public Hearings on Incremental Approach to Energisation.

Report to be considered.

## **7. Report of the Portfolio Committee on Energy on its oversight visit to KwaZulu-Natal, Free State and Gauteng on 27 – 31 January 2014, dated 12 March 2014**

### **1. Introduction**

#### **1.1 Purpose of the report**

The purpose of this report is to report back to the National Assembly on the findings of the Portfolio Committee on Energy's oversight visit to KwaZulu-Natal, Free State and Gauteng.

#### **1.2 Background**

Poor rural households have least access to electricity and provisioning it to them is a great challenge. Extending the grid to every household in the country is not feasible now for technical and financial reasons. The solar home system (SHS) programme was designed to give more rural people access to limited electricity until such a time that they get grid connections.

The solar water heater programme is one of the benchmark renewable energy projects that are managed by the Department of Energy in its pursuit to ensure SA has an energy mix that includes clean energy. In 2009 the Minister of Energy stated that "The Department will ensure that one million solar water heaters are installed in households and commercial buildings over a period of five years". In the 2012/13 Annual report of the DoE, it was reported that to date 350 000 solar water geysers have been installed to date. In terms of the Integrated National Electrification Programme, it was reported that close to a million new connections were achieved over the past four years increasing access to electricity to over 84%. Various challenges and successes were noted here and the PCE planned to engage with both the beneficiary communities and concessionaires/service providers to gain an overview of both successes and challenges.

In terms of our renewable energy programme, "Amongst the G20 countries, South Africa is now recognised as the 9<sup>th</sup> most attractive investment destination for the green economy and our programme was voted by the Global Leadership Infrastructure Programme in New York as the best green energy infrastructure programme in the world in 2012." In this regard out of the 93 bids received, 17 renewable energy programmes were granted preferred bidder status in round three of the REIPPP. This follows up on the successful financial closure of round one, where 1 416MW of projects from 28 bidders are currently under construction and round two where a total of just over 1000 MW was approved. In terms of cogeneration, the Minister has made a determination in December 2012 that 800 MW of cogeneration power will be implemented in South Africa and the DoE has as its target in this area, to develop a strategy and plan for the introduction of economic infrastructure as per the IEP/IRP.

**Purpose of the oversight visit**

The Portfolio Committee on Energy will conduct oversight on various energy related projects in a number of provinces. The Committee plans to firstly visit solar home systems that have been implemented in KZN. Further, the committee will visit an area in the Free State where the Renewable Energy Independent Power Producer Procurement Programme (*REIPPP*) is being implemented, In Gauteng; the PCE will be holding public hearings on “Transforming the gas industry through partnerships” and will further have a roundtable discussion focusing on “Cogeneration and tri-generation power initiatives and partnerships”. The week will end with a visit to Integrated National Electrification Programmes (INEP) (and solar water heater programmes) in Gauteng

**1.3 SA Parliament Delegation**

Hon Sisa Njikelana - Chairperson and Leader of the delegation  
 Hon GS Radebe  
 Hon N Mathibela  
 Hon B Tinto (joined delegation on 30 January 2014)  
 Hon B Ferguson (joined delegation on 30 January 2014)  
 Hon L Greyling (joined delegation on 30 January 2014)  
 Mr A Kotze (Committee Secretary)  
 Mr S Maboda (Researcher)  
 Mr P Rampersadh (Content Advisor)  
 Mr L Dodo (Committee Assistant)  
 Mr T Gubula (Media - Parliament)  
 Ms K Barlow (Media - Parliament)

**2. 27<sup>th</sup> and the 28<sup>th</sup> of January 2014 - KwaZulu-Natal visits**

On the 27<sup>th</sup> and the 28<sup>th</sup> of January 2014, the Committee visited non-grid electrification projects in Ndwedwe Municipality and Msinga Local Municipality. The aim was to visit four Municipalities including Nquthu and Maphumulo; however, this became impossible due to time constraints. A summary of the visits is provided below.

It should be noted that Mr. Diana – an engineer from UKZN – was part of the delegation at the invitation of the Chairperson.

**2.1 27<sup>th</sup> January 2014 Msinga Local Municipality – meeting with stakeholders and beneficiaries**

The Mayor of Msinga was present and was requested by the Chairperson to welcome all present. After the welcoming, the Department of Energy and Ukukhanya Energy Services (KES) briefed the Committee as well as the various stakeholders present on the non-grid electrification programme prior to the oversight visits.

### **2.1.1 Briefing by the Department of Energy**

The Department of Energy (DoE) gave an overview of the Non-grid Electrification Programme indicating that the project started in 2001 and the DoE is responsible for the project. The Department highlighted the following regarding the project:

In 2001, DoE appointed KES to install solar home systems. There are more service providers, other than KES, in various other regions within KZN. However, KES has been appointed to provide solar home systems (SHS) specifically to the Msinga area. SHSs are installed in areas where there are challenges with grid electrification in the medium to long term.

When providing SHSs, the DoE looks at the plans of Eskom and the Municipality. If a municipality is at the far end of the grid electrification plans of the Eskom and Municipality – such a municipality qualifies for non-grid electrification (in this case, a SHS).

The Department emphasised that a SHS is a temporary measure – while waiting for grid electricity.

The DoE has a 20 year contract with KES. The reason for the 20 year period is to ensure the sustainability of the project. Another reason for the 20 year period is that the installation fee that is given to KES by the DoE is 80 percent of the total budget. The remaining 20 percent is from KES investments. The Department also confirmed that they work very closely with Msinga Local Municipality.

It was further explained that when the project started in 2001 – the system had the capacity to provide for four lights, charging of cell phones as well as the use of a black and white television – and this is the system used at Msinga. However, the DoE has since increased the capacity of the system – the only change is that one can plug in a colour television and can connect 8 lights instead of 4.

With regards to the financing of the project one has to apply for the solar home system and pay an application fee of R110.00. On a monthly basis one pays a service fee of R89.00. The reason for paying the R89.00 service fee is for KES to do maintenance – if there are faults on the battery or any part of the systems. KES also utilizes part of the service fee to pay their running expenses. As a way of subsidising the indigent communities, municipalities contribute a portion of the R89.00 service fee, from the Free Basic Electricity (FBE) fund. Once a municipality has contributed its portion from FBE, the beneficiary pays the difference. In the case of Msinga beneficiaries were paying R55 instead of R89.00. However, the FBE allocation differs, across the differing municipalities – i.e. the difference paid by the beneficiaries in Msinga Local Municipality will not be the same in another municipality.

### **2.1.2 Briefing by Ukukhanya Energy Services (KES)**

KES indicated that DoE has already covered most of what the project is about. However, the presenter, Mr Ngcobo, added that the installation in Msinga started in 2002. Currently, Msinga is the biggest Municipality in terms of people who have SHSs. More than 7 000 people in Msinga received SHSs, about 70 percent are still paying for the system, while others have stopped paying – therefore their systems have been disconnected.

KES has two offices in Msinga. In the two offices, KES has employed about 40 people on a permanent basis – mostly to do maintenance. People employed are from Msinga, including 8 women, who were identified by the municipality.

Mr Ngcobo explained that, the system is designed in such a way that if one is not paying it switches off automatically. KES confirmed that Msinga Municipality contributes (from the FBE) R34 and the beneficiaries pay the difference. KES noted that they are also exploring other alternative energy sources that can be rolled out in the future – not just SHSs.

### **2.1.3. Input by Mayor Sikakhane of Msinga Local Municipality**

After KES's presentation, the Mayor of Msinga added that Msinga Municipality has a huge backlog in terms of service delivery, generally. The Mayor welcomed the SHS programme indicating that *"it is better to get half a loaf of bread than nothing"*. However, the Mayor pleaded that the grid electrification programme be accelerated.

The Mayor acknowledged that there are areas that are pipelines for grid electricity – emphasising that he did not mean that the department is not doing anything. The Mayor also highlighted that water is the main challenge and the main need in the Municipality – much more important than electricity.

### **2.1.4. Discussions**

After presentations, members of the community as well as Members of Parliament were invited to contribute or respond to presentations. The following key issues were raised, particularly by the Community Members:

- A concern regarding payment of grid electricity in Emahlabathini area was raised. A community member indicated that when he bought electricity for R100 it was utilized quickly. The resident contacted Eskom and was given a number to key into the system, resulting in the resident recovering half the amount of electricity he has purchased. This was a general problem in Emahlabathini. The Emahlabathini community was then advised by Eskom to report the



matter to the Councillor, who would take up the matter with the Municipality. The feedback was never received from the Councillor – the current situation is that grid electricity is available but not working.

- Adding to what Mayor Sikakhane said: As much as the community appreciates the SHSs, they would like to get grid electricity from Eskom.
- There were complaints that the payment method used by KES is problematic. The beneficiaries of the solar home system are required to pay the monthly fee at the Post Office. The issue highlighted is that *“old people spend more than an hour in the queue in the post office when wanting to pay for the KES solar. There is one queue for everything.”* A dedicated line for those paying for KES services was recommended.
- An issue was raised about a community/village member that resides near an existing grid connection but was told supply to his village will come from the side that has non-grid electrification. Residents were concerned about this process.
- A concern was also raised about the fact that the KES systems are designed in such a way that supply gets disconnected when one has not paid for the KES services. The main issue though, was that even though one is disconnected, the monthly service fee still has to be paid. The community needed clarity on how one pays for a service that is not being used.
- The limited capacity of the solar home systems was highlighted as a concern. The fact that one cannot cook or connect a fridge was regarded as very limiting in light of the fact that residents are far from the towns – preferable they would like to buy bulk food and store it in the fridge.
- Clarity was sought as to what happens “if the solar panel was stolen, would KES replace the system?”

#### **2.1.5. Responses**

- KES appreciated the feedback regarding queues at the post office and indicated that they would try to work with the Post Office in ensuring a dedicated line for KES Customers. The method of paying at the Post Office was done because of robbery at KES offices. KES customers were requested to pay at the Post Office and bring slips to KES. KES pleaded with the communities to report to KES on issues relating to payments problems at the Post Office. Old people can still be assisted at KES offices; however, younger people are encouraged to pay at the Post Office.
- On the point of paying for the service while disconnected – KES indicated that when the SHS was installed – it was installed in a manner that one rents the system – hence paying for it even though it is disconnected (in other words one pays for “having the system”).

- When a system is stolen, the owner has to report the stolen system to the police. With such evidence KES would be able to replace the system; however, there will be a fee involved.

### **2.1.1. Site visit**

The delegation visited a household in a deep rural village and was able to appreciate the significance of the SHS in a poor rural environment.

## **2.2. 28<sup>th</sup> January 2014 - Ndwedwe Local Municipality**

### **2.2.1. Briefing at the Ndwedwe Council Chamber**

The first part of the meeting was held in Ndwedwe Local Municipal offices in the morning, on the 28<sup>th</sup> of February 2014. The meeting in Ndwedwe was attended by the Members of the KwaZulu-Natal Provincial Legislature (members of the Provincial Committee on Social Development, including the Deputy Chair of Chairs), PCE Members, City Councillors, the Acting Municipal Manager, the Mayor of Ndwedwe and the officials of Ndwedwe Local Municipality. The second part of the meeting, the same day, was with the Ndwedwe community in Hosiyanana village.

In the first meeting the acting Municipal Manager chaired the meeting as requested by the Mayor (Mr Hadebe). The Mayor welcomed all present and thereafter, a round of introductions was done.

The Chairperson of the PCE, Hon Sisa Njikelana, outlined the purpose of the visit indicating that one of the roles of Parliament is to conduct oversight over any department. He explained that the PCE was aware that the DoE was rolling out SHSs. So, as part of the PCE oversight work, the Committee requested DoE to identify areas that the Committee could visit, and KZN was identified as the main province where there was substantial rollout. Furthermore, it was explained that the KZN municipalities were selected as a sample as it was impossible to visit all areas that are rolling out SHSs. The Chairperson thanked the Members of the KZN Provincial Legislator for attending – indicating that energy issues are cross cutting.

### **2.2.2 Briefing by the Department of Energy**

Presentations were similar to those done at Msinga Local Municipality – details of which are summarised below.

Similarly to above, the DoE gave an overview of the Non-grid Electrification Programme indicating that the project started in 2001 and the DoE is responsible for the project. The Department highlighted the following regarding the project in Ndwedwe:

- The non-grid electrification programme started in 2001. The intention was to provide some form of electricity to the areas which could not be

electrified through grid electricity. Areas identified were those that were not earmarked for electrification in the medium and long term.

- The system has the capacity to connect 2 – 6 lights, black and white television as well as the charging of cells phones. The system does not provide for heating and cooking. DoE appointed a service provider (KES) on a 20 year maintenance contract. Reason for the 20 year contract was to ensure sustainability of the project until grid installation.
- The Ndwedwe Local Municipality works hand in hand with KES. The Municipality is responsible, amongst other things, for identifying the indigents and introducing KES to the Councillors and the community. If the Municipality is not involved, implementation becomes a challenge. With regards to the financing of the project one has to apply for the SHS and pay an application fee of R110.00. On a monthly basis, one pays a service fee of R89.00 and as explained above, part is subsidised by the Municipality from the FBE funds.
- The cost of the solar home system opted for (by the DoE) is equivalent to the cost of grid connection. Due to the drop in SHS prices, the specifications of the systems have since been revised to provide for more, like a colour TV. At the moment, this is work in progress.

### **2.2.3. Briefing by the Ukukhanya Energy Services (KES)**

KES also delivered a presentation adding to the points raised by the DoE. The following was highlighted:

The project in Ndwedwe started in 2005, however installations started in 2006. However the project stopped after 300 installations as there was a conflict on the appointment of KES as the service provider. Lack of cooperation from the community led to a low number of installations. The DoE, in 2009, gave KES another budget, where KES came back to Ndwedwe for project implementation. This also did not solve the problems as the office in Ndwedwe had to be closed because only about 40 to 50 customers were paying for the system and this was not sustainable for the KES offices. It was possible that certain households were illegally using the system.

There is only one person at KES offices in Ndwedwe – responsible for complaints. Others have lost their jobs.

#### **2.2.4. Discussions**

- The MPL's appreciated the invitation by the PCE and also noted the educative nature of the engagement.
- A concern was raised that, the power supplied by the system is limited – it was argued that, the system should also support a refrigerator.
- The system does not address energy poverty as women still have to continue collecting wood for heating and cooking. Therefore, it was urged that the DoE upgrade the system.
- Regarding the issue of conflict on the appointment of KES and the closure of the project: It was indicated that the community was not happy with the system, they preferred grid electricity. It was suggested that the budget must be increased from DoE to accelerate electrification.
- With regards to the issues on payment of the system, it was indicated that poor people cannot afford to pay for the system – it should be free. The provincial legislators undertook to discuss this issue independent of the PCE.
- The main issue in Ndwedwe seemed to be around the acceptance of the non-grid technology – perhaps education and awareness raising on alternative energy sources needs to be intensified.
- The Mayor's contention was that Ndwedwe Municipality is 80 percent electrified.
- The Department of Energy has to review the policy on non-grid electricity system including budget allocation as well as the technology to accommodate increase of power.
- The "Island Syndrome" was raised quite sharply i.e. the SHS was not installed in certain households within area where installations were made.

#### **2.2.5. Site visit**

A site visit to a household where a SHS had been installed was made. However, this did not happen as the system had been stolen in the said house.

#### **2.2.6. Public meeting at Hosiya Village in Ndwedwe**

A second meeting was held with the community at Hosiya village in Ndwedwe... The meeting was facilitated by the Mayor of Ndwedwe.

Hon Njikelana explained the purpose of the meeting and requested that community members share experiences, challenges and opportunities regarding the non-grid electrification programme. The Community raised the following issues:

- The community experienced challenges with crime. SHSs are problematic because they are easily stolen.

- Members of the community would prefer grid electricity, as the SHS does not fulfil all their requirements. Heating and cooking also needs to be considered when installing the system.
- The area is in the process of being electrified – some members of the community emphasized that they would rather wait for grid electricity.
- Some appreciated the fact that could at least light their houses with solar. However, a concern was raised that solar is not reliable – when it is raining the system does not work.
- There was a concern raised that if homes have a SHS, this would prevent households from being grid-electrified
- A whole host of other service delivery issues were raised viz.:
  - Lack of potable water – Note: This was strongly emphasised!
  - Lack of roads
  - Need for houses

#### **2.2.6. Responses**

- In terms of the capacity of the system, KES clarified that the system is determined by the DoE not KES. KES is the implementing agent. Issues relating to the limited capacity of the system should be directed to the DoE.
- In response to this, the DoE indicated that the system is currently being upgraded (work in progress) – the new system could be installed in two houses instead of one. However, the new system still does not address the issue of energy poverty as it does not provide for cooking and heating.

#### **2.3. Issues for consideration**

- Increasing the capacity of the solar home system is essential – as a way to address poverty issues, particularly to provide for cooking and heating as well.
- The absence of electricity and the impact thereof on schools was noted by the PCE.
- The absence of water, although not a mandate of the Energy Department was noted but was indicated that it would be referred to the relevant Department (Water and Environmental Affairs).
- The good relationship that KES had with the DoE together with the Msinga Municipality and the Post Office was commended and it was emphasised that such relations should continue.
- It was indicated that the whole drive for the SHS was to eventually upgrade to grid electricity. It is an interim measure. Education and awareness raising on alternative energy sources is essential.

- Different municipalities appear to have differing policies on the deployment of the FBE policy and hence recipients of non-grid electrification are receiving differing amounts (to pay the service fee) depending on where they live.
- A socio-economic impact study of the programme needs to be conducted
- The DoE and Eskom, to in future, come to the municipality and/or communities to explain the electrification process.

### **3. Visit to Letsatsi Power (Free State) - 29<sup>th</sup> of January 2014**

On the 29<sup>th</sup> of January 2014, the Committee visited a Solar Photovoltaic Park (SPV) – a project that is part of the Renewable Energy Independent Power Producers Procurement Programme (REIPPPP). The Committee has been getting updates and reports from DoE on how the REIPPPP is doing. The Committee thought it would be useful to get a sense of what is happening on the ground in terms of implementation. The description of the project is provided below.

Solar Reserve SA, Intikon Energy (Pty) Ltd, Kensani Capital Investments (Pty) Ltd, Old Mutual Insurance Company of South Africa and GCL-Poly Energy Holdings Limited, jointly developed and submitted the SPV project, which was awarded to the preferred bidder on 07 December 2011.

The project entails the development, design, construction, financing and operations of Solar Photovoltaic Park 50km North-West of Bloemfontein in the Free State, with an installed name plate capacity of 75 MWDC and which will deliver circa 64 MWAC into a 132 kV distribution line. The project is being designed, constructed, operated and maintained by the consortium comprising of ACS Cobra, GranSolar and Kensani EPC.

The total project cost is estimated at circa R2.4 billion. The Project is financed on a non-recourse project finance basis, with approximately 75 percent of the project funded through senior and junior debt arranged and underwritten by Rand Merchant Bank. The shareholders are funding all the equity in the Project by ordinary shares and shareholder loans. Intikon Energy, SolarReserve and Kensani (the developers), have been developing the Project since the fourth quarter of 2009.

Prior to the Committee visiting the site, a presentation providing an overview of the project (including the background above) was delivered by the project partners. Key issues emanating from presentations are as follows:

- The project is ranked amongst the top 10 ten in the world in terms of its scale.
- Letsasi Power started construction work on the 6/7<sup>th</sup> of January 2013. Project covers about 150 hectares and 227 000 PV modules have been installed. 1200 km of cables have also been installed.

- Construction is now completed and Letsasi Power officially notified DoE on 28 January 2014 for the completion. They officially requested from NERSA permission for early power generation. Letsasi Power planned to connect to the grid on 9<sup>th</sup> and 15<sup>th</sup> of February officially, instead of the contract date in May 2014.
- About 400 locally people have been employed on the project
- In terms of economic develop (which is a high priority), targets have been exceeded. For example, in terms of job creation, women participation, enterprise development etc.
- Letsasi Power adopted a high school at Tokologo Municipality and created a vegetable garden. The garden is feeding about 20 to 30 families per week. The aim is to expand the garden. The next phase is to train the community on how to harvest and sell the vegetables for profit.
- The company employed local people who had no skills and these people were trained
- Letsasi also appointed a Transformation Manager, ensuring compliance with the DoE requirements. For example compliance with the local content of the materials, use of SA companies, employing black people within the 50km radius, and helping to understand what has to do with compliance requirements.
- Letsasi Power worked with the Municipality in terms of identifying workers in the area.
- Some sub-contractor was not found in the area, but they trained the local workers.
- Furthermore, a needs analysis study of employees was done. Workers were trained in the following areas: safety and 1<sup>st</sup> aid, construction and water, electrical. Realised that local people were willing to do the training. Money was sourced – and training was conducted for 60 to 70 people. They were issued with SETA accredited certificates. Of the 250 assessed, 50 fell off as they were not interested, but 190 were interested. Letsasi looked at their current level of education and identified 4 types of programmes; Healthy and Safety, Electrical Works Installation, First Aid and Construction.
- The training programme started in October 2013 with about 67 people and they fully completed and at the time of the site were due for the exams. 80 start next week. Letsasi now has 120/130 SETA accredited workers. This was not part of the contract and can be look at as pro-activeness from the developers.
- Durban University of Technology was also adopted by Letsasi Power. It was difficult for the University to identify project for the students' in-service training project as there are few opportunities in the solar industry. There are 70 students in total and the ultimate goal to run a solar manufacturing plant in Somerset West. Letsasi wanted them to learn what it means on the practical point of view.
- It was also noted that women owned companies were difficult to find e.g. doing electrical installation work. This was a huge problem across the project.

- The PCE expressed its utmost appreciation of the achievements and commended Letsatsi Power for going beyond the contract obligations
- Strong cooperation between the company and Dealesville Local Municipality was also appreciated – specific reference was also on the utilisation of the personnel that was trained by Letsatsi Power and was to be transferred the municipality on a similar project.
- Cooperation and coordination which included the provincial offices of DoE, local Energy Information Centre and local FET College and some universities was noted
- An academic from the University of Free State – who was invited as an expert – was encouraged to explore and set a joint initiative with Letsatsi Power for students in future

NOTE: Dr. Ntwaoabarwa – an academic from University of Free State – was part of the delegation at the invitation of the Chairperson.

#### **4. Oversight visit to Ivory Park, Johannesburg - 31<sup>st</sup> January 2014 -**

The PCE visited Ivory Park SWH project on the 31<sup>st</sup> January 2014. Due to heavy rains no site visit was conducted. However a briefing meeting, at the local community hall, was held with the local Councillors, members of Ward Committees, academics from UJ (at the invitation of the Chairperson), Eskom and DoE to discuss the successes and challenges identified.

The Chairperson welcomed everyone and thanked them for their attendance.

Clr. JP (Big Joe) Mhlanga (Ward 78) welcomed everyone on behalf of the City of Johannesburg and thanked the PCE for taking the time to visit the area. With him were Clr. Petros Zitha (Ward 79) and Clr T.M. Mabotja (Ward 77). The three wards make up part of Ivory Park in the City of Johannesburg.

##### **4.1. Briefing by ESKOM**

**Mr. M. Dlamini** presented the project where it was explained that the scope of work was the supply, delivery, installation and maintenance of 16000 solar water heaters to the Ivory Park area. It started on the 11<sup>th</sup> October 2010 and was completed in 30 April 2012. A total budget of R101.76 million was allocated to the project. Three main contractors were used for the installation Genergy, Thunzi Consulting (Pty) Ltd and Machite Engineering cc. In terms of employment 292 local people were employed on the project as Data Capturers, Community Liaison Officers, Installers and Installer assistants. Roshcon was employed to conduct random audits to selected areas and the SANAS 10106 specification was used to develop a checklist for technical audits. Eskom indicated that there was a 5 year after sales service and maintenance programme and all SWH's have a 5 year



guarantee and within this period all the installed geysers will be replaced and/or maintained depending on the defects.

Eskom listed the following issues/challenges identified from their side;

- The community was not properly informed on the employment processes followed resulting in work stoppages
- Some of the SWH developed leaks as the unit are designed for a maximum of six bar pressure and the water pressure in the area fluctuated above and below this.
- A lack of capacity from suppliers resulted in stoppages
- Eskom needs to ensure that proper planning is done and that the municipality and Councillors are involved.
- There were some technical problems with units
- The high content of calcium carbide in the water also resulted in damage to units
- There needs to be feasibility studies done to assess the challenges that lay ahead
- There also needs to be an assessment of the roof structures as some cannot hold the weight of the units
- Eskom needs to re-engage with the DoE for cost of maintenance of geysers

Finally Eskom noted that these projects must involve the communities and communication is critical

#### **4.2. Comments from the Department of Energy**

**Mr X. Mabusela** presented a more overhead view of the project and indicated that of the planned target of one million SWH installed, Eskom and Municipalities have installed 390 000 so far. The implementation of the projects should be under the management of the Municipalities.

Further, in terms of the actual units, currently there is a 70% local content threshold but originally most of the units were imported. Currently some tubes are imported and the units should have a 5 year warranty.

#### **4.3. Comments from the City Councillors**

*Clr Mabotja responded* on behalf of the Councillors and indicated that the community was well informed, there was clear communication and public meetings. There were also clear employment arrangements made with meetings held every Monday and Thursday.

In terms challenges identified;

- Some units were delivered but not installed hence it cannot be claimed that the project was completed
- The quality of the geysers was low
- The community were to be trained for maintenance but so far this is not happening
- There was a lot of poor workmanship and this has resulted in a lot of leaks
- Eskom is not responding to the concern of the Councillors

**Clr Zitha** further indicated that the project employed a lot of people and they were happy. The project was transparent and there was regular communication. There are benefits as people have hot water and save on paraffin used to heat water.

In his Ward there is only one trained person to maintain the geysers and the work load is too high for him as they break regularly. Further he has a problem obtaining parts for defective geysers. Additionally he indicated that some people have removed their geysers to other provinces without permission.

**Clr Mhlanga** indicated that there was never a handover from the Contractors to the Councillors. Further he indicated that there needs to be a roll out of geysers in those areas without it. Clr Mhlanga ascribed the work stoppages to problems between the contractors and sub-contractors. He also indicated there were problems with installations in his area.

#### **4.4. Response from Members**

- The Members requested that the DoE follow-up with these issues and check why there was no sign over to the community.
- The five year maintenance must be looked at and honoured.
- The DoE was requested to look at the quality of work and of the products as well. There should be a “happy letter” signed by the residents when a unit is installed.
- There must be further investigation into installing SWH in houses where the roof structures are not secure as people could get injured with the help of UJ.
- The removal of SWH must be investigated and managed as this could be a criminal issue.
- It was further recommended that the parties involved in this issue work together to solve the problems with the DoE coordinating such efforts
- The Members acknowledged that there is positive in everything e.g. the community is saving on paraffin costs.

#### **4.5. Conclusion**

In conclusion The Chairperson strongly suggested that a Project Steering Committee be established to deal with the outstanding issues. The Chairperson further indicated that standards for quality should not be compromised as the SABS is there to assist in inspecting the equipment. Finally, ESKOM, City of Johannesburg and the DoE were requested to meet and address all concerns and challenges raised in the meeting and report to the Chairperson within two weeks, indicating what action steps have been taken to deal with the issues.

## 5. Recommendations

- Policy reviewal on non-grid electricity system including budget allocation as well as the technology to accommodate increase of power be initiated as matter of urgency.
- The Department of Energy to upgrade non/off-grid systems and also make them scalable to accommodate those who may express additional need and appropriately address energy poverty
- The Department of Energy to explore “ permanency” or long term approach on the non/off-grid electricity system in the rural areas
- Strong coordination between various stakeholders especially Department of Energy, ESKOM, and the municipalities be addressed as a matter of urgency
- Intensive public education and mass communication with the help of SABC, GCIS, local community media especially community radio stations and municipal communications units on non/off-grid electricity system including Solar Home Systems
- Grid electrification programme be accelerated in both Msinga and Ndwedwe Municipalities
- Address the huge backlog in terms of general service delivery in Msinga Municipality
- Improve customer care especially for the sickly and elderly particularly at pay points
- Explore micro-insurance arrangements for damaged or stolen equipment
- Department of Energy to explore jointly with the Department of Basic Education introduction of appropriate electrification of schools
- Integration of FBE and municipalities to be consistent in their allocation of subsidy – such be done through the support of SALGA
- A socio-economic impact study of the programme to be conducted
- Issues below be referred to relevant departments and/or spheres of government for their consideration:
  - Lack of potable water NOTE: Water is the main challenge and need in Msinga Municipality
  - Lack of roads
  - Need for houses
- The Department of Energy, ESKOM, the municipalities visited – together with their district municipalities to arrange follow-up meetings to address issues raised with the aim of working solutions
- Such follow-up meetings include municipalities of Nquthu and Maphumulo as a compensation for not visiting them
- The involvement of experts during oversight visits be promoted even in future as it had proven to of benefit to members
- ESKOM, City of Johannesburg and the DoE were requested to meet and address all concerns and challenges raised in the meeting and report to the Chairperson within two weeks, indicating what action steps have been taken to deal with the issues.

- The Minister of Energy be requested to investigate the allegation of the “Island Syndrome” in the Ndwedwe area and take the appropriate action where necessary.

Report to be considered.

### **8. Report of the Portfolio Committee on Basic Education on an oversight visit to the Eastern Cape, dated 11 March 2014.**

The Portfolio Committee on Basic Education, having undertaken an oversight visit to the Eastern Cape, reports as follows:

#### **Executive Summary**

The Portfolio Committee on Basic Education conducted oversight visits to underperforming districts in the Eastern Cape from 28 – 31 January 2014. The identified districts were Qumbu and Sterkspruit. The purpose of the oversight was to assess the state of school readiness for 2014 in these districts in the province. The framework for the visits was guided by key interventions and priorities set out in major government plans to ensure that enabling conditions for quality teaching and learning were established. In this regard, the Committee focused on critical areas such as the state of the school environment; the supply and training of teachers; readiness to implement the Curriculum and Assessment Policy Statement (CAPS); the state of the admission and registration of learners; the delivery of textbooks, workbooks and stationery; the functionality of school governance and management bodies; and, the availability of learner transport and school nutrition to qualifying learners.

As part of the oversight, the Portfolio Committee received briefings from the MEC and senior officials of the Provincial Department of Education and District Officials, the Portfolio Committee on Education in the Provincial Legislature and Organised Labour on aspects of school readiness. The Portfolio Committee also visited a total of 16 schools, 10 secondary and six primary schools, where members held meetings with stakeholders in order to learn first-hand the state of school readiness and to discuss the challenges faced by schools.

#### **Key findings**

Overall, the Committee found indications of positive preparations made in terms of readiness to start the school year in 2014. Learner Teacher Support Material (LTSM), for the past two years, were delivered by October/November of the previous year. The National School Nutrition Programme, which advances learner wellness and thus impacts on quality teaching and learning, had commenced smoothly at all schools visited, despite a shortage of utensils and storage facilities in some schools. The Department had been reaching its minimum requirement in respect of

support per learner in terms of the Norms and Standards funding, with a minimum of R 1 059.00 per learner for 2014. Teachers had received the necessary training to implement CAPS in most schools. The districts visited reported that they had already started with their examination readiness plans for 2014 during the previous year and would intensify the implementation of the plans for 2014.

Despite the good work noted above in preparation for the 2014 school year, issues of concern were also observed. Despite considerable strides the province was making in the delivery of LTSM, several schools visited experienced shortages and in some cases oversupply of textbooks, mainly due to changes in learner enrolment. Encouragingly, the Department reported that it was doing mop up operations to identify and deliver outstanding textbooks. The retrieval of textbooks was at a low level in several schools. As in 2013, post provisioning remained a major challenge. A number of schools visited experienced shortages of teachers or lacked qualified teachers in gateway subjects, despite the availability of Funza Lushaka bursars, which raised the province's capacity to manage the policy of Post-Provisioning Norms (PPN). Further challenges in post provisioning related to the movement of teachers additional to the post establishment and temporary teachers being made permanent.

The Committee also found that not all deserving learners were benefiting from learner transport. Another challenge facing the Department was that of accurate records of numbers. There was an urgent need to address the inefficiencies in the system as data could not be verified.

Some schools experienced infrastructure backlog which included the poor state of the school buildings, inadequate basic facilities such as the water supply, sanitation, security fencing and electricity as well as a shortage of classrooms, laboratories and libraries. There was also a shortage of furniture for learners, particularly chairs, which needed to be addressed as a matter of urgency.

In respect of strategies to improve learner performance, it was found that several schools were not utilising their ANA results as a diagnostic tool to improve their performance. In a few cases, schools did not have a record of their ANA results. Learner admission for 2014 was not completed in several schools across the two districts visited, despite the policy requirement that it should be completed by September of the previous year. The Committee also found that although the Quality Learning and Teaching Campaign (QLTC) was established in several schools, it was ineffective, which compromised efforts to address the challenges of learner discipline and parental involvement.

In terms of the realignment and rationalisation of schools that was underway in Qumbu District, it seemed that the Province was not prepared since there seemed to be no proper planning in place. From the engagement with schools, circuit and district officials in both districts, it became evident that there was a need for more targeted support to schools. The Committee also observed the need to scale up the

implementation of the Rural Incentive/Allowance for educators in the province. A further challenge noted in some schools was the mismanagement and misuse of leave by principals and teachers respectively, as well as a practice of leaving school early, which resulted in loss of teaching and learning time and curriculum coverage.

The oversight visit has provided the Portfolio Committee with an opportunity to identify areas that need to be strengthened in order to improve learner outcomes. The findings and recommendations contained in this report should help to assist the districts and province to improve their preparations for school readiness in the future.

## **1. Introduction**

1.1 The Portfolio Committee on Basic Education conducted oversight visits to the underperforming districts of Qumbu and Sterkspruit in the Eastern Cape from 28 – 31 January 2014.

1.2 The purpose of the oversight was to assess the provincial state of school readiness for the 2014 school year in the identified districts. There was an additional need to provide support to the Provincial Department of Education, the districts and schools in identifying the challenges and to assist in finding effective solutions to the challenges being faced.

1.3 The Portfolio Committee focused on, amongst others, the following crucial areas:

- The timeous and complete delivery of all Learner Teacher Support Material (LTSM) (workbooks, textbooks and stationery) to schools;
- The supply and training of teachers;
- Readiness to implement the Curriculum and Assessment Policy Statement (CAPS) with emphasis on the Senior Phase;
- The state of admission and registration of learners;
- The functionality of school governance and management bodies;
- The functionality of the Quality Learning and Teaching Campaign (QLTC), and
- The availability of learner transport and school nutrition to qualifying learners.

1.4 The focus areas formed part of key interventions and priorities set out in major government plans to ensure that enabling conditions for quality teaching and learning were established. As part of its oversight, the Portfolio Committee had a constitutional responsibility to ensure that these priorities were implemented, particularly since they are linked to the improvement of quality basic education as Government's Priority Outcome 1.

- 1.5 As part of the oversight, the Portfolio Committee received briefings from officials of the provincial department, districts, circuits and organised labour on aspects of school readiness. The Portfolio Committee also visited a total of 16 schools (10 secondary and six primary schools). The delegation held meetings with all relevant stakeholders in order to gain first-hand information on the state of school readiness and to discuss challenges faced by schools.
- 1.6 In line with the Portfolio Committee's resolve as set out in its five year Strategic Plan (2009-2014) to focus oversight on schools and districts with the most challenges in the provision of quality education, the Portfolio Committee selected the province and underperforming schools for oversight visits based on the 2013 NSC results. The Portfolio Committee also visited feeder primary schools for these schools.
- 1.7 This report provides a summary of the key issues that emerged from the interaction with stakeholders, officials of the national and provincial department as well as the Portfolio Committee's deliberations, observations and recommendations.

## **2. Delegations**

- 2.1 Portfolio Committee on Basic Education: Hon H H Malgas, MP (ANC) (Chairperson), Hon N Gina MP (ANC) (Whip), Hon P J Ngubeni-Maluleka MP (ANC), Hon A C Mashishi MP (ANC), Hon A T Lovemore MP (DA) and Hon K J Dikobo MP (AZAPO). Parliamentary staff consisted of Mr L A Brown (Committee Secretary), Mr D Bandi (Content Advisor), Ms S Ntabeni (Committee Assistant), Dr H Baloyi (Senior Researcher) and Mr S Maputi (Communications Unit).
- 2.2 Provincial Legislature Portfolio Committee on Education: Hon P J Mnguni MPL (ANC) (Chairperson), Ms M Daniels: Committee Coordinator and Mr M Mandisi: Researcher.
- 2.3 National Department of Basic Education: Mr H Mweli: Acting Deputy Director-General, Mr E Rabotapi: Acting Chief Director, Mr T Nkomo: Director, Ms M Fuzile: Acting Director, Mr A Subban: Director, Dr J Joshua: Director, Ms E Mamathuba: Deputy Director and Mr L Mahada (Parliamentary Liaison Officer, Office of the Director General).
- 2.4 Eastern Cape Provincial Education Department: Mr M Makupula: MEC for Education, Mr M Gaca: Chief Director and Mr M Dlelanga: Parliamentary Liaison Officer.
- 2.4.1 Qumbu District Office: Mr A Z Zola: Chief Education Specialist, Mr G Adonis: Chief Education Specialist, Mrs N Mqoqi: Deputy Director, Mr Vunguvunga: Deputy Director, Mrs L Dyodo: Director, Mr N

Mankahla: Chief Education Specialist, Mr L Mkumbuzi: Chief Education Specialist, Ms P Neka: Chief Education Specialist, Mrs M Ndaba: Chief Education Specialist, Mrs N Ngoma: Chief Education Specialist, Mr T Tshwentshwe: Chief Education Specialist, Mr N Sotomela: Specialist, Mr s Nkqwihi: Education Specialist, Ms A Mbana: Circuit Manager, Mrs Q Nakani: Circuit Manager, L Makuzeni: Circuit Manager, Mrs N Mcengwa: Circuit Manager, Mrs A Flatyela: Chief Education Specialist, Mrs P Myeko: Chief Education Specialist, Mr K Suresh: Chief Education Specialist, Ms Y Dudula: Integrated Quality Management System (IQMS) Coordinator, Mr Z Swebe: Circuit Manager, Mr G Lingani: Chief Education Specialist, Mr T Mlenzana: Deputy Director and Ms M Skele: Deputy Director.

2.4.2 Sterkspruit District Office: Mrs N Kanjana: Director, Mr L Mabanjwa: Chief Education Specialist and Ms N Duka: Chief Education Specialist.

- 2.5 South African Democratic Teachers Union (SADTU): Mr K Mbete: Chairperson - Tsolo, Mr T Bekiswa: Secretary, Ms J Sobekwa: Chairperson - Qumbu, Mr S Maggazolo: Negotiator, Ms N Gomo: Deputy Chairperson, Ms N Nomaciwa: Gender Convenor, Mr S Mtwazi: Deputy Secretary, Ms N Nyangiwe: Convenor, Ms M Yako: Convenor, Ms N Gxalaba: Convenor, Mr H Mmbo: Treasurer, Ms N Nogwanay: Negotiator, Mr J Mandlomso: Secretary, Ms S Maqwara: Branch Treasurer and Ms N Mapatwana: Gender Convenor.
- 2.6 National Professional Teachers Organisation of South Africa (NAPTOSA): Mr K Dalasile: Executive Officer, Mrs N Maggazolo: Executive Member, Mr S Mvana: Deputy Chairperson and Mr N Keswa: Secretary.
- 2.7 Professional Educators Union (PEU): Mr M Mlandeli: District Chairperson and Mr M H Gwasha: Motions and Labour Chairperson.
- 2.8 Suid-Afrikaanse Onderwysunie (SAOU): Mr S Mzinjana: Representative and Mr B Bongani: Representative.
- 2.9 National Education Health and Allied Workers Union (NEHAWU): Mr Z Kratshi: Branch Secretary and Mr B Zihlwele: Branch Chairperson.



### **3. Oversight in the Eastern Cape Province (Qumbu and Sterkspruit Districts)**

#### **3.1 Qumbu District, Eastern Cape Province**

The oversight visit started in the Qumbu District from 28 – 29 January 2014 with the Portfolio Committee having meetings and school visits as follows:

- A meeting with the MEC for Education in the Eastern Cape, the National Department of Basic Education, Senior officials in the Office of the Head of the Provincial Education Department and Senior Provincial and district officials
- Schools visited by the delegation included:
  - Jongilizwe Senior Secondary School
  - Tsolo Primary School
  - Reuben Ntuli Senior Secondary School
  - Tyeni Junior Secondary School
  - Welsh Senior Secondary School
  - Tyira Primary School
  - Sandy Majeke Senior Secondary School
  - Joubert Ludidi Senior Secondary School
- A meeting with Organised Labour

#### **3.2 Sterkspruit District, Eastern Cape Province**

From the 30 – 31 January 2014, the delegation visited the Sterkspruit District and visited the following schools.

- Masakhane Senior Secondary School
- Mbobo Junior Secondary School
- Nyathela Senior Secondary School
- Macacuma Junior Secondary School
- Ebenezer Nyathi Senior Secondary School
- Magumbu Junior Secondary School
- Mehlokhulu Senior Secondary School
- Nompumelelo Senior Secondary School

The Portfolio Committee concluded its visit to the province with a wrap-up/report back session with the National Department of Basic Education and the Provincial Department of Education, Eastern Cape.

#### **4. Oversight in the Qumbu District**

##### **4.1 Meeting with the Eastern Cape Provincial Education Department**

###### **4.1.1 Opening Statements by the Chairperson of the Portfolio Committee on Basic Education (Hon H H Malgas MP)**

The Chairperson of the Portfolio Committee, in her opening remarks, alluded to the 11 teams from the Portfolio Committee on Education in the Provincial Legislature who had embarked on similar oversight visits the previous week. It was brought to the attention of the meeting that the Head of Department (HOD) and senior officials from the provincial department were not present as they were preparing for the upcoming Lekgotla two days later with the Deputy Minister. In addition, the Chairperson of the Portfolio Committee of Education in the Provincial Legislature apologised for his delegation not being present as they were recalled to the Provincial Legislature to pass legislation. He reiterated his Provincial Portfolio Committee's full support for the work of the National Portfolio Committee in the province.

The Chairperson indicated that although there had been improvements in results, the province still had underperforming districts. The Chairperson touched on some of the areas the Portfolio Committee was interested in during the oversight visit and stressed that the Portfolio Committee was not there to fault-find, but to rather give assistance and guidance to improve the education system in the province. In closing, the Chairperson indicated that the provincial department needed to consider amalgamating the two Qumbu satellite offices.

###### **4.1.2 Address by the MEC for Education, Eastern Cape (Hon M Makupula)**

The Hon Makupula thanked the Portfolio Committee for choosing to visit the Eastern Cape since the province needed to account to the Portfolio Committee on its achievements and challenges. Hon Makupula alluded to the re-organisation of the Provincial Department and the interventions (Section 100) in place after the collapse of services in the province. He indicated that there had been a marked improvement in service delivery with the Section 100 team permanently stationed in the province. He mentioned that the province had ensured that support programmes were shifted to where they were needed, for example, the National School Nutrition Programme (NSNP) and Scholar Transport. He admitted that not all deserving learners were being transported though the department was

working on rectifying the situation. There were also focused efforts to ensure support and monitoring of schools and school buildings in the various districts. The department was focusing on its core business, that of access to education and quality education.

Hon Makupula admitted that the province had a huge backlog in respect of ASIDI which needed to be attended to. The Department had been reaching its minimum requirement in respect of support per learner in terms of the Norms and Standards funding, with a minimum of R 1 059.00 per learner for 2014. The Department was also spending close to a billion rand on feeding learners in the province.

A major challenge facing the Department was that of accurate records of numbers. There was an urgent need to address the inefficiencies in the system as data could not be verified. Further, the department was grappling with the following:

- Appointment of educators;
- Movement of additional/excess educators; and
- Temporary educators being made permanent.

The Department had contracted Statistics South Africa (Stats SA) to do the verification of learner numbers in the system as the Department did not have a system to verify numbers. This information was only made available to the Department approximately three weeks before the Committee's oversight visit. With this information at hand, the department was in the process of preparing letters to principals requesting that they explain the variance (if any) of their numbers against that of STATS-SA.

Hon Makupula was pleased to announce that all Learner Teacher Support Material (LTSM), for the last two years, had been delivered by October/November of the previous year. He reiterated that Curriculum and Assessment Policy Statement (CAPS), stationery and Learner Teacher Support Material (LTSM) were non-negotiables for the department. He also confirmed that the National School Nutrition Programme (NSNP) started at all schools from day one of the school year. Hon Makupula also indicated that the province was prone to natural disasters and that the province experienced a disaster at least once every two years. The province had 15 schools affected by disasters, including two ASIDI schools which were completely destroyed.

Hon Makupula indicated that the province had been failing in the management of the policy of Post-Provisioning Norms (PPN). This was being discussed with Organised Labour. Currently there was no employment of temporary educators. It was important that the province looked at the implementation of the Rural Incentive/Allowance for educators.

#### **4.1.3 Presentation on Qumbu District – District Manager (Ms L Dyodo)**

Ms Dyodo, in her opening remarks, indicated that the Qumbu District was located in the Mhlontlo Local Municipality and covered Qumbu, Tsolo, Libode (partly) and Tabankulu (partly). The District operated from two satellite offices, one in Tsolo and the other in Qumbu. Ms Dyodo gave a detailed breakdown of the infrastructure in the district (office buildings, office space, telephones, computers, vehicles etc.), including the functionality of the infrastructure. She further gave a breakdown of all the staffing within the district; with vacancies where applicable. On learner support services, the Portfolio Committee received a list of the number of specialist and support staff including the number of vacancies).

Ms Dyodo also touched on special programmes i.e. the National School Nutrition Programme (NSNP) and Scholar Transport, with figures for the number of primary and secondary schools and learners in the various Quintiles who benefited. She mentioned that the National School Nutrition Programme (NSNP) had improved learner attendance and concentration. All payments to voluntary food handlers and services were delivered on time. She also mentioned that there was a visible improvement in food production initiatives (e.g. school gardens). The main challenge facing the National School Nutrition Programme (NSNP) in the district was the unavailability of food preparation and storage facilities. With regard to Scholar Transport, Ms Dyodo indicated the following figures:

- Number of schools benefitting - 20
- Number of routes - 50
- Number of benefitting learners - 2 899

The main challenge in respect of scholar transport was the fact that some needy learners were not being transported.

On infrastructure, Ms Dyodo gave a detailed breakdown of the schools, implementing agents, scope and status of infrastructure upgrades in the district. She also listed the schools that had been affected by a tornado in September

2013 including enrollment figures and the nature of the damage. **She mentioned that at least 40 schools were in need of desks.**

Ms Dyodo further alluded to the ordering and delivery of Learner Teacher Support Material (LTSM) in the district as follows:

- The number of schools who placed orders - 247
- The number of school with 100 percent delivery - 242
- The number of schools with shortages - 5 (identified)

All 247 schools received 100 percent delivery of stationery ordered. Only 5 schools (identified) had shortages of workbooks.

**The district had identified the management of schools as a key challenge and had identified a programme to address this challenge. The district hoped to intensify the monitoring schools.** Ms Dyodo went on to give a summary of the schools in the district compiled from Circuit information. The meeting also received a breakdown of the district overall performance for the past four years with a summary of the 2013 results for Grade 12. Ms Dyodo gave some of the factors which contributed to the failure rate as follows:

- A shortage of Mathematics and Science educators;
- High educator/learner ratio in some schools;
- Unqualified and under-qualified educators for Mathematics, Science and Accounting; and
- Two schools were involved in strike action, which created instability.

The strategy being implemented to improve the 2013 results included:

- Monitoring of activities at schools by District officials through multi-disciplinary teams and focus teams;
- Incubation centres for Mathematics, Physics, Accounting and Life Sciences over weekends and holidays;
- Intensive revision;
- Monthly accountability meetings for principals conducted;
- Learner support activities conducted by Education Social Support Services; and

- Mobilisation of stakeholders in the form of Quality Learning and Teaching Campaign (QLTC) structures to assist revision camps.

Ms Dyodo also presented an analysis of the Annual National Assessment (ANA) results and provided strategies to be implemented to improve the 2014 Annual National Assessment (ANA) results. She also commented on the teaching and learning patterns of the district as well as curriculum coverage. The placement of Fundza Lushaka bursars was low in the province with education becoming compromised by social matters e.g. service delivery protests.

The Portfolio Committee also received information on the planned interventions by the District to improve learner outcomes and performance. Ms Dyodo touched on the issue of re-alignment and rationalisation as well as the Post Provisioning Norm (PPN) for 2014 as follows:

- The total number of additional educators - 416
- The total number of additional posts (as identified) - 236
- Post level 3 - 7
- Post level 2 - 26
- Post level 1 - 203
- The total number of vacancies - 321

Ms Dyodo, in her closing remarks, captured the main challenges facing the district with the planned interventions as follows:

CHALLENGES	INTERVENTIONS
Only 2 899 learners receive scholar transport	More routes are needed due to the rural nature of the district
50 schools were dilapidated mud and prefabricated structures	10 School were under ASIDI Phase 2 and they had been assessed in preparation for construction
45 Schools needed additional classes	A priority list had been submitted to Head Office
25 Schools needed major renovations	A priority list had been submitted to Head Office
15 Schools with permanent structures were without electricity	A priority list had been submitted to Head Office
80 Schools were without water and sanitation	A priority list had been submitted to Head Office
100 Schools with permanent structures needed security fencing	A priority list had been submitted to Head Office

Additional photocopying machines/telephone lines/computers were required	A submission was made to Head Office
Lack of office space	A request has been made to Physical Planning for the construction of a new office
Shortage of school and office furniture	There was a need for the re-distribution of furniture to where it was most needed
Shortage of Mathematics, Commerce and Science educators	These posts needed to be prioritised by Head Office

#### 4.1.4 Presentation on Sterkspruit District – District Manager (Ms N Y Kanjana)

Ms Kanjana indicated that the district had 169 schools including public ordinary schools and special schools. She mentioned that the communities in the district were poor and depended mainly on drawing pension funds to survive. This was the main reason for all schools in the district being no-fee schools. In 2013, the district had gained a one percentage point over the previous examinations of 2012. With a target set at 65 percent for 2014, the district held monthly disciplinary team meetings. Ms Kanjana indicated that there had been unrest and disturbances for two months between February and March 2013 which negatively affected teaching time. Many learners did not even write the examinations as they were afraid. Contingency plans were put in place to assist learners with preparations for the examinations in 2013 (e.g. night classes, lock-up sessions, winter-schools and special camps). Ms Kanjana mentioned that the district had already started with its examination readiness plan for 2014 during the previous year.

On Learner Teacher Support Material (LTSM), Ms Kanjana stated that all Learner Teacher Support Material (LTSM) had been received in December of the previous year. Those who did not receive made arrangements with service providers to deliver at a time when they were able to take possession of the goods. Ms Kanjana touched on the following challenges facing the district:

- Furniture : At least 40 schools were in need of furniture.
- Scholar Transport : Only 832 learners were receiving transport while the need was as high as 1 850 learners.
- Vacancies : the district faced challenges with the movement of educators

Ms Kanjana mentioned that the district had improved in respect of quality education being offered. Where schools underperformed, they were incubated/twinned with better performing schools in order to learn best practices.

#### **4.1.5 Input from the Department of Basic Education (DBE) – Acting Deputy Director-General (Mr H Mweli)**

Mr Mweli echoed the sentiments of the MEC and the Office of the Head of Department (HOD). He indicated that it was important that the problems facing the province, going forward, were understood by all. A major problem was the schooling landscape and the types of schools in the province. Mr Mweli mentioned that the placement of the Fundza Lushaka bursars was very low in the province, a matter for concern. He gave an undertaking that the National Department would work with the Provincial Department with regard to those schools that were hit by disasters, to ensure that schooling would not be compromised. The Department noted the outcry for mobile classroom where they were needed. Mr Mweli commended the strong decisive leadership shown by the Eastern Cape Department of Education. He further congratulated the province for being the first to meet its targets in respect of Learner Teacher Support Material (LTSM) delivery. Finally, Mr Mweli mentioned that it was important that the impacts of all interventions were properly measured.

#### **4.1.6 Input from the Portfolio Committee on Basic Education**

The Portfolio Committee thanked the National Department for the support and willingness to assist the Provincial Department. There had been huge improvements in respect of provincial finances. It was important that infrastructure backlogs and post-provisioning was urgently attended to. The Portfolio Committee congratulated the Sterkspruit District for maintaining its pass-percentage despite unrest and disruptions. Further comments from the Portfolio Committee included:

- How were schools insured, if at all, particularly with reference to the two ASIDI schools which were completely destroyed, two years following their construction?
- How were study camps funded and how did this affect the finances of the district?
- Ablution facilities at schools needed to be upgraded as officials could be held liable in cases of injury or loss of life as a result of the poor state of the toilet facilities. Urgent attention needed to be given to infrastructure challenges.
- There seemed to be a disjuncture with the Circuit Managers, District Officials and Subject Advisors, with some not qualified to give support.
- What action would be taken against principals who were found to have inflated their numbers?



- The movement of educators needed to occur according to the needs of the particular schools.
- The issue of inadequate scholar transport needed further attention and resolution.

#### **4.2 Visit to Schools in Qumbu District**

**4.2.1 Jongilizwe Senior Secondary School** – Jongilizwe Senior Secondary School had a learner enrolment of 443 and 12 teachers (two of whom were temporary). The school experienced staffing challenges which required attention. Although the school qualified for the posts of principal, deputy principal and two Heads of Department, these had to date not been confirmed. The position of principal had been occupied in an acting capacity since July 2013. Members of the Portfolio Committee were informed that short listing for the posts of principal and deputy principal was conducted in June 2013; however, the selection process was contested. Interviews for the positions of HODs were conducted in July 2013 and successful candidates received appointment letters in the following month. However, the incumbents were currently receiving the salary of post level 1 educators.

The Portfolio Committee was further informed that allegations of mismanagement of funds were labelled against the current acting deputy principal, which resulted in learners embarking on a strike action in 2013. In terms of the post establishment, the school had a shortage of four teachers - two of whom were unqualified, which impacted on their performance. The school experienced a major drop in results from 60 percent in 2012 to 15.2 percent in 2013 and did not perform well in a number of subjects including Mathematics and Physical Science. The Committee heard that the feeder schools to Jongilizwe were mainly deep rural schools. Learners from the local junior secondary school preferred to attend schools elsewhere.

The infrastructure at the school was being renovated and the buildings were in good condition. It was envisaged that once the renovation was complete, estimated in April 2014, the school would have enough classrooms and pit toilets for learners, as well as an adequate water supply. The school was fenced and had a library and science laboratory though there were no books and equipment for the science laboratory. The Committee was informed that the school had excess furniture which was donated to other schools.

The school received its 2014 first tranche of the norms and standards allocation essential to buy its basic needs. It also received stationery and textbooks ordered though there was a need for the provision of top ups for Grades 10 and 11 owing to a number of repeaters in these Grades. The Portfolio Committee was informed that the School Governing

Body (SGB) was functional until the issue of the dispute over the selection process for the posts of principal and deputy principal, which resulted in some members leaving the SGB. Bi-elections were underway.

### **Portfolio Committee Observations**

- The Portfolio Committee was concerned about the instability at the school due to delays in the appointment of the principal and deputy principal.
- Members expected the district to ensure that the appointed HODs received the salaries due to them.
- The shortage of suitably qualified staff also affected effective teaching and learning.
- There was concern that the Eastern Cape had the highest number of Funza Lushaka recipients who had not been placed and yet there were teacher shortages.
- The Portfolio Committee questioned why allegations of mismanagement of funds against the deputy principal were not investigated and resolved.
- There was concern over the transfer of furniture to other schools without the Department's knowledge.

### **Responses:**

**Provincial Department of Basic Education** - The District stated that they would follow up on the salary issues of the appointed HODs as well as the appointment processes of the principal and deputy principal.

**National Department of Basic Education** – The Portfolio Committee received a commitment from the Department of Basic Education that they would liaise with the district to ensure that the staffing issues at the school were addressed as a matter of urgency.

### **Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The District fast tracks the appointment of the principal and deputy principal to ensure stability at the school.
- The District ensures that the appointed HODs receive their requisite salaries as a matter of urgency.
- The District attends to the qualifications issue affecting two teachers as a matter of urgency.
- The Provincial Department ensures that suitably qualified teachers were appointed in needy subjects

at the school, particularly the gateway subjects of Mathematics and Physical Science.

- The District provides the necessary support to the school to improve its results.

**4.2.2 Tsolo Residency Junior Secondary School** – The school is situated in Circuit 9 and offered Grades R to 9. The school had a large learner enrolment of 1 243 and a staff establishment of 33 educators, including three temporary teachers, as well as three practitioners for Grade R. The school had three vacancies. According to the principal, the school was a school of choice for most learners in the surrounding communities.

The school was neat with well-renovated buildings, an adequate water supply and 27 pit latrine toilets - which the principal reported as insufficient. Grade R learners were currently using toilets for Grade 1 which were unsuitable for them. The Portfolio Committee was informed that plans were underway to build proper Grade R classrooms and toilets. The school had a total of 31 classrooms, including 22 which were prefabricated, thus having a shorter life span. The principal indicated that there was a shortage of five classrooms. The school was electrified, fenced and has a computer laboratory with 18 outdated computers requiring an upgrade. It was reported that the District promised to attend to the school's computer needs, when money became available. The school lacked a library and although a science laboratory had been built, it was not yet used. In terms of furniture, it was reported that the school lacked 250 chairs.

The SGB was functional and had established the necessary sub-committees. The SGB coordinator expressed satisfaction with the work of the school, including its management team. Although the school attracted many learners from surrounding communities - and there was general satisfaction with the standard of teaching and learning at the school - the ANA results showed that there was underperformance in certain Grades, particularly Grade 9 in Mathematics.

It was reported that the school received the LTSM which they ordered but there was a shortage in Grades 6 and 9 due to the increase in the number of learners enrolled in 2014. The school was also receiving its tranches of the allocation of the norms and standards funding, though this was not always at the right time. The school management reported that the payment of temporary teachers at the school was irregular.

Although the school nutrition programme was functioning well, the school lacked a kitchen and was using one of the classrooms to prepare meals. The school did not have a functioning QLTC but was planning to launch the structure by April 2014.

**Portfolio Committee Observations:**

- Members of the Committee emphasised the need for the school to integrate computers into the teaching and learning process.
- It was noted that the school needed to receive its infrastructure requirements.

**Responses:**

**National Department of Basic Education** – The Department urged the school to utilise workbooks appropriately and consult support material on the Department's website. The Department also offered to give the school a compact disc with diagnostic evaluations of the results of the ANA.

**Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The District, together with the Department, supports the school to improve its results in affected grades, particularly Grade 9 Mathematics.
- The District ensures that the school received learner chairs as required.
- The District follows up on the claim regarding the irregular payment of temporary teachers as a matter of urgency.
- The District ensures that the school received the outstanding textbooks and workbooks.
- The Provincial Department considers prioritising the school for the provision of the kitchen facility.

**4.2.3 Reuben Ntuli Senior Secondary School** – The school, named after the local chief, had Quintile 3 status. The staff establishment stood at 21 posts (One Principal, One Deputy Principal, Three Heads of Department (HODs) and sixteen educators). The post of Deputy Principal and Head of Department (Head of Department (HOD) was yet to be advertised. The school offered three subject streams. Research on the school indicated that the school performed well in 2011 and 2012 but experienced a major drop in results in 2013. The school did not perform well in Geography, Life Sciences and Physical Sciences and particularly in Mathematics. It was noted that the schools was offering Grade 8 and Grade 9 for the first time in 2014. The Portfolio Committee made the following observations and identified challenges faced by the school as follows:

**Portfolio Committee Observations:**

- The school had a lack of experienced educators for the various subjects (in particular for Mathematics and Physical Science);
- The school received all the Learner Teacher Support Material (LTSM) as ordered;
- It was noted that the school was not built to accommodate Grades 8 and 9;
- The school did receive support from the district;
- The Integrated Quality Management System (IQMS) was being partially implemented. The school had a co-ordinator trained in Integrated Quality Management System (IQMS) who gave feedback to educators. The school was currently working on advocacy of educators. The school had started an Integrated Quality Management System (IQMS) diary to log good practices and strengths but also any weaknesses;
- District teams visited the school regularly to meet with learners on the issue of drug abuse and learner pregnancy;
- The working relationship with the SGB was good, with the school receiving much assistance and support from the SGB;
- It was noted that the number of learners enrolled at the school was too high;
- Further, the Portfolio Committee was informed that the promotions process of 2012 (for 2013) was incorrect; and
- The school was to have been completed by January 2014. There was pressure to occupy sections of the school already completed. Because of this, the school did not have all the necessary furniture and infrastructure in place.

**Challenges:**

- The staff shortage at the school included one Deputy Principal, one Head of Department (HOD) and three Post-Level-1 Educators. Vacant positions at the school that needed urgent filling were:
  - Grade 10 : Life Orientation and Life Science Educators
  - Grade 9 : Mathematics, Natural Science and Technical Educators
  - Grade 8 : Mathematics, Natural Science and Technical Educators
- Classrooms were overcrowded which led to a huge number of learners in a single classroom (*two classes had at least 128 learners*);

- There was a general lack of discipline both amongst educators as well as learners. Absenteeism was common practice at the school;
- Scholar transport was insufficient. Coupled with this was the bad state of the roads in the area;
- Drug abuse and learner pregnancy was at a high rate at the school;
- The school had no fencing to safe-guard learners and educators;
- There were not enough Subject Advisors (particularly in Life Sciences). Subject Advisors found it impossible to implement certain programmes due to the lack of infrastructure at the school;
- It was noted that the number of learners enrolled at the school was too high and there was an over-registration of learners for 2014;
- It was noted that there seemed to be no educator accountability for learner outcomes; and
- It was noted that educators did not take/carry-out instructions from the School Management Team.

#### **Responses:**

**Provincial Department of Education** – With regard to furniture and infrastructure, the Department mentioned that the school was only due to have been occupied after completion of the entire school and that some of the structures still needed to be completed, including ablution facilities. The school would receive all furniture after completion of the school buildings. It was important that the school revisited its acceptance/registration policy as it could not accept learners beyond its threshold.

**National Department of Basic Education (DBE)** – The DBE undertook to have all vacant positions filled by the end of that week. It was important that all levels of government worked together to deliver on the needs identified. It was important that the school did an internal analysis of problems at the school.

#### **Portfolio Committee Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The Provincial Department urgently addresses the shortages of educators at the school as well as the shortages of textbooks and workbooks as alluded to.
- The Provincial Department finds solutions to the current scholar transport problems facing the school.

- That the District ensures that parents were properly consulted on the strategy to have Grade 12 learners relocated closer to the school (in an attempt to have them closer without excuses of transport problems) – as such a strategy came with its own challenges.
- That the District submits the following reports from the school:
  - Absenteeism of Educators
  - School Turnaround Strategy.

**4.2.4 Tyeni Junior Secondary School** – The school had a staff-establishment of five (one Principal and four Educators) with one Head of Department (HOD) in excess. The school employed one Grade R practitioner and one support staff (general worker). The school had an enrolment figure of 130 learners. The Grade R educator also taught Grade 1 learners; with the Head of Department (HOD) teaching both Grade 2 and Grade 3 learners. The school had only six classrooms:

- Grade R and Grade 1 in one classroom
- Grade 2 and Grade 3 in one classroom
- Grades 4, 5, 6 and 7 in one classroom respectively.

The Portfolio Committee made the following observations and identified challenges faced by the schools as follows:

**Portfolio Committee Observations:**

- It was observed that the school had received most Learner Teacher Support Material (LTSM) as ordered. Although almost 100 percent was received, the school still required additional Learner Teacher Support Material (LTSM) but were unable to order them due to budget constraints. The school did not receive the Life Orientation, Social Science (Grade 7) and English (Grade 7) Teachers Guides. There was a shortage of Grade R workbooks in all subjects;
- It was noted that educators were not sure as to exactly which workbooks and textbooks they were supposed to receive. It was brought to the attention of the SMT that Circular 10 of 2013 stipulated all the standard requirements.
- The school did the necessary Integrated Quality Management System (IQMS) with evaluations of all educators after each term. This has had a positive impact with improved teacher performance;
- Support from the District was good with teachers attending Curriculum and Assessment Policy Statement (CAPS) workshops and partaking in competitions run by the District. Circuit Managers and Subject Advisors visited the school on a monthly basis;

- The Portfolio Committee noted that the school had not launched the Quality Learning and Teaching Campaign (QLTC); and
- The school received no scholar transport as none of the learners qualified for the service.

### **Challenges**

- Learner absenteeism;
- Infrastructure: the school buildings had no ceilings. There was a shortage of classrooms and an Administration Block. The school needed a kitchen to cook meals for the National School Nutrition Programme (NSNP). The school also needed benches;
- The school required an administration clerk; and
- The school leave register was not well managed and administered.

### **Responses:**

**Provincial Department of Education** - The Department undertook to liaise with the main storage warehouse to deliver the shortages experienced by the school by the end of the week. The Department also alluded to the budget constraints which hampered the Department from meeting infrastructure challenges. With the school learner numbers, it was difficult to argue for extra classrooms to be supplied. The Department was of the view that the school accepted its status as a functional, successful Multi-Grade school.

### **Portfolio Committee Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The Department re-evaluates the Quintile-3 status of the school.
- The Department urgently addresses the shortage of an administrative clerk at the school.
- The Department addresses the shortages of teacher guides and workbooks as well as infrastructure requirements as alluded to.
- The Department gives the school the necessary assistance and guidance with the analysis of diagnostic reports on the Annual National Assessment (ANA) results and ensures the school had an implementation plan in place to improve the Annual National Assessment (ANA) results.



**4.2.5 Joubert Ludidi Senior Secondary School** – The Portfolio Committee was informed that the school was offering Grade 8 and Grade 9 for the first time in 2014. Enrolment figures for the school stood at 520 learners. The school post establishment was 20 staff (One Principal, one Deputy Principal, three Heads of Department (HODs), 14 Post-level-one Educators plus two Educators for Grade 8 and Grade 9). The school had not performed well in Geography, Life Sciences and Physical Sciences, and particularly in Mathematics. The school was re-visiting its subject choice with the current four streams and was looking to reduce this to only three streams. The Portfolio Committee made the following observations and identified challenges faced by the school as follows:

**Portfolio Committee Observations:**

- The proper management and administration of leave policy needed urgent attention;
- It was noted that the implementation of rationalisation needed to be implemented circumspectly. It seemed that the province was not ready for rationalisation since there seemed to be no proper planning in place;
- It was also noted that there seemed to be no analysis of previous results nor a planned turnaround strategy;
- The text book retrieval policy was being rigorously implemented and enforced;
- The Integrated Quality Management System (IQMS) started two years ago with the school receiving the necessary reports;
- The Portfolio Committee observed that there was a need for further training on the utilisation of workbooks; and
- It was noted that the school had an excess of Grade 12 textbooks;

**Challenges:**

- The subject choices and streaming was too wide and was causing problems;
- There were serious concerns raised over the retention strategy of the Grade 11 learners;
- The school had a shortage of educators;
- There were not enough buses to transport scholars to school;
- The newly elected SGB was not fully functional;
- There was a need for further orientation of educators for the new Grades 8 and 9;
- The school experienced little parental support;

- The Portfolio Committee observed an unknown practice of “early departure” where educators left school early for personal reasons;
- There was a general lack of discipline; both amongst educators and learners;
- It was noted that the principal was not able to properly manage the school and instil the necessary discipline; and
- Working relations amongst educators and SMT were strained and non-cooperative.

**Responses:**

**Provincial Department of Education** – The Department was of the view that many of the problems experienced were due to inadequate support from the district and circuit managers. The school seemed to have no targets or academic plans in place to manage teaching and learning. The Department was of the view that the school needed refresher courses for the principal – with the introduction of multi-disciplinary teams visiting schools. The Department indicated that principals had received all the necessary training on how to deal with leave and leave recording. The Department agreed to follow up on the issue of an educator who had been on special leave for almost a year, without the school receiving a substitute educator.

**National Department of Basic Education** – The Department agreed that many of the matters raised needed responses within two weeks with the assistance of the District Office. The Department cautioned that rationalisation needed to be applied circumspectly.

**Portfolio Committee Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The Department ensures that the school received special urgent attention in respect of the challenges being faced.
- The Department urgently addresses the shortages of educators at the school.
- The Department further investigates the phenomenon of “early departure” of educators.
- The Department arranges an urgent workshop to deal specifically with leave policy and leave application - coupled with this, there needed to be further refresher courses for all principals and management teams.

- The Department ensures that rationalisation should only occur when schools and districts were ready, with proper planning in place.
- The Department affords schools the necessary assistance and interventions during the rationalisation process.

**4.2.6 Sandy Majeke Senior Secondary School** – The Portfolio Committee was informed that the school principal had retired in 2013 and that there was currently an acting principal. The staff establishment of the school for 2014 was 15 staff (One Principal, one Deputy Principal, two Heads of Department (HODs), and 11 Post-level-one Educators). The post for a new principal had been advertised and interviews were underway. The school had generally been underperforming. The school did not perform in Accounting, Business Studies, Economics and Physical Sciences and in particular Mathematics (none of the 33 learners obtained a pass mark in 2013). The Portfolio Committee made the following observations and identified challenges faced by the schools as follows:

**Portfolio Committee Observations:**

- It was mentioned that the school was struggling to attract qualified and experienced educators;
- The school offered two subject streams with all learners taking pure Mathematics;
- The school only had twelve Grade 12 learners for 2014;
- The Quality Learning and Teaching Campaign (QLTC) was launched in September 2013 with all the necessary structures in place and functioning; and
- The Integrated Quality Management System (IQMS) was implemented mainly for the sake of compliance.

**Challenges:**

- The school was experiencing a shortage of educators;
- The school did not receive Life Sciences textbooks for Grades 11 and 12;
- The school only received Mathematics workbooks for Grades 8 and 9;
- Learner discipline was lacking (issues included drug abuse, using cellphones in class, no learning culture, lack of dedication, lack of motivation);
- Educator discipline was also lacking (early departure, high rate of absenteeism);
- Educators having been physically pushed from classrooms; and
- A lack of parental support.

**Responses:**

**Provincial Department of Educators** – The Department indicated that there was a pool of educators and principals that could be accessed to assist the school. The Circuit Manager would follow-up on the textbooks not received, with assistance from the Department of Basic Education. The Department was not aware of the “early departure” register at the school and was of the view that it was unlawful and that the practice should be stopped.

**National Department of Basic Education** - The Department was of the view that teachers needed to be held accountable for learner performance in subjects. The department felt that extra classes were not for covering the syllabus – but for revision. It was important that the school received motivational speakers/sessions/workshops on discipline, leave administration and absenteeism. It was important that the culture and practice of “early departure” be stopped. The department gave an undertaking that the vacancies at the school and the Learner Teacher Support Material (LTSM) shortages would be resolved without delay.

**Portfolio Committee Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The Department urgently addresses the shortages of educators at the school as well as the shortages of textbooks and workbooks as alluded to.
- The Department ensures that the school implemented the specific cellphone policy – and ensure that parents were kept updated on the problem.

**4.2.7 Tolweni Senior Secondary School** – It has to be noted that the School Management Team including members of the SGB and community came to the Qumbu District Office to meet with the delegation. Due to time constraints, the delegation did not visit this school at all. The Portfolio Committee held a special meeting with the group at the Qumbu District Office. It was mentioned that the school had performed well before 2011 but had seen a dramatic decline in results since then. The Portfolio Committee was able to identify the following:

### **Portfolio Committee Observations:**

- It was noted that the entire Grade 11 learners failed in 2013 which resulted in no Grade 12 class for 2014;
- Parents had difficulty placing learners at FET Colleges as there were none in the area;

### **Challenges:**

- The main challenge facing the school was the lack of sufficient educators (three in the GET band and six in the FET band);
- There were not enough classrooms to accommodate all Grades;
- Educator discipline was lacking and absenteeism was rife;
- There was incorrect promotion of learners by the direction of the principal (in fear of the community); and
- The school required furniture (desks/benches/chairs).

### **Responses:**

**Provincial Department of Education** – The province indicated that there had been several visits to the school in the recent past. The Department indicated that foreign educators had many problems with the Department of Home Affairs in respect of documentation for permits. The Department also mentioned that there were many problems with the redeployment of educators in the province, with a limited number of suitable educators. The Department had done an investigation into learner promotions at the school and found it to be incorrect. The Department admitted that there was a major problem with Mathematics and Science educators in the province as a whole. The department gave an undertaking that, at least, the three GET educators were supplied to the school by the following Monday. It was important that the school submitted an application for an educator for Mathematics and Sciences.

**National Department of Basic Education** – The Department clearly stated that planning in the province was a problem. The Department reminded the delegation that they had invested in the training and development of educators through the Fundza Lushaka Bursary Scheme. The Department could only assist the province with educators if they received the necessary statistics on the shortages to enable the Department to place for Fundza Lushaka bursars. The department committed to prioritise the challenges being faced by the Tolweni Senior Secondary School. They requested that the school submit a detailed list

of the challenges faced by the following Monday, for the Department to resolve.

#### **Portfolio Committee Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The Department urgently addresses the shortages of educators at the school as alluded to.
- The District Office and Circuit Office gives the school the necessary focussed support.
- The District Manager supplies the Portfolio Committee with a full report on the matters raised and how they would be remedied.

**4.2.8 Tyira Primary School** – The school was a Quintile 3, Section 21 primary school offering Grades R to 9. At the time of the oversight, the school had a learner enrolment of 281, a staff establishment of nine teachers and one practitioner for Grade R. The principal indicated that the school had a shortage of two teachers since the current post establishment was based on the assumption that the school would offer Grades R to 7 in 2014.

The school was electrified and fenced but lacked a library and a computer centre. It had two tanks and a tap for water though it was reported that the tap was often not working. The school relied on rain water. The state of the toilets was not satisfactory and posed a health hazard. The grass around the toilets was long and also posed safety concerns for young learners. Some toilets did not have doors while the unused ones were not able to lock. In terms of classrooms, the principal indicated that they were adequate but the school encountered a shortage of furniture.

The principal reported that the school had received its first tranche of money allocation for 2014, based on the previous year's enrolment. In respect of LTSM, the school had received the ordered stationery and workbooks but had an oversupply in certain Grades and subjects. Although learner registration for 2014 was reportedly closed, the school was still admitting learners in exceptional cases.

With regard to the 2013 ANA results, the Portfolio Committee observed that performance was satisfactory in lower Grades but declined as the Grades progressed, reaching a low of 11 per cent in Grade 9 Mathematics. The principal indicated that the school had a record of the analysis of ANA results and pledged to improve the results.

The SGB was functional and had established the necessary sub-committees. It was further reported that parental involvement was satisfactory and the QLTC was functioning. The school Nutrition Programme was also functioning smoothly and learners were receiving their meal as required.

**Portfolio Committee Observations:**

- The Portfolio Committee observed that the transfer of Grades 8 and 9 learners from one school to another was not communicated effectively.
- It was felt that schools needed to be afforded the necessary assistance and intervention from the Provincial Department during the rationalization process.
- There was concern that two classes were without teachers since the beginning of the academic year, which deprived them of meaningful learning.
- The District was urged to conduct an urgent audit to determine the extent of teacher shortage in order to give supply where required.
- In respect of the funding allocated to the school for 2014, the Portfolio Committee asked the District to ascertain if it covered Grades 8 and 9.

**Responses:**

**Provincial Department of Education** - In respect of the transfer of schools, the District stated that several high schools were approved to take learners from Grades 8 and 9. However, SADTU felt that there were issues to resolve regarding the rationalisation process and therefore pleaded that learners be placed in their current schools until 2015 when all schools would be ready. The District was waiting for the 10<sup>th</sup> day survey before they could distribute teachers to schools where needed.

**Portfolio Committee Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The school ensures that the toilets and their surrounds were kept clean and tidy and that safety measures were in place.
- The school was supported in ensuring regular supply of water for learners.
- The District ensures that the school receives additional furniture as required.
- The District addresses the challenge posed by the movement of Grades 8 and 9 learners as a matter of urgency.

- The District, together with the Provincial Department, ensures that the school receive the teachers who are required.
- The District supports the school to improve the results.
- The District conducts an audit of surplus LTSM in schools with the view to redistribution to needy schools.

**4.2.9 Welsh Senior Secondary School** – The school had a learner enrolment of 571 and 11 teachers at the time of the oversight. The Portfolio Committee was informed that the educator post establishment for 2014 was 21 based on the assumption that the school would admit Grades 8 and 9 learners, as part of the rationalisation. However, Grades 8 and 9 learners who were initially enrolled at the school later moved to a neighbouring junior secondary school, leaving the school with a lower learner enrolment and staff establishment.

The school was experiencing staffing challenges, following acts of intimidation against teachers during a strike action in 2013. The Committee was informed that learners embarked on the strike between May and July 2013, in opposition to a decision for parents to contribute R100 for the renovation of classes. It is alleged that acts of intimidation and violence were committed by learners against teachers, resulting in some teachers seeking transfers. These included a principal who was deployed to another school, an HOD who accepted a promotional post in another school as a deputy principal and a post level 1 teacher who transferred to another school. The current acting principal was brought from another school where she was an HOD, and required training in her management responsibilities.

Teaching and learning was not in full progress due to staffing problems. It was reported that the school was struggling to acquire qualified teachers for Mathematics and Science for Grades 10 to 12. Existing lists of teachers in excess only contained those qualified to teach in lower Grades. The school also required a qualified Geography teacher. The school was currently engaged with transfers of additional teachers.

The school's NSC results had been on a downward trend since 2010. The school underperformed in the 2013 NSC results in Accounting, Business Studies, Economics, Geography, Life Sciences and Physical Sciences, and in particular, in Mathematics where only 4.8 per cent of the total number of learners passed.



In terms of infrastructure and basic facilities, the school experienced an inadequate water supply, a shortage of toilets and required adequate fencing to safeguard learners and teachers. One block of classrooms required electricity. There was also a shortage of furniture (300 desks), a lack of a science laboratory and a library. The school had received its tranche of the Norms and Standards funding.

The LTSM had been delivered as ordered but there was an oversupply of stationery and a shortage of textbooks for Grades 10 and 11, owing to the movement of learners to and from the school. The school experienced a challenge in retrieving textbooks. The Portfolio Committee was informed that, although the SGB was functional, some SGB members had been inactive after the 2013 strike action and bi-elections were underway to replace them. The QLTC Committee had been established.

The School Nutrition Programme was operating smoothly and had started on the first day of schooling. However, there was a shortage of utensils.

Learners at the school were benefitting from scholar transport though some qualifying learners were excluded due to budget constraints. The Portfolio Committee was informed that the school would apply for additional learner transport for 113 learners.

#### **Portfolio Committee Observations:**

- The Portfolio Committee queried the learner enrolment from Grades 10 to 12 being on a sharp downward decline, with a large number of learners enrolled in Grade 10, a sharp drop in the number of Grade 11 learners and a very small enrolment in Grade 12.
- There was concern over the shortage of Mathematics and Science teachers while there were Fundza Lushaka bursars who could teach the gateway subjects, but who had not been placed in schools in the Eastern Cape. This raised questions around the capacity of management to plan.
- With regard to the strike action of 2013, the Portfolio Committee questioned whether acts of intimidation against teachers were reported.

#### **Responses:**

**Provincial Department of Education** - The District undertook to track the movement of Grades 8 and 9 learners to ensure that they were accounted for and placed

appropriately. In respect of the effects of the strike action, the District stated that they had introduced social awareness campaigns and counselling programmes to provide support to learners, a matter which the community was involved in. Parents' contributions to renovate classrooms had been refunded. With regard to the major drop in enrolment between Grades 10 and 12, the District attributed this to the large number of learners admitted in Grade 10 from the neighbouring school and, the high failure rate due to the strike action of 2013.

**National Department of Basic Education** - The Department of Basic Education emphasised the need to revise the school's staff establishment in view of its updated learner enrolment.

**Portfolio Committee Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The Provincial Department addresses the staffing challenges at the school as a matter of urgency to enable effective teaching and learning. This includes the placement of Funza Lushaka bursars, particularly in gateway subjects, in needy schools.
- The District follows up on the issue of allegations on acts of intimidation against teachers to ensure that the matter was resolved.
- The District determines the exact number of Grades 8 and 9 learners who had moved from Welsh Senior Secondary School to other schools to ensure that they were properly catered for in terms of resources.
- The Provincial Department, together with the District, ensures that members of the SGB were properly trained on their roles and responsibilities, including in respect of raising funds for the school's needs.
- The District delivers outstanding textbooks as a matter of urgency as well as conduct an audit of surplus LTSM in schools with the view for redistribution to needy schools.
- The District assists the school to acquire its infrastructural requirements, including water supply, toilets, furniture and repairing fencing.
- The Provincial Department, together with the Department of Transport, find solutions to the current learner transport problems facing the school.
- The District ensures that the principal receive induction on management responsibilities to ensure stability at the school.

- The District gives the necessary support to the school to ensure that its results improve.

## **5. Oversight and Visit to Schools in the Sterkspruit District**

**5.1 Nompumelelo Senior Secondary School** – The school was built and established in 1995 as an emergency measure as the area only had one high school at the time. The school enrolment for 2014 stood at 155 learners with a staff establishment of eight staff (the eighth was on incapacity leave). Research showed that the school needed to work on Geography and Physical Science. The Portfolio Committee made the following observations and identified challenges faced by the school as follows:

### **Portfolio Committee Observations:**

- The community had built five classrooms and a further two classrooms were built by a mining company in the area;
- There had been a drop in the number of learners due to the subjects on offer at the school;
- The school had started with extra classes in the morning, afternoon and weekends; and
- The school had sought the assistance from neighbouring schools in respect of the critical subject that needed attention;

### **Challenges:**

- The school had no qualified educators for Geography, Mathematics, Physical Sciences and isiXhosa;
- There was no community support due to the history of the establishment of the school;
- Parents did not attend school meetings and showed a lack of interest;
- The school received 99 percent of Learner Teacher Support Material (LTSM) – there was a need for English Grade 12 textbooks;
- The leave register was not well managed and administered. In the recent past, at least three educators were on long leave with no substitute educators provided; and
- Absenteeism was a problem.

### **Responses:**

**Provincial Department of Education** – The Department indicated that the school needed to supply all the necessary and correct documentation for any request for substitute educators to be employed at the school. The policy stated

clearly that schools qualified for substitute educators when an educator was away for more than three working days. The Department undertook to work closely with the school to resolve this issue. It had happened in the past that the schools went directly to the provincial office for reporting without informing the District. The Department also cautioned the school to review its subject streams, and advised that the school consider only two streams in the future.

**National Department of Basic Education** –The Department was of the view that support to the school was inadequate. There was a need to develop a clear improvement plan for the school within five working days – with the assistance from the District and Circuit Offices.

**Portfolio Committee Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The Department urgently addresses the shortages of educators and textbooks at the school as alluded to.
- The Circuit, Subject Advisors, District and Province works closely with the school and identified contingency plans with the necessary assistance and focussed support.
- The Department submits a detailed turnaround strategy for the school.

**5.2 Mehlomakhulu Senior Secondary School** – The school staff establishment for 2014 was 16 staff (One Principal, one Deputy Principal, two Heads of Department (HODs) and 12 Post-level-one Educators). The learner enrolment stood at 513 learners. The school improved its results from 33.5 percent in 2012 to 42.9 percent in 2013. There was a need for further improvement in Geography and Life Sciences. The Portfolio Committee made the following observations and identified challenges faced by the school as follows:

**Portfolio Committee Observations:**

- The school had 11 classrooms for the total of 513 learners;
- It was noted that the school received the necessary support from the District Office;
- It was also mentioned that the Integrated Quality Management System (IQMS) structures were in place;
- Most of the learners accessing the scholar transport came from the Sterkspruit area. There were many

learners who could not access the transport as many of the routes had been cancelled; and

- It was noted that the school was revisiting its subject streams, with a view to reduce and specialise.

### **Challenges:**

- Scholar transport was insufficient to cover all learners who qualified. Many of the routes had also been cancelled;
- There were a number of vacant posts that needed filling urgently;
- Centralised procurement of Learner Teacher Support Material (LTSM) was problematic with budget constraints. The school had not procured any furniture since the introduction of central procurement;
- The school had no Afrikaans educator
- The calibre of learners received from the feeder primary schools was allegedly poor;
- There was a lack of a strong foundation by learners at Grade 10 level – educators were focussed more on the Grade 12 learners;
- Promotions at the Grade 9 level were questionable;
- There was poor learner attendance at extra/afternoon/evening classes; and
- There were chronic cases of absenteeism of educators.

### **Responses:**

**Provincial Department of Education** – The Department would do the necessary follow-ups with the school in respect of the posts that needed to be filled, as well as the number of learners requiring transport. The school was requested to make a submission to the provincial department regarding the Afrikaans educator post that needed filling.

**National Department of Basic Education** – The Department indicated that they had worked closely with the provincial department in respect of centralised procurement processes and model. The provincial system was such that learner numbers used were already entered on the database. The Department noted the non-delivery of the textbooks and undertook to have them delivered by the following Monday. The school was requested to identify the number of desks required by the school. The Department reiterated that any strategic interventions needed to include a study of the diagnostic reports on the various subjects.

**Portfolio Committee Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The Department urgently addresses the shortages of educators at the school as well as the shortages in respect of scholar transport.
- The District submits a full report to the Portfolio Committee on the progress in addressing challenges faced by the school – with a detailed school improvement plan.

**5.3 Ebenezer Senior Secondary School** – The school staff establishment for 2014 was 13 staff (One Principal, one Deputy Principal, two Heads of Department (HODs) and nine Post-level-one Educators). The post of Deputy Principal still needed to be filled. The learner enrolment stood at 388 learners. The school was generally underperforming and its results dropped from 44.8 percent in 2012 to 25.4 percent in 2013. The school underperformed in Accounting, Life Sciences, Mathematics and Physical Sciences. The Portfolio Committee made the following observations and identified challenges faced by the school as follows:

**Portfolio Committee Observations:**

- The school received all Learner Teacher Support Material (LTSM) as ordered;
- Although the school continued with the Integrated Quality Management System (IQMS), they could not follow all the procedures. There was a need for further workshops on the Integrated Quality Management System (IQMS);
- Unrest in 2013 had a negative impact on school results;
- Co-operation and involvement of the SGB was good;
- The school offered three subject streams;
- The school did not experience many problems with educator discipline as all educators were very committed;
- The school turnaround strategy showed better preparedness;
- There was a plan to have the Grade 12 learners relocated closer to the school;
- The school received the necessary support from the District Office with regular visits from the Subject Advisors and Circuit Manager; and
- The school debate team won R45 000.00 in prize money. This was used to build some flush-toilets.

### **Challenges:**

- Learners were not returning books at the end of the year;
- The school was short of Grade 10, 11 and 12 Physical Science textbooks;
- The Quality Learning and Teaching Campaign (QLTC) had not been launched;
- There was poor parental involvement, particularly low attendance at meetings;
- The quality of learners from the feeder schools were poor;
- The school was in need of a Head of Department (HOD) for the Science Department;
- The school required a laboratory, library and ablution facilities;
- The school also required chairs for tables received; and
- The subject streaming offered was too broad.

### **Responses:**

**Provincial Department of Education** – The Provincial Department did indicate that they had a turnaround strategy for schools of this nature. The district would continue with its visits and monitoring of the progress of the school.

**National Department of Basic Education** – The Department undertook to investigate the books not received and ensure that the matter was dealt with as a matter of urgency. They indicated that they recognised that the Grades needing the most assistance in the system came from the Senior Phase. It was important that schools had definite planning and preparations in place for all Grades.

### **Portfolio Committee Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The Department urgently addresses the shortages of textbooks as alluded to.
- The Department ensures that parents were properly consulted on the strategy to have Grade 12 learners relocated closer to the school
- The Department needs to have focussed attention on primary schools - as many high schools had been complaining of the quality of learners coming from the feeder schools.
- The Department encourages schools to forge relations with feeder primary school educators to improve the situation.

- 5.4 Mbobo Junior Secondary School** – The school offered Grades 1 to 7 and had a learner enrolment of 344 with 24 Grade R learners. There was a staff establishment of 10 for 2014 and there were two vacancies including one for an HOD in Mathematics and Natural Sciences. The Portfolio Committee was informed that teaching and learning in respect of Mathematics and Natural Sciences had not yet started due to the lack of a teacher.

The school had an unsafe structure of four classes built by the community. The school was electrified and fenced. It experienced a limited water supply for learners and often hired vehicles for the delivery of water. Toilets were dilapidated. The school lacked a library, a laboratory and computers and experienced a shortage of furniture for the Intermediate and Senior Phases.

The School Nutrition Programme was functional and running, though the school lacked a proper kitchen. The SGB was reportedly fully functional with the necessary sub-committees. It was also reported that parents were actively involved in the affairs of the school. The QLTC Committee had been established and was functional.

The school underperformed in the ANA, particularly in the Intermediate and Senior Phases, where the lowest performance was 0 per cent in Grade 9 Mathematics. The principal stated that they had analysed the results and developed a school improvement plan.

#### **Responses:**

**Provincial Department of Education** - The District indicated that they had supplied the school with the format of the School Improvement Plan, and the school had submitted its plan to the Circuit Office for consideration and support.

**National Department of Basic Education** - The Department of Basic Education noted the importance of monitoring the School Improvement Plan. They would give the Circuit a compact disc on diagnosis of the ANA results.

#### **Portfolio Committee Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The Circuit Manager fast tracks the process of filling the vacancies at the school.
- The District ensures that the school receives urgent attention in respect of its toilet requirements.



- The District, together with the Provincial Department, addresses the shortage of teachers at the school.
- The District urgently attends to the school's infrastructural needs, particularly water supply, toilets and furniture. The District, together with the Provincial Department considers including the school in its infrastructural development plan in respect of the unsafe structure of classrooms and the kitchen facility.
- The District provides the school with the necessary support to ensure the improvement of its results.

**5.5 Macacuma Senior Primary School –** Macacuma Senior Primary School is a Quintile 2 Multi- Grade school offering Grades R to 6. It is situated in Macacuma village, which has three other primary schools. The school had three teachers and a learner enrolment of 103, including nine learners in Grade R and 13 learners in Pre-Grade R.

The school lacked running water, was electrified and was in the process of being fenced at the time of the oversight. Members of the Committee were informed that the school housed a clinic on its grounds.

Only one teacher at the school received training in Multi-Grade teaching. The school received its first allocation of the norms and standards funding for 2014. With regard to LTSM, the principal reported that the school had received the stationery, textbooks and workbooks ordered but there was an overflow and shortage of workbooks in certain subjects. The school had not yet reported the shortages to the Circuit Office.

The school did not have a record of the ANA results. The principal stated that the results had been submitted to the District Office. It was reported that the SGB was functional and that parental involvement was satisfactory. The QLTC Committee was also established but not meeting regularly. The School Nutrition Programme was running smoothly.

#### **Portfolio Committee Observations:**

- There was concern that shortages and overflow of workbooks had not yet been reported to the circuit office, three weeks into the school term.
- In respect of ANA, the Portfolio Committee was concerned that the results were not noted at a school level and used as a diagnostic tool for the purposes of improvement.
- It emerged that the clinic housed at the school did not contribute to services such as electricity and water. It was felt that the school should explore formalising the arrangement to ensure that both parties share expenses.

- There was a query as to why the school had not considered merging with neighbouring schools, given its low enrolment.

### **Portfolio Committee Recommendations**

The Portfolio Committee on Basic Education recommends the following:

- The District ensures that the school received its outstanding workbooks.
- The District submits the school's ANA results to Parliament and the school be assisted to utilise the results for their diagnostic purposes.
- The District facilitates the formalisation of an agreement between the school and the clinic regarding the sharing of the school's premises.
- The Department considers whether it was feasible to merge the school with otherschools, given its low enrolment and that there were three other primary schools in the area.

**5.6 Nyathela Secondary School** – The school was a Quintile 2 school with a learner enrolment of 408 from Grades 10 to 12, and a post establishment of 17 teachers. The school had one teacher additional to the staff establishment, for whom the District was looking for a school for placement. The school had been underperforming in recent years with its results dropping from 44.4 percent in 2012 to 24.1 percent in 2013. The school underperformed in Accounting, Geography and Physical Sciences, and in particular in Mathematics in the 2013 NSC examinations.

In respect of learner transport, although some learners travelled long distances of up to 16 kilometres to and from school, the school did not have learner transport due to budget constraints. The Committee was informed that learner transport was discontinued when the provision of the service was transferred to the Department of Transport. It was reported that many schools in the circuit were in a similar situation.

In terms of infrastructure and basic facilities, the school was electrified but lacked a library, a science laboratory and had inadequate fencing. The school was community built and had cement blocks that cracked easily. It had 16 classrooms, some of which were without ceilings. There was also a computer laboratory equipped with 25 computers. In terms of furniture, there was a shortage of chairs. Although the school had three water taps, it lacked water since November 2013. The Committee was informed that the

matter had been reported to the relevant authorities though no action had yet been taken. The school also had six water tanks. It was reported that the area had a general problem of water supply. The circuit manager indicated that the municipality used to deliver water to schools but due to service delivery protests the service was terminated. Schools were advised to use their budgets to buy water. However, some schools had budget constraints. Some toilets were in a terrible condition. The school experienced regular burglaries due to inadequate fencing. The school lacked a library, a computer laboratory and a strong room for the safekeeping of computers.

The LTSM had been delivered on time to enable the school to start the new academic year smoothly. It was reported that the school could experience a textbook supply challenge in respect of learners advised by the district in 2014 to change their subject choice from Mathematics to Mathematical Literacy.

The SGB was functional and had established the necessary sub-committees. Parents were not actively involved in the activities of the school. Although the principal indicated that the QLTC was established and functional, the Portfolio Committee was concerned that it limited its focus on maintenance issues. The District was urged to assist the school in understanding and executing the responsibilities of the QLTC.

#### **Portfolio Committee Observations:**

- There was concern that many qualifying learners were not receiving learner transport. The Department was urged to look into this issue and how it could be resolved.
- In respect of the school's underperformance, it was noted that the school required intensive support from the District, particularly in subjects where learners underperformed.
- The Committee was concerned that some learners were advised to change their subject choice from Mathematics to Mathematical Literacy, which limited their options for university entrance and was thus less viable for their career options.
- The Committee was concerned over the lack of drinking water for learners at the school. It was important that the matter be addressed as a matter of urgency.
- Members of the Committee commended the school for the trophies obtained which included for debate, public speaking and cultural activities.

**Responses:**

**Provincial Department of Education** - In respect of the advice to learners on subject combinations, the District indicated that their advice was based on the observation that many learners were failing Mathematics, including in Grade 11. The school used to be a Dinaledi school.

**National Department of Basic Education** - The Department was in agreement with the Portfolio Committee that redirecting learners from Mathematics to Mathematical Literacy would disadvantage learners since they would not have the optimal combination for university entrance into viable programmes.

**Portfolio Committee Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The Department, together with the Department of Transport, find solutions to the challenge of learner transport.
- The District assists the school to acquire its infrastructural requirements, including fencing, water supply, toilets, ceilings, maintenance of the buildings and furniture.
- The District, together with the school, ensures that learners chose viable subject combinations.
- The District intensifies the support given to the school, particularly in subjects where learners underperformed.
- The District assists the school to understand and effectively execute the responsibilities of its QLTC.

**5.7 Masakhane Senior Secondary** – The school had a learner enrolment of 252 with 15 educators, five of whom were additional to the post establishment. The principal indicated that the educators in excess had already been identified for deployment to other schools. The Committee was further informed that the school previously enjoyed a much higher learner enrolment; however, this had dropped due to learner transport problems and the school's current poor results.

The school was generally underperforming and had experienced a significant drop in the NSC results, from 45.5 percent in 2012 to 17.9 percent in 2013. The school underperformed in Accounting, Life Sciences and Mathematics, and in particular in Business Studies, Economics and Physical Sciences. The school management

attributed the poor results to several factors, including the quality of learners received from feeder schools and the challenge of some teachers who struggled to deliver the subject content. It was also stated that in respect of Mathematics, learners lacked calculators. Another challenge raised was the lack of discipline amongst learners.

In terms of measures to improve the results, the principal reported that the school had attempted in the previous year to utilise teachers from better performing schools but the effect was minimal since the teachers were only available to assist on some Saturdays. District programmes targeting learners did not reach all the learners due to insufficient resources. It was also alleged that an intervention introduced by the District to support learner performance in Business Studies did not have the desired effect since several schools who participated in the intervention underperformed.

In respect of infrastructure, the school had a tap and five water tanks but experienced a limited water supply. During the dry season the tanks ran dry and the supply from the municipality was irregular. The school was satisfied with the condition of the pit latrines. The school was electrified with adequate classrooms but lacked a library and a science laboratory. 10 computers had been received from the District Office, though nine of these were not connected to the Internet.

It was noted that there was a shortage of textbooks for Business Studies Grade 11 since 2013. The school had not received the first tranche of funding for 2014.

The SGB was reportedly fully functional with the necessary sub-committees. However, there was a low level of parental involvement. The Portfolio Committee was informed that although there were attempts to establish the QLTC Committee in 2013, the structure did not receive support from parents. The school was trying to involve other structures in the community to support the re-establishment of the QLTC Committee. The School Nutrition Programme was functional and running.

#### **Portfolio Committee Observations:**

- The Portfolio Committee was interested to know the status of learners who had left the school.
- In respect of the issue of the perceived quality of the learners from the feeder school, the District was urged to look into the matter and provide the necessary remedy.
- It was a matter for concern that learners lacked calculators integral to enhancing the learning of Mathematics. Members noted that the school

required the necessary support from the District, including regular visits from Subject Advisors and the Circuit Manager.

- Members were concerned that schools in Sterkspruit District had not received the first tranche of funding for 2014, which raised questions whether districts were receiving equal attention. It was noted that other districts had received their school budgets and were undergoing rationalisation.

#### **Responses:**

**Provincial Education Department** - With regard to budget allocations to schools, the District stated that they had not yet received the final paper budget for the first tranche for 2014.

**National Department of Basic Education** - The Department urged the Circuit to track the status of learners who had left the school. The Department encouraged the school to forge relations with its feeder primary school educators to improve the situation. It was also important for teachers to seek support from colleagues to delivery sections of the curriculum which they did not understand. The District and subject advisors were further advised to continuously check the DBE website for material, as well as to source compact discs presented on TV by subject experts, in order to build capacity in schools.

#### **Portfolio Committee Recommendations:**

The Portfolio Committee on Basic Education recommends the following:

- The District collaborates with other departments to intensify their support to the school in order to address social challenges experienced at the school.
- The District intensifies the necessary support given to the school, focusing in particular on subjects where learners had underperformed
- The school needs to be supported by the District to ensure a regular supply of water for learners.
- The District delivers outstanding textbooks as a matter of urgency.
- The Provincial Department ensures that schools in the Sterkspruit District receive their Norms and Standards funding allocations timeously.

## **6. Meeting with Organised Labour**

The Portfolio Committee held a meeting with the South African Democratic Teachers Union (SADTU), the National Professional Teachers Organisation of South Africa (NAPTOSA), Suid-Afrikaanse Onderwysersunie (SAOU), Professional Educators Union (PEU) and the National Education, Health and Allied Workers' Union (NEHAWU). The following is a summary of the issues raised by the various unions:

### **6.1 The South African Democratic Teachers Union (SADTU)**

- As SADTU had made a submission to the Portfolio Committee in the previous year, the union wanted to check the progress in respect of the submission made. SADTU highlighted several challenges attributed to underperformance in the Eastern Cape in general, and the two districts visited in particular. These related to post provisioning, temporary teachers, infrastructure, delays in the transfer of funds, non-payment of personnel, quintiling of schools, scholar transport and rationalisation, realignment and the merger and closure of schools.

**6.1.1 Post-provisioning:** SADTU noted that the issue of post provisioning posed a serious challenge. The union was of the view that post provisioning as applied did not respond to the needs of the curriculum and those of personnel. They felt that the Department was unilaterally declaring posts without proper consultation with the unions. SADTU also indicated that there was a pattern of downsizing the number of educators whilst the province had a high vacancy rate. The pace of filling the posts was also slow. The union related the case of a school which had been without teachers for English, Mathematics and Life Sciences since April 2012. The union also complained that there was a dire shortage of subject advisors, which compromised quality education.

**6.1.2 Temporary Teachers:** SADTU was concerned that the contracts of temporary teachers were renewed on a quarterly basis and terminated at the end of each year (except in 2013), causing instability in schools. Most schools opened with high educator shortages, job losses and insecurity. The union stated that in 2013 many temporary educators who were reinstated only reported back to their schools on the 8<sup>th</sup> of April. SADTU further alleged that the Provincial Department was often not implementing Collective Agreements and Court Orders relating to the filling of vacant posts, the reinstatement of temporary educators and the conversion of teachers to a permanent status, thereby undermining the justice system. The union mentioned that contrary to a signed collective agreement, the Provincial Department declared educators additional to

the staff establishment before learner enrolments were verified.

**6.1.3 Infrastructure, basic facilities and resources:** the union pointed out that most schools required proper structures since they were built by the community. Prefabricated classrooms were supplied to some schools with large enrolments. The union further stated that most schools lacked laboratories, libraries, computer access, as well as support and office staff. It was mentioned that many teachers doubled up as administrative and finance officers, which increased their workload. The union also noted security concerns at schools, with burglary and vandalism being rife, threatening the safety of teachers and learners.

**6.1.4 Delays in the transfer of the Norms and Standards funding:** SADTU mentioned that in most cases the funds were transferred only in May/June, thereby adversely affecting teaching and learning in no fee and Section 21 schools.

**6.1.5 Non-payments of staff:** The union highlighted delays in the payment of temporary teachers, inadequate implementation of rural incentives and delays in the payment of staff who gained promotion as follows:

- Some temporary teachers worked for up to six to twelve months without salaries, which often led to frustration and demotivation.
- The matter of rural incentives had been outstanding for several years and in 2013 payments were partly made. 2 273 incentivised posts from 468 schools were not receiving payments. There were inconsistencies in the implementation of the agreement that all quintile 1 schools, Post Level 1 educators should be prioritised. This resulted in many teachers migrating to urban areas.
- Payments were not made for promotion posts (principals and deputies) that were filled in September 2013.

**6.1.6 Conditions of employment of Grade R learners:** The union was concerned that Grade R practitioners were not enjoying employment benefits of other educators and that most found themselves at the mercy of SGBs to renew their contracts every three months.

**6.1.7 Quintiling of schools:** SADTU noted that there were schools in impoverished communities that were wrongly placed in Quintile 4, resulting in such schools not benefitting from pro-poor programmes such as the School Nutrition Programme.



**6.1.8 Learner transport:** Challenges around the programme included the transportation of learners by service providers, particularly in taxis, which resulted in the late coming of learners.

**6.1.9 Rationalisation, realignment, merger and closure of schools:** SADTU indicated that they had agreed to the rationalisation, realignment, merger and closure of schools in 2007, as provided for in relevant legislation. Their concern was that the employer had unilaterally implemented the two proto-type systems without observing the necessary consultative processes and engagements, despite the union's call for proper advocacy and provision of the necessary infrastructure, teaching personnel, LTSM, learner transport and the School Nutrition Programme. The union noted that Grade 8 and 9 learners had been moved to FET schools without the necessary provision in terms of these necessities. Despite these challenges, SADTU acknowledged the existence of the District Education Forum which has developed a plan of action to salvage the situation.

**6.2 Professional Educators Union (PEU) -** PEU echoed most of what SADTU reported on. On the issue of the Post Provisioning Norms, the union reiterated that the Provincial Department had declared fewer posts compared to previous years. PEU also echoed that rationalisation and realignment of schools was taking place without proper preparations. In respect of temporary teachers, PEU indicated that the Department promised that there would no longer be temporary teachers but did not fulfill the promise.

**6.3 National Professional Teachers Organisation of South Africa (NAPTOSA) -** NAPTOSA was concerned over the fate of their submission, given that the five year political term was approaching and that there could be new Members of Parliament with new priorities. On learner transport, NAPTOSA reiterated SADTU's submission that the provision of the programme was inadequate and that no proper planning was made to ensure that learners benefited from the programme in the context of rationalisation and alignment of schools. NAPTOSA also echoed SADTU that the rural allowance was inadequate and noted that in the Qumbu District very few schools which qualified were participating in the scheme. NAPTOSA further noted shortages of LTSM in schools. Another concern was the safety of teachers in schools, with the union citing the incident at Welsh Senior Secondary School where learners allegedly committed acts of intimidation and violence against teachers, as reported elsewhere in this report.

**6.4 Suid-Afrikaanse Onderwysersunie (SAOU) - SAOU** concurred with the other unions.

**6.5 National Education, Health and Allied Workers' Union (NEHAWU) - NEHAWU** raised concerns regarding the shortage of administrative staff at schools and the non-payment of allowances of administrative staff in the Qumbu District, particularly in special schools. Further concerns expressed included the delays in the payment of pensions and the non-replacement of staff leaving the service, resulting in remaining staff carrying the workload of the departed staff.

**6.6 Portfolio Committee Observations:**

- The Portfolio Committee noted that most of the issues raised showed that the Provincial Education Labour Relations Council (PELRC) was not fully functional since they should have been addressed at that level. These included the issue of the Grade R conditions of service.
- In respect of the concern that pensions were paid late, it was important for unions to refer to the relevant resolution on the matter of the ELRC.
- The Portfolio Committee required more information in respect of allegations of wrongdoing, including claims of non-implementation of collective agreements. The unions were also advised to submit to Parliament a list of names of educators who had not been paid as alleged, in order to refer the matter to relevant authorities.
- It was important that the unions reached an agreement with the Department regarding processes of post provisioning.
- The Portfolio Committee noted the unions' concern regarding the implementation of the rural allowance and the realignment and rationalisation of schools. It was important that the Department attended to these concerns.
- The Portfolio Committee recommended that the unions sent their submission to the Portfolio Committee via the Portfolio Committee Secretary. The Portfolio Committee would ensure that important aspects of the submissions formed part of the Portfolio Committee report.

## **7. Wrap-up/Report-back Session**

With the conclusion of the oversight visit to the Qumbu and Sterkspruit Districts in the Eastern Cape, the Portfolio Committee had a short wrap-up/report-back session with the National Department of Basic Education and the Provincial Department of Education. The objective was to receive a broad summary of the major challenges and obstacles that hampered the establishment of enabling conditions for quality teaching and learning. What the Portfolio Committee drew from the monitoring and oversight visit would also assist the Provincial Department and its districts to improve its preparations for school readiness in future. Broadly, the main challenges facing the province, amongst others, were:

- Shortages of Learner Teacher Support Material (LTSM) at some schools, while others had received an oversupply;
- Many challenges around Post Provisioning Norms (PPN);
- Insufficient scholar transport, including limited transport routes;
- The lack of discipline amongst educators and learners in some schools (absenteeism, lack of respect, drug abuse, learner pregnancies etc);
- The lack of proper administrative and management support;
- The lack of adequate provincial, district and circuit support to schools;
- No rural incentive for many educators;
- Districts not being given equal attention. Some received their budget while others did not. Rationalisation seemed to be occurring in Qumbu but not in Sterkspruit;
- The Annual National Assessment (ANA) results were not being used for their intended purpose in some schools;
- Subject streaming in some schools was too broad;
- Where rationalisation was occurring there seemed to be no proper planning in place with schools not prepared for rationalisation;
- The movement of assets and furniture was unmonitored;
- Inadequate infrastructure and furniture, – the need for further ablution facilities, classrooms, laboratories, libraries, desks, chairs and benches.

It was agreed that the issues raised would receive attention through a collaborative effort of National, Provincial and District Offices to urgently resolve the challenges alluded to.

## **8. Overall recommendations**

The Portfolio Committee on Basic Education, having conducted the oversight visits to the Eastern Cape, and considered the issues that were highlighted, makes the following general recommendations:

The Minister of Basic Education should ensure that:

- 8.1 The Eastern Cape Department of Education deal with the issue of vacancies, including in gateway subjects, as a matter of urgency. A report on timelines for the filling of posts should be submitted to Parliament within two weeks of the adoption of this report by the National Assembly.
- 8.2 The filling of vacancies, by the Eastern Cape Department of Education, for Mathematics and Science educators should be dealt with entirely separately from the process of placement of “excess” educators; a shortage of Mathematics and Science educators exist, but none of the “excess” educators are qualified to fill the relevant posts.
- 8.3 To attract and retain suitably qualified educators to deep rural areas, the Eastern Cape Department of Education should scale up the roll out of the Rural Incentive/Allowance for educators in the province. The implementation of this Incentive should be closely monitored to ensure that it has the desired effect.
- 8.4 Districts should ascertain that all schools have the necessary Learner and Teacher Support Material and where there are shortages that they are delivered promptly.
- 8.5 The Eastern Cape Department of Education should find a more amicable solution to the challenge posed by the termination of temporary teachers. There is also a need to fast track processes to deal with the absorption of teachers in order to facilitate the employment of new educators.
- 8.6 Given that transport is one of the keys to access, it is critical that the Eastern Cape Department of Education, together with the Department of Transport, make transport available to all qualifying learners to ensure that they are able to travel to and from school.
- 8.7 The Eastern Cape Department of Education should ensure that the implementation of the adjustment and rationalisation of schools is conducted circumspectly to ensure that learners benefit from the process.
- 8.8 The Eastern Cape Department of Education should urgently assist schools with furniture and infrastructural needs.
- 8.9 The Eastern Cape Department of Education should give urgent attention to the proper management and administration of the leave policy.
- 8.10 The Eastern Cape Department of Education, through its district and circuit offices should investigate and monitor all turnaround strategies developed and implemented to improve National Senior Certificate results in poorly performing schools, to ensure that such strategies are both practicable and effective.
- 8.11 Districts and Circuits should intensify their support for schools including ensuring that they effectively utilise their ANA results for their intended purpose as a diagnostic tool to improve learner performance.
- 8.12 The Provincial Education Departments should progressively address the challenges facing individual districts and schools as identified in this report. In this regard, a report back should be

submitted to Parliament. The matter should be taken up in the Fifth Parliament in order to ascertain progress made.

## 9. Appreciation

The delegation, led by Hon H Malgas MP, thanked the Members of the Provincial Legislatures, Provincial Department of Education and the National Department of Basic Education for their support given during the oversight visit. Although the visit was arranged at short notice, the Province, Districts and Provincial Legislature were able to accommodate the delegation, which proved successful.

Report to be considered.

## 9. Report of the Committee on the Auditor-General on Proposals for the remuneration of the Auditor-General of South Africa

### 1. Background

1.1 Section 193(4) of the Constitution, 1996 (hereinafter the “Constitution”) provides, amongst others, that the President, on recommendation of the National Assembly, must appoint the Auditor-General. On 11 September 2013, the National Assembly [Third Session, Fourth Parliament] adopted a resolution recommending that Mr Thembekile Kimi Makwetu (hereinafter the “nominee”) be appointed as Auditor-General in accordance with section 193(5)(b)(i) of the Constitution.

1.2 This report contains the recommendations of the Standing Committee on the Auditor-General (hereinafter the “Committee”) to the President pertaining to the intended conditions of employment, including the salary, allowances and other benefits of the nominee in terms of section 7 of the Public Audit Act 25 of 2004 (hereinafter the “Public Audit Act”).

### 2. Determination of remuneration

2.1 The relevant provisions of section 7 of the Public Audit Act read as follows:

*7. Conditions of employment.—(1) The oversight mechanism must consult the person recommended in terms of section 193 of the Constitution for appointment as Auditor-General and make recommendations to the President for the determination of the conditions of employment of that person, including an appropriate salary, allowances and other benefits.*

**(2) *The salary, allowances and other benefits of a person appointed as Auditor-General must—***

- (a) take into account the knowledge and experience of the prospective incumbent;*
- (b) be substantially the same as those of the top echelon of the judiciary; and*
- (c) be paid from the funds of the Auditor-General.*

**(3) *The conditions of employment determined in terms of subsection (1) may not be altered by the President during the incumbent's term of office without the incumbent's written consent or to the incumbent's detriment.***

2.2 Section 189 of the Constitution provides that the Auditor-General must be appointed for a fixed, non-renewable term of between five and ten years.

2.3 The Committee took into account the finding in the Report of the Ad Hoc Committee on the Appointment of the Auditor-General, dated 10 September 2013 (ATC, 10 September 2013, p. 3377) that the nominee showed:

- knowledge and understanding of management of public finances and auditing in the public administration;
- displayed strong leadership qualities;
- good interpersonal skills; and
- high integrity.

2.4 An updated benchmark exercise was undertaken by Alexander Forbes and used as a basis for the determination of the salary, allowances and benefits of the current Auditor-General.

2.5 Upon scrutiny, the Committee found that the calculation from Alexander Forbes was flawed based on the following reasons:

- Wrong inclusion of R60 000 p/m taken as equivalent to the rental amount of the house occupied by Chief Justice in Bishopscourt. Upon enquiry with the Department of Justice, the Committee found that there is no house in Bishopscourt occupied by Chief Justice. The Committee established that the housing allowance for the Chief Justice is regulated in terms of the Ministerial Handbook and hence the R60 000 p/m is not applicable. Thus, the Committee resolved to apply the appropriate amount stipulated in the Ministerial Handbook.
- Alexander Forbes use basic salary of R2 525 200 per annum paid to Chief Justice. However, the Committee could not establish such an amount upon reading a letter sent by the President to the Speaker, dated 03 January 2014, regarding the determination of remuneration of Constitutional Judges and Judges.

2.6 The latter reason, in particular, prompted the Committee to procure services of an actuary to review the updated benchmark exercise undertaken by Alexander Forbes. Following the parliamentary procurement processes, Old Mutual Ltd was recommended as a preferred service provider to execute such task. Thus, a report from Old Mutual was used as the basis for the determination of the current salary of Auditor-General.

### **3. Recommendations on remuneration**

3.1 The Committee recommends:

- 3.1.1 Mr Thembekile Kimi Makwetu, receive a total remuneration package of R3, 889,391.00 per annum commencing 1 December 2013, to be adjusted in line with the annual adjustments to the Chief Justice's salary, commencing in 2014.
- 3.1.2 Mr Makwetu is not entitled to an annual performance bonus, as this could compromise his constitutional independence, but should receive a termination bonus on the successful completion of his term calculated as follows:  
 $30\% \times \text{average term compensation} \times \text{years of the fixed term appointment}.$
- 3.1.3 The total remuneration package is structured by Mr Makwetu according to the parameters and guidelines as are generally applicable to the Office of the Auditor-General.
- 3.1.4 Membership of a medical fund is not required.
- 3.1.5 Contributions to a pension fund are allowed only as part of the total remuneration package of Mr Makwetu.
- 3.1.6 Other conditions of service are in accordance with the parameters and guidelines applicable to the Office of the Auditor-General.

### **4. Term of appointment**

4.1 The recommendations of the Committee are based on the fact that the President has appointed Mr Makwetu for a 7 year non-renewable period.

**10. REPORT OF THE PORTFOLIO COMMITTEE ON AGRICULTURE, FORESTRY AND FISHERIES ON THE OVERSIGHT VISIT TO THE AGRICULTURAL RESEARCH COUNCIL (ARC) AND THE ONDERSTEPSPOORT BIOLOGICAL PRODUCTS (OBP) IN PRETORIA, GAUTENG PROVINCE, DATED 11 MARCH 2014.**

The Portfolio Committee on Agriculture, Forestry and Fisheries, having undertaken an oversight visit to the ARC and OBP in the Gauteng Province from 4 to 5 February 2014, reports as follows:

**1. Background**

The Agricultural Research Council (hereinafter referred to as ARC) and the Onderstepoort Biological Products (hereinafter referred to as OBP) are public entities that reports directly to the Department of Agriculture, Forestry and Fisheries (hereinafter referred to as the Department). The ARC was established in terms of Section 2 of the Agricultural Research Act, 1990 (Act No. 86 of 1990). It is the principal agricultural research institution in the country that provides agricultural research and technology development to support the agricultural community. The OBP was established in terms of the Onderstepoort Biological Products Incorporation Act, 1999 (Act No. 19 of 1999) and its mandate is to manufacture veterinary vaccines and related products to prevent and control animal diseases that impact on food security, human health and livelihoods.

For the past two financial years, i.e. 2011/12 and 2012/13 the Portfolio Committee observed that there was little collaboration between the ARC and OBP on research activities on livestock diseases and vaccine improvement; and the Committee was particularly concerned with outbreaks of diseases of economic importance that sometimes lead to the banning of South African products in some export markets, e.g. foot-and-mouth disease, avian influenza, citrus black spot, etc. The Committee also observed that both entities, the OBP being a national key point, were also not getting sufficient Government funding to address challenges associated with outbreaks of diseases. Based on these observations, the Portfolio Committee recommended that the Department ensures that there is collaboration between the ARC and OBP on livestock disease-related programmes; and to consider increasing funding for the ARC and OBP, particularly for the refurbishment of research facilities and aged infrastructure.

**1.1. Objective of the Visit**

Part of the oversight responsibilities of the Portfolio Committee on Agriculture, Forestry and Fisheries over the work of the Department and its entities is to examine the Strategic Plans and associated Annual Performance Plans (APPs), as well as budgets of the Department and its six entities. In the 2010/11 financial year, additional funding was allocated to the ARC for the establishment of a state of the art foot-and-mouth



disease (FMD) Facility for research on, and the manufacturing of, FMD vaccines. In 2012/13, the OBP received funding from National Treasury for upgrading and modernising the vaccine manufacturing facilities. The Committee took a resolution to undertake an oversight visit to the ARC and OBP to oversee progress in the establishment of the FMD Facility at the ARC, the vaccine manufacturing facilities at OBP and further progress regarding other Committee recommendations as outlined in the Committee's 2011/12 and 2012/13 Budget Review and Recommendation Reports (BRRRs).

## 1.2. Delegation

The delegation of the Committee composed of Mr M Johnson, ANC (Chairperson and Leader of the delegation); Ms NM Twala, ANC; Ms RE Nyalungu, ANC, Ms ME Pilusa-Mosoane, ANC and Ms A Steyn, DA. The delegation was supported by Ms A Kakaza, Committee Secretary; Ms N Mgxashe, Content Advisor, Ms N Qwabe, Committee Researcher (Agriculture and Forestry) and Ms N Diya, Committee Assistant.

## 2. ENGAGEMENT DURING OVERSIGHT VISIT

### The Agricultural Research Council (ARC)

The following officials were in attendance: **Agricultural Research Council (ARC)**: Dr SR Moephuli, Chief Executive Officer; Dr MS Jeenah, Executive Director: Research and Technology Development; Dr L Heath, Programme Manager; Dr P Majiwa, Programme Manager (ARC-OVI); Dr BA Lubisi, Project Manager-Virology (ARC-OVI); Dr J Rees, Head: Biotechnology Platform (ARC-OVI); Dr M Mulumba, Research Institute Manager (ARC-OVI); Isaac Ntshauba, Public Relations Officer (ARC-OVI); Edzani Nephalela, Public Relations Intern (ARC-OVI); Benjamin Molefe, Financial Manager (ARC-OVI); Dr M Maila, Research Institute Manager: Institute for Soil, Climate and Water (ARC-ISCW); Dr D Turner, Programme Manager (ARC-ISCW); Dr M Tsubo, Programme Manager (ARC-ISCW); Dr GJ Chirima, Acting Programme Manager (ARC-ISCW); Dr E Mwendera, Programme Manager (ARC-ISCW); Mr J Malherbe, Researcher (ARC-ISCW); Christien Engelbrecht, Researcher (ARC-ISCW); Dr B Greyling, Programme Manager: Beef Cattle Improvement: Animal Production Institute (API); Prof M Scholtz, Specialist Researcher: Animal Production Institute (API); Mr H Weepener, Programme Manager (ARC-ISCW); Dr M Moeletsi, Programme Manager (ARC-ISCW); Dr A Magadlela, Research Institute Manager (ARC-API); Dr S Venter, Programme Manager (ARC-API), Dr I du Plooy Programme Manager: Vegetable and Ornamental Plants Institute; Dr P Adebola, Programme Manager: Vegetable and Ornamental Plants Institute; Mr D Motiang, Manager: ARC-API; Prof TL Nedambale, Programme Manager (ARC-API); Dr B Nengovhela, Senior Researcher (ARC-API); Dr N Maiwashe, Programme Manager (ARC-API); Moks Mothobela, Manager (API). **National Department of Agriculture, Forestry and Fisheries (DAFF)**: Dr BM Modisane, Chief Director: Animal

Production & Health (APH); Dr S Mkhize, Director: Provincial & State Owned Entities (SOEs) Performance Monitoring; Mr MJ Mamabolo, Director: Animal Production; Ms Dikeledi Mabogoane, Monitoring and Evaluation Officer; Mr S Kgatla, Principal Communication Officer; Ms N Mafani, Parliamentary Coordinator: Office of the Director-General.

### **Overview of the Agricultural Research Council (ARC) and Onderstepoort Veterinary Institute (OVI)**

The delegation was welcomed by the Chief Executive Officer (CEO), Dr SR Moephuli. After a brief introduction the CEO gave a background on the ARC including its mission and vision, as well as the OVI. Dr Moephuli mentioned that the ARC-OVI does needs-driven research, technology transfer and also provides diagnostic services. He highlighted that there is no competition between OVI and OBP but the two institutes work in collaboration. The OVI does vaccine development research and also manufactures a limited number of vaccines as part of its research activities. He mentioned that the ARC-OVI strives to be a world-class veterinary research institute in providing scientific support to the South African agricultural sector.

#### **2.1 The overview of the ARC - Onderstepoort Veterinary Institute (OVI) activities, achievements and challenges**

Dr L Heath, the Programme Manager for OVI presented the overview of the ARC-OVI activities, achievements and challenges. He mentioned that the research focus areas of the Institute are on new generation vaccine development; molecular epidemiology and diagnostics; food, feed and veterinary public health; transboundary animal diseases and parasites, vectors and vector-borne diseases.

He mentioned that some of the challenges experienced by the ARC are increased competition from private commercial diagnostic companies; recruitment and retention of technical staff; maintenance and expansion of infrastructure; as well as increased requirement for specialised infrastructure (e.g. mad cow disease laboratories and keeping the Biological Safety Level 3).

Dr Heath highlighted the development of the foot-and-mouth disease (FMD) vaccine factory as one of the achievements. He said the ARC's vaccine facility at Onderstepoort was built in the early 1980s as a national strategic facility for the production of vaccines, diagnosis and research on transboundary animal diseases. He mentioned that the FMD vaccine production declined over the past decades and was suspended in 2005. In 2010, the National Treasury approved funding of R220 million to establish a new state-of-the-art FMD vaccine factory. The project has three objectives, namely:

- The development of a production process based on suspension cell culture technologies;

- The design of a vaccine factory to accommodate the production process; and
- The construction of a new factory.

Dr Heath reported that to date a production process has been developed that is capable of consistently producing FMD vaccine antigens that will be used in the formulation of the FMD vaccine. He further reported that the design of the new factory is underway with construction anticipated to commence in July 2014. He said the ARC has established a training programme to develop the Human Resource (HR) capacity that is required in operating the new facility and eight students were enrolled in the programme during 2013; and the ARC is planning to develop downstream processing capabilities to maximise vaccine output. Future activities include the production of FMD vaccine that will be supplied to the Department of Agriculture, Forestry and Fisheries (DAFF) for use in the 2015 national vaccination campaign. The construction and validation of the new factory is expected to be completed in 2016 and the new factory will have sufficient capacity to meet the national and regional vaccine requirements.

### **Veterinary Diagnostics at ARC-OVI**

Dr P Majiwa, the Manager for Molecular Epidemiology and Diagnostics Programme at ARC-OVI explained that the purpose of the diagnostic services is to improve and apply routine and novel diagnostic tests as required by clients. The tests reveal the presence of an agent that is responsible for a particular disease in an animal, identify if an animal has been exposed to an agent responsible for a particular disease, and reveal presence of contaminants in food or food products derived from animals. Dr Majiwa reported that approximately 270 different tests are done by competent technical staff under professional supervision on different sample types; and the exact numbers of tests vary with seasons throughout each year. He mentioned that some of the industries that are supported by the Institute are the red meat (beef, mutton, and embryos), poultry (chickens and ostriches), pigs, wildlife and tourism (buffalo relocation etc.), as well as companion and work animals (horses, dogs and cats).

### **Overview of the Biotechnology Platform**

Dr J Rees, the Head of the Biotechnology Platform gave a brief overview of the Biotechnology Platform. The presentation focused on the services provided and the research facilities model that includes the unit, core services, development group, research teams within the Platform and research teams at Institutes. Dr Rees mentioned that the ARC's Biotechnology Platform at OVI has the biggest DANA Sequencer in Africa that has the ability to sequence data for 10 human genomes every 6 days. However, the equipment will be sequencing livestock and plant genomes including livestock pathogen genomics and plant pathogen genomics.

*The delegation was taken for a tour of the ARC-OVI facilities. The facilities tour also included visits to the largest tick museum in the world, the Gertrude Theiler Tick Museum and the Monument of Dr Jotello Soga, who was the fourth son of Reverend Tiyo Soga. Dr Jotello Soga was the first black veterinarian in South Africa and a pioneer in veterinary research.*

## **2.2 ARC - Institute for Soil, Climate and Water (ISCW)**

Dr M Maila, the Research Institute Manager (RIM) from ISCW welcomed the delegation and gave an overview of the Institute. He mentioned that the vision of the Institute is to promote the sustainable management and optimum use of agricultural natural resources, soil, climate and water through basic and action oriented research; technology development; technology transfer and scientific services. He mentioned that programmes and scientific services to facilitate the mission of the ARC-ISCW mission include Agro climatology, Geo Informatics, Soil and Water Sciences as well as scientific services such as climate monitoring and advisories, analytical services and advisories and land suitability studies. Dr Maila reported that the ARC-ISCW is responsible for the country's climate and crop modelling and is managing 600 weather stations throughout the country.

He reported that the activities of the ARC-ISCW's Agro climatology Programme include climate monitoring, climate and crop modelling, weather dissemination (through radio, television, cellular phones) and scientific advisories, greenhouse gas (GHG) emission monitoring and climate change adaptation and mitigation. He mentioned that the ISCW has been given the responsibility by DAFF to do research on climate adaptation. He reported that the Institute's Geo Informatics Programme is involved in using satellite imagery to predict crop yields, disease or pest outbreaks, crop stress, early warnings, water quality and land/crop suitability.

Dr Maila further reported that the ARC-ISCW's Soil Science Programme is involved in providing soil information and doing land evaluation for a variety of clients ranging from commercial to small-scale farmers. The Institute's Water Science Programme is involved in water quality management in agro-ecological systems, efficient utilisation of water in rainfed and irrigated agricultural systems, forestry and livestock production systems, sustainable management of water resources in wetlands to enhance ecosystem health and functioning, assessment of climate change impacts on water and agro-ecological systems. He also reported that the ARC-ISCW has an Analytical Services Laboratory for soil and plant analyses, water analyses and specialist inorganic/biological analyses.

Dr Maila mentioned that challenges and major internal constraints at ISCW are:

- human capacity i.e. lack of critical mass of scientists to deliver on focus areas;

- lack of funding to effectively run the climate monitoring infrastructure;
- updating and maintenance of the soil information system;
- maintenance of analytical services laboratory infrastructure;
- lack of land and buildings; and
- limited funding for research.

### **Agricultural Geo-referenced Information System (AGIS)**

Dr George Chirima, the Acting Programme Manager for AGIS explained that AGIS is a collaborative computer system initiative between DAFF, provincial Departments of Agriculture and the ARC. The purpose of AGIS is to provide vast amounts of agricultural information to the farmers such as soils, weeds, locust outbreaks, invasive plants, etc. He reported that AGIS also provides information through dynamic maps to the general public, the agricultural sector and decision makers via the internet. The reported key challenges of the system were that it has become a large project that needs continuous effort to keep it up to date; limited funding from DAFF; and several private companies also setting up parallel systems. He concluded that despite the challenges, there is a need for an enhanced and collaborative Government-funded system, as rural and developing farmers may never get access to expensive privately-owned information systems.

### **Soil Science Programme: Land Use and Mapping**

The Programme Manager, Dr Dave Turner briefed the delegation on the Soil Science Programme and field applications. The presentation focused on soil classification, soil suitability assessments, soil databases (soil profile information system, land type information system, text and spatial maps, detailed digital map information, derived products applications, etc.). Dr Turner also highlighted the land type maps inventory such as spatial and property components, and inventory based descriptions with soils of different potentials in one area. He made an example of application products from soil and land information in the Eastern Cape Province. Dr Turner also mentioned the Agricultural Master Plan, which is a soil mapping of agricultural land project, through which they run the Agri-Parks Project that is commissioned by the Department of Rural Development and Land Reform in five provinces, namely, Eastern Cape, KwaZulu-Natal, Limpopo, Mpumalanga and North West (14 District Municipalities in total).

The following challenges and future needs in the Soil Science Programme were reported:

- Progressive soil coverage of high potential agricultural land at detailed scales.
- Revitalisation of the ARC-wide Natural Resource Information Systems (soil, climate).
- Revised Business Model with Parliamentary Grant and External Income

- Revised perspective on Intellectual Property and Information Accessibility to the public.
- Succession Planning and Training of staff in soil science and information system applications.

### **Soil and Water Management**

Dr Emmanuel Mwendera, the Programme Manager for Soil and Water Management reported that the key national water issues and challenges in the country include limited water quantity, increasing and competing demand for water, water pollution, food insecurity, wetland degradation, impact of climate variability and change and water governance issues. He said the impact of climate change in the country result in increased water demand, reduces water availability, reduces agricultural production and food security. He highlighted some agricultural water management projects that have been developed to address the water through the Conservation Agriculture and Rainwater Harvesting for Improved Productivity and Food Security Programme. He mentioned that through the programme, rainfall water that is normally lost through runoff is now collected and used productively for crop production. He reported that more than 1 400 households in 42 rural communities in the Free State, 8 rural communities in the Eastern Cape and 19 rural communities in the Limpopo Provinces have improved their food security by adopting the Rainwater Harvesting technology.

### **Climate Change and Communities**

Dr M Tsubo, the Programme Manager for Climate Change and Communities reported about a case study that is funded by DAFF on mitigation and adaptation to climate variability and change in the Thabo Mofutsanyane District Municipality in eastern Free State. He said the main objectives of the project are to introduce and encourage agricultural practices that are potentially capable of mitigating climate change and adapting to adverse effects of climate change, to raise awareness and conduct training on climate variability and climate change in rural agricultural communities and to introduce and encourage farmers to shift to conservation agriculture practices with the emphasis on minimal mechanical soil disturbance and diversified cropping. He reported that approximately 25 youth from surrounding project areas were trained and hired to install the biodigester systems for the project.

Dr Tsubo mentioned that the Project assisted farmers to reduce the impact of agroclimatological risks on their productivity through the use of agrometeorology information. The Project also assisted ISCW to develop a mechanism for the dissemination of weather and climate forecasts to farmers to support their daily activities and to advise farmers on the day-to-day management of their fields based on the weather and climate information. A Climate Awareness Campaign was also held in secondary schools in the Free State Province to improve learner understanding of

weather and climate as they are taught in Geography. A range of jobs and other economic developing opportunities were created through the project such as the use of local labourers for biodigester installation; procurement of local caterers during project gathering and events, use of local tractors and equipment, use of local communities to maintain Project trials (for example, with weeding) and use of local labour in fencing the trial plots.

### **Drought Management and Monitoring**

Mr Johan Malherbe, a researcher at the ARC-ISCW reported that the ARC supports regional drought monitoring initiatives through the maintenance of a network of climate monitoring stations, maintenance of the database of coarse resolution data and management of the development of drought monitoring tool for the South African Development Community (SADC). He reported that the ARC-ISCW's Drought Management and Monitoring Group produces situation maps and present them to the National Disaster Management Committee and also contributes to the National Agrometeorological Committee. He mentioned that information is also disseminated via newsletters to users in Agriculture, Hydrology and the Insurance business.

### **2.3 ARC - Animal Production Institute (API)**

Dr MA Magadlela, the Research and Technology Manager for the ARC-API, welcomed the delegation. He mentioned that the API conducts basic and applied research in focal areas such as animal nutrition and pasture science, animal breeding and improvement (conventional and biotechnological tools to assist reproduction), product processing (meat and milk) and food safety. He mentioned that the API's strategic research focus is informed by the strategic goals of the ARC and national priorities. He reported that the API is also a custodian of certain national assets and services such as the National Data Bank for stock and game identification.

### **Kaonafatso ya Dikgomo**

Mr Dan Motiang, the Manager for Kaoanafatso ya Dikgomo (KyD) Project reported that the project aims to accelerate access of smallholder livestock farmers to the mainstream industry. He reported that 40% of the project's herd is owned by smallholder farmers with 1 200 participants from 2011/12 financial year. He reported that from January 2014, there were approximately 5 772 participants in the project including women and youth. He highlighted the 2013 Project Award Winner who started with 10 cattle and now owns a herd of 150 cattle and has improved the herd's calving rate from less than 50% to 88%. Mr Motiang reported that the ARC, with assistance from Provincial Departments of Agriculture, assists farmers to hold village livestock auctions. He mentioned that the KyD project aims to provide experiential learning to communities surrounding projects; and expand livestock trade for exportation.

### **Assisted Reproductive Technologies (ART)**

Professor Lucky Nedambale, the Programme Manager for Assisted Reproduction Technologies (ART) reported that the objective of the ART project is to introduce genetically superior cattle through ART technology, introduce a model which is meant to empower individual rural farmers to participate in the existing modern beef industry value chain, to support rural farmers in managing animal health (to reduce mortality and improve fertility), to use deoxyribonucleic acid (DNA) to verify parentage and identification (to deter stock theft and for recording and improvement schemes) and to build capacity and skills of farmers and professionals who support emerging farmers. He also highlighted that the focus of the Project is on the Nguni cattle breed, which is an indigenous hardy breed.

### **Poultry Enterprise Development**

Dr Baldwin Nengovhela, the Project Manager, reported that the ARC-API jointly with the Department of Rural Development and Land Reform have established an integrated community-based and community-owned poultry value chain for rural households in all nine provinces. He said the Project started on the 1<sup>st</sup> April 2013 and has a life span of 36 months and its objectives are to:

- Help establish new village broiler and layer value chains;
- Document experiences in village broiler and layer value chains;
- Contribute in the improvement of rural livelihoods and entrepreneurship, as well as economic growth in rural areas;
- Conduct training in hatchery, rearing, feed manufacturing and abattoir management within village systems;
- Improve financial risks of village broiler farming and the rest of the value chain in South Africa;
- Help establish and refine new village broiler-abattoir models;
- Ensure complete production cycles for the continuous supply of the market;
- Organise the groups into cooperatives or any legal business entity;
- Pilot vertical integration by smallholder entities;
- Create a sustainable support system and platform for solving problems for the beneficiaries of the projects through training and mentorship; and
- Create job opportunities for para-professionals and NARYSEC.

Dr Nengovhela reported that the Project targets poor and unemployed people in the Comprehensive Rural Development Programme (CRDP) sites. The total number of beneficiaries was reported as 1 368 consisting of 1 008 rural and military veterans, 180 para-professionals and 180 National Rural Youth Service Corps (NARYSEC). He further reported that there is currently one site in each province and the plan is to expand the project to 73 sites per province. He mentioned that the project's concept is to establish in each community, a feed mill, layer houses (egg production),



broiler houses (meat production), a hatchery and an abattoir with an outlet shop.

### **Livestock Genomic Research Selection**

Professor Norman Maiwashe, the Programme Manager for Livestock Genomic Selection commented that as the number of people that need to be fed is increasing and the natural resource base is deteriorating, the only solution is to increase the output per unit of production; meaning more beef from fewer cattle. He explained that an increase in output can be done through identification (selection) and breeding of fertile and high producing animals (adaptation). He further explained that the identification of superior breeding stock is done through Conventional Selection (CS), in which the ARC played a prominent role in the research that led to its successful implementation in the country. He said the other option is Genomic Selection (GS), which is done through the selection of breeding animals through their DNA. Prof Maiwashe reported that the Genomics Programme in the ARC is still at its infancy and presents a new opportunity for accelerating efficiency of animal production. He said although the ARC is investing heavily in Genomic Research and capacity development, the Programme is expensive and needs substantial funding. He further stated that support from public and private institutions is essential for successful implementation of Genomic Selection for the benefit of South African livestock farmers. He concluded by stating that South Africa cannot afford not to invest in Genomic Research since that might have a negative impact on the country's global competitiveness.

### **The Animal Improvement Schemes**

Dr MA Magadlela, the Research and Technology Manager at ARC-API reported that the Animal Improvement Schemes Project has been under the stewardship of the ARC since the 1<sup>st</sup> April 1995. The Project utilised the ARC's research and development and technology transfer products, which have resulted in improved productivity and ability of livestock farmers to monitor and even control the production processes of their herds and flocks due to a greater understanding of principles needed for sustainable production. He said participation in the Improvement Schemes has thus enhanced efficiency of farm animal production while promoting sustainable resource use to improve the general competitiveness of the whole livestock industry in the country. Dr Magadlela also mentioned that the research conducted by the ARC in support of the animal recording and improvement schemes has been highly successful. He also noted that no successful animal recording and improvement system can exist without sound research and development closely linked to the transfer of technology that is derived from such research.

## **2.4 ARC – Vegetable and Ornamental Plants Institute (VOPI)**

### **Sweet Potato Research Programme**

Dr P Adebola, the Programme Manager for the Sweet Potato Research Programme at ARC- Vegetable and Ornamental Plants Institute (VOPI) informed the delegation that the mandate of VOPI, which is based at Roodeplaat (Pretoria), is to carry out needs-driven and environmentally friendly research, technology development and technology transfer of commercial vegetables, African/traditional/indigenous vegetables, medicinal plants and indigenous bulbous plants. He further reported that the primary aim of the Sweet Potato Research Programme is the breeding of improved varieties; promotion of the orange-fleshed sweet potato (OFSP) for addressing malnutrition; establishment of nurseries for vine dissemination and establishment of small-price enterprises. He mentioned that the sweet potato is one of the seven major staple crops of the world and feeds millions of people in the developing world. He said in South Africa the sweet potato is a popular crop amongst resource-poor farmers and is also grown commercially for the fresh and export markets. He further explained that the crop is adaptable to a broad range of agro-ecological conditions and can therefore, be grown in all provinces in South Africa and in some areas throughout the year.

### **Indigenous / Traditional Vegetables and Crops**

Dr I du Plooy, the Programme Manager for Crop Science commented that contribution of local foods to reduce health risks has always been recognised as part of indigenous knowledge and part of the cultural system. He said growing recognition globally on the role of local nutraceuticals and functional foods in improving the health of people and the growing nutraceutical market worldwide has made it more important to identify, investigate and extract natural food additives and health promoting substances from local traditional food crops. He reported that the ARC is collaborating with the Council for Scientific and Industrial Research (CSIR) and other relevant stakeholders to develop nutraceuticals and functional foods as products from crops traditionally used by rural communities in South Africa.

### **Training and Support Model for Smallholder Farmers**

Dr SL Venter, the Research and Technology Manager for the ARC - VOPI gave an overview of VOPI's Training and Support Model for Smallholder Farmers Programme. She reported that models and strategies were developed and implemented for sustainable livelihoods in support of smallholder farmers and rural development, these include:

- Sustainable livelihoods model;
- Enterprise development and Agri-village models and strategies;
- Training and knowledge transfer models including training courses;

- Demonstration trials, demonstration production system, on-farm training;
- Support and multiplier models, high value crops and niche market models;
- Small-scale agricultural production models and decision making support models;
- Food, nutrition and crop based models;
- Urban agriculture model and strategy;
- Production and technology transfer manuals and information brochures; and
- Information and farmers' days' model.

She mentioned that all models include community mobilisation, situation analysis, baseline surveys, integration of new adapted technology and knowledge, monitoring, evaluation and impact assessment phases.

### **Visit to the Onderstepoort Biological Products (OBP)**

The following officials were in attendance: **Onderstepoort Biological Products (OBP)**: Dr ST Cornelius, Chief Executive Officer (CEO); Mr B Nthangeni, Chief Scientific Officer; Dr T Smit, Chief Operations Officer; Ms Z Mobeng, General Manager: Legal, Compliance & Company Secretary; Pieter M Pieterse, Quality Executive; Ms Mpume Ramutle, Human Resource Executive; Mr M Gololo, Chief Financial Officer and Mr P Pieter, Quality Executive. **National Department of Agriculture, Forestry and Fisheries (DAFF)**: Dr BM Modisane, Chief Director: Animal Production & Health (APH); Dr S Mkhize, Director: Provincial & SOEs Performance Monitoring; Mr MJ Mamabolo, Director: Animal Production; Ms Dikeledi Mabogoane, Monitoring and Evaluation Officer; Mr S Kgatla, Principal Communication Officer; Ms N Mafani, Parliamentary Coordinator: Office of the Director-General.

### **2.5 Overview of the Onderstepoort Biological Products (OBP)**

The Chief Executive Officer (CEO), Dr ST Cornelius gave a historical background on the establishment of the OBP and an overview of the Institute's mandate. He mentioned that OBP was part of the Onderstepoort Veterinary Research Institute (OVRI), which was established in 1908 and included the ARC's OVI and the OBP. He reported that the animal vaccine manufacturing facility at the then OVRI was established in 1968. In 1992, vaccine manufacturing was separated from the Research Institute, which later became the ARC's OVI and the OBP was launched as an SOE responsible for animal vaccine manufacturing. He said the OBP remains the only manufacturer of animal vaccines in the country and other suppliers import vaccines. In his presentation, Dr Cornelius mentioned that OBP has very old and outdated infrastructure and equipment, which constraints the entity's ability to meet the demand for vaccines. He reported that a presentation has been made to DAFF and the National Treasury for additional funding to manufacture orphan vaccines (i.e. the vaccines that

OBP has to manufacture at their own cost for public good). He further reported that OBP needs approximately R1.2 billion to upgrade and modernise its facilities and have been allocated R492 million by National Treasury for the medium-term expenditure framework (MTEF) period.

Dr Cornelius mentioned that the OBP's product portfolio constitutes bacterial vaccine products, viral vaccine products and other products such as frozen infective blood that is manufactured in conjunction with the ARC-OVI and antiserum diagnostic reagents such as dourine and rose Bengal. The following threats and constraints were reported by the CEO:

- Negative perception of the OBP brand (RVF);
- Products not available due to equipment breakdown and old outdated production processes, which causes unreliable supply;
- No innovation meaning that OBP cannot afford new technology to develop new products;
- Budget constraints – limited market and growth potential;
- OBP is a commercial entity but also carries within its portfolio, products that are earmarked for public good and product availability to fulfil orders is a major constraint mainly due to technology and equipment constraints;
- Factors affecting production and sales (market share and sales revenue), which are also factors affecting the activities within the company; and
- Non-GMP (Good Manufacturing Practice) status – currently operation under ISO (International Standards of Operation).

For quality and safety of vaccines, the CEO informed the delegation that the development, production, testing and supply of all vaccines produced by OBP is based on accepted laboratory practices established by International Standards of Operation (ISO 9001:2008) and Good Manufacturing Practice (GMP) guidelines, and in accordance with specific guidelines and regulations that are established by the office of the World Organisation for Animal Health (OIE). He mentioned that in addition, vaccines are developed, produced and supplied to comply with the legislative requirements for the registration of these products in South Africa as stated in the Fertilisers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act No. 36 of 1947), as amended. He further mentioned that to achieve the quality objective in a reliable manner, the company has comprehensively designed and correctly implemented a Quality Management System that includes quality control and quality assurance.

Dr Cornelius also presented proposals to strengthen OBP, which include:

- Upgrading of facilities, equipment and processes as a matter of urgency;
- Improved production efficiencies, cost reduction and competitiveness;
- Access to more markets;

- Support by Government to ensure sustainable vaccine supply for the benefit of the country (i.e. annual transfer payment);
- Increased collaboration, technology transfer and technology acquisition (locally and internationally);
- Increased product range to offer more combination vaccines; and
- Recognition of OBP by DAFF as an important role player in terms of disease management and control, training and improved access of products to smallholder/emerging farmers.

Dr Cornelius concluded that in order for OBP to be able to effectively and efficiently carry out its mandate (animal vaccine manufacturing to prevent and control animal diseases that impact food security and public health) and to remain a viable and sustainable business entity, the following is required:

- Investment into upgrading and /or establishing new facilities.
- Stronger relationships need to be built with provincial and national Government.
- Vaccination/health programmes driven by provinces and private veterinarians.
- Improved communication and interaction between all role players.
- Contingency plan for vaccine reserves to be considered and supported.

*The delegation was taken to a tour of OBP facilities and laboratories.*

### **3. Committee Observations**

The Committee made the following observations during the oversight visit:

- While the ARC is doing some work on smallholder farmers, due to lack of research funding from Government and the apparent need for more focus on smallholder farmers, most of the ARC's research activities are still focused at the commercial sector as it is able to pay for the services.
- The OBP, as a National Key Point company, was not getting sufficient funding from Government to sustain itself.
- The OBP is not just a profit making company; it also provides services to farmers in the country and manufactures orphan vaccines (i.e. those vaccines that are produced by OBP at their own cost for the public good).
- Some provincial departments and local governments do not fully support OBP by exclusively buying their vaccines for distribution to respective farmers in provinces.
- Both the ARC and OBP do not have restraint of trade policies that form part of their personnel retention strategies to prevent loss of expertise.
- The Committee supported the OBP's initiative of having a day's workshop to ensure that vaccines are available to farmers when they need them.

#### **4. Recommendations**

The Committee recommends that the Department of Agriculture, Forestry and Fisheries (DAFF) ensures that:

- Extra funding is allocated to the ARC for the development of research infrastructure.
- Additional funding is allocated to the ARC to do an analysis of the country's agricultural research needs, which will further inform the funding of needs-driven research by the Department.
- The ARC provides feedback to the Portfolio Committee on sweet potato vine growers in the country.
- All the pieces of legislation that govern the OBP are fast-tracked for review and that OBP as a National Key Point company is fully funded by Government.
- The ARC and OBP strengthen their retention strategies and include restraint of trade policies that will ensure that the entities prevent loss of expertise.
- It collaborates with other relevant Departments including the private sector to look at water harvesting technologies that will benefit agriculture.
- It establishes preferential procurement policies for local products and encourages provincial departments and local governments to source vaccines from the OBP.

Report to be considered.

#### **11. REPORT OF THE PORTFOLIO COMMITTEE ON TOURISM ON OVERSIGHT VISIT TO THE WESTERN CAPE PROVINCE, DATED, 11 MARCH 2014**

The Portfolio Committee on Tourism, having undertaken oversight visit to the Western Cape Province on 4-6 & 11 February 2014, reports as follows:

##### **1. Background**

The oversight visit was part of an ongoing implementation of the Committee programme which started in 2010. At a workshop co-hosted by the National Department of Tourism and the Committee on 16 March 2010, the Department reported that it was experiencing challenges in the Provinces with regards to intergovernmental linkages in the tourism sector. The Department further stated that part of the challenge was the nature of the tourism mandate as Schedules 4 and 5 of the Constitution identify tourism as a concurrent function.

The three spheres of government have a responsibility to perform the tourism function and this requires serious coordination. The Committee acknowledges that the capacity of local government to deliver on the tourism mandate presents a challenge to the growth and development of

the tourism sector and therefore a close oversight in terms of how tourism is planned, developed and marketed in the country was necessary.

High on the list of challenges within the tourism sector was the fragmentation of tourism planning across the three spheres of government, inadequate database of the supply side, with associated lack of reliable market information and poor integration of tourism with other sectoral policies. Coupled with these is fragmentation of tourism marketing endeavors by various state organs and private sector. Stakeholder relations in the tourism industry are also another serious challenge and coordination across sectors is critical.

The Committee took a decision in 2009 to visit all nine Provinces in order to assess the state of the provincial tourism. Since the beginning of the committee programme in 2010, the provinces were visited as follows:

- 2010 – Limpopo and Northern Cape
- 2011 – Gauteng and North West
- 2012 – Eastern Cape and Mpumalanga
- 2013 – Free State and KwaZulu-Natal; and
- 2014 - Western Cape.

## **2. Introduction**

Tourism is identified in the New Growth Path as one of the six priority economic sectors to fulfill government's imperative to create sustainable jobs and ensure that the developmental agenda of the state is addressed in all economic sectors, particularly in rural areas. Tourism is a sector that has potential to create job opportunities as it is a labour intensive industry. Currently, the tourism industry surpasses mining and automotive sectors in terms of contribution to the Gross Domestic Product and is responsible for one in every eleven jobs in South Africa.

The National Development Plan aims to increase the industry's contribution to the job creation to 225 000 by 2020. The National Tourism Sector Strategy also projects an increase in the industry's contribution to the economy from R189 billion in 2009 to R499 billion by 2020. The tourism industry is therefore an important sector in South Africa in term of job creation and economic growth. The industry takes into cognisance the five key priorities for government set by the current administration, including creation of decent work and sustainable livelihoods. These priorities have been converted into government's Medium Term Strategic Framework which highlights priorities and outcomes over the MTEF period. The Committee therefore monitors the contribution of the tourism sector to the creation of employment opportunities through inclusive growth.

The tourism industry thrives on partnerships and collaboration amongst different stakeholders, including synergy amongst the three spheres of government. Collaboration amongst all the role players is therefore very important. Over the years, until 2009 when tourism was assigned its stand alone National Department of Tourism, the sector has been undermined despite its potential to contribute to the reduction of unemployment in the country. Financial resources allocated to tourism were also minimal. Unlocking the full potential of tourism is dependent on the sector receiving substantial financial and logistical support from the government, private sector, communities and the labour sector. It is only if such support is

demonstrated that tourism will be in a position to play the expected role of achieving the competitive edge needed by the economy and actualizing its maximum impact.

The Committee is mandated to conduct oversight in an effort to extract optimum benefits for the country from the resources and capacities available to the three spheres of government in terms of tourism growth. The Committee undertook a provincial oversight visit to Western Cape in February 2014 to assess achievements of the sector and evaluate the nature of challenges, prospects for inclusive growth particularly in rural areas, and the extent of government intervention and support at all levels. The Western Cape visit was initially planned for August 2013, but had to be postponed to later date due to changes in the parliamentary programme. The Western Cape visit was planned to be undertaken in September 2013 if the parliamentary programme allowed it.

### **3. National priorities**

The oversight visits to the two provinces were premised on the five national priorities relevant to the developmental agenda of the state in relation to the tourism sector. With regard to the national priorities, the Committee identified the following:

- 3.1 There was insufficient inclusive growth that creates jobs and promotes sustainable livelihoods of the historically disadvantaged communities and individuals.
- 3.2 The province was involved in tourism capacity building programmes that were meant to strengthen skills development and human resource base in the tourism industry. Tourism skills audit had been conducted to assess the skills development in the industry as a response thereto.
- 3.3 The tourism industry was addressing the health issues through providing universally accessible accommodation facilities that catered for the needs of disabled tourists. However, a lot of work still needed to be done in that regard.
- 3.4 There was involvement of rural communities in tourism growth and development in the mainstream industry. This was done through the tourism infrastructure projects developed for communities through the Social Responsibility Implementation programme which forms part of the Expanded Public Works Programme.
- 3.5 There was intensification of the fight against crime and corruption in terms of governance of national and provincial departments responsible for tourism and strict financial controls in terms of the Social Responsibility Implementation projects was being undertaken.

### **4. Objectives of the visit**

The fundamental objectives of the visit were:

- 4.1 Assessing the Alignment and integration of tourism in the three spheres of government;
- 4.2 Assessing the level of stakeholder participation - both in the public and private sectors - and provincial government support;
- 4.3 Assessing the alignment of product development in line with the five key national priorities;



- 4.4 Evaluating the contribution of the sector in job creation, with a focus on challenges, opportunities and prospects thereto;
- 4.5 Evaluating/Assessing Implementation of the Expanded Public Works Programme (EPWP) and its outputs and outcomes;
- 4.6 Assessing support for sustainable livelihoods, particularly for people involved with Small, Medium, and Micro Enterprises (SMMEs).

## 5. Delegation

The delegation comprised the following members:

Political Party	Representative/s
African National Congress	Mr. D.M Gumede, MP (Leader of the delegation) Mr. F. Bhengu, MP Ms. J.M Maluleke, MP Mr. L.P Khoarai, MP Ms. R.M. Lesoma, MP
Democratic Alliance	Mr. S. Farrow, MP Mr. R. Shah, MP
Congress of the People	Ms. M.A Njobe, MP
Inkatha Freedom Party	Ms. C.N Zikalala, MP
	<u>Support staff:</u> Mr. Jerry Boltina, Committee Secretary Dr. Sibusiso Khuzwayo, Content Advisor Ms. Joyce Ntuli, Committee Researcher Mr. Masixole Zibeko, Committee Assistant Mr. Sibo Maputi, Principal Communications Officer  <u>National Department of Tourism:</u> Mr. Clive Roman, Programme Manager Mr. Thabo Manetsi, Director for SMMEs Ms. Petra van Niekerk, Parliamentary Officer Mr. Thulani Sibeko, Director: Programme Manager  <u>Provincial Department of Tourism:</u> Ms. Noxolo Ntenetya, Director: Provincial Tourism

## 6. Oversight schedule and process

To obtain a fair and balanced view on the state of tourism in the province, the Committee extended an invitation to the Provincial Portfolio Committee on Tourism of the Provincial Legislature and Provincial Department of Tourism to receive some perspectives on tourism plans and various areas to be visited in Province. This was done to ascertain the provincial state of tourism, prospects, achievements and challenges experienced in the tourism industry.

## 6.1 Oversight visit schedule in Western Cape Province

Table 1: oversight schedule

Date	Place visited	Municipality
4 February 2014	MECs Office, Wale Street	City of Cape Town
	Table Mountain National Park	City of Cape Town
	False Bay Ecology Park	City of Cape Town
5 February 2014	Khwattu San Culture	West Coast District
6 February 2014	Stony Point Eco Centre	Overberg District
11 February 2014	Site visit to SMMEs	City of Cape Town

## 6.2 The oversight process and approach

The Committee process followed during the visits included:

- (i) Briefing session was held with provincial department, district and local municipalities to outline the existing state of tourism, challenges and opportunities.
- (ii) Hearings held with tourism sector stakeholders.
- (iii) Site visits undertaken to obtain first-hand experience for the committee on prospects, opportunities and challenges by both provincial government and the communities; and
- (iv) Visit was concluded with a stakeholder engagement session which sought to provide a collective way forward from (local, district, provincial and national) on the issues raised by stakeholders.

The visit commenced with a courtesy visit to the Office of the MEC for a briefing and proceeded to Table Mountain National Park (Signal Hill Road). The first day ended with a site visit to the False Bay Ecology Park. On day two, the committee visited Khwattu San Culture and Education Centre in West Coast. The committee met with tourism stakeholders that included Clanwilliam Living Landscape, Khwattu, Ratelgat and West Coast Fossil Park. The third day was spent on the Stony Point Eco Centre which is also an Extended Public Works Programme project in the Bettys Bay in the Overberg. The committee spent the last day visiting SMMEs which included Escape to the Cape, Zwinoni Lodge, Malebos B&B ended the day with a visit to the Look Out Hill in Khayelitsha. Although, it was the intention to visit the Phase 3 Development of a Donkey Tracking Route in Cederberg, this was not possible. Section three provides observations and section four covers conclusion and recommendations that may be considered in the short, medium and long term implementation by the 5<sup>th</sup> Parliament.

## **Section One – Western Cape Province**

### **7. Briefing sessions, stakeholder engagements and site visits**

#### **7.1 Meeting with Provincial MEC for Economic Development & Tourism**

- 7.1.1 The MEC indicated that the Western Cape's most popular tourism attractions reported marked increases in visitor numbers at the start of peak summer season. There is a need to for the province to address the seasonality as numbers fluctuate between off-peak and peak seasons.
- 7.1.2 The statistics for tourist hotspots and accommodation establishments across the Western Cape, including Cape Town, the Cape Winelands, the Garden Route and the West Coast show a successful domestic tourism season.
- 7.1.3 The benefits of this thriving industry are spreading across the province, resulting in increased job opportunities for urban and rural residents. The tourism industry contributes more than R18 billion to region's economy annually and employs 150 000 people.
- 7.1.4 Tourism is a crucial sector of the Western Cape economy, however it has priced itself higher and there is a need to be careful of global shocks.
- 7.1.5 Cape Town's biggest attractions started the season with record-breaking numbers. In 2013, visitor numbers at the V&A Waterfront reached close to 24 million, including 175 000 visitors per day on 31 December 2013. These numbers are similar to 2007 numbers which is a good growth.
- 7.1.6 Establishments across the province are welcoming more international travellers, and the Province was confident that high profile awards garnered in 2012 and 2013 as well as improvements in service experienced by tourists were key drivers of this increase. The issue now was how to increase the current 3 million tourists to 6 million, taking into account that the icon (Cableway) has little capacity.
- 7.1.7 The Table Mountain Cableway ended off 2013 on a record-breaking note welcoming more than 120 000 visitors in December 2013, a 2 percent increase from December 2012.
- 7.1.8 The Mining Indaba at the Cape Town International Convention Centre (CTICC) is anticipated to inject more than R68 million in the economy of the City.
- 7.1.9 In addition, international, domestic and regional air travel figures reached pre-recession levels at Cape Town International Airport, where passenger numbers for December topped 780 000. International passenger numbers in December increased by 6.7 percent and domestic passenger numbers increased by 2.3 percent. These figures were well above expectation.
- 7.1.10 Skills development is one the Western Cape's biggest focus areas. It enables the province to position itself as global player with clear supporting strategies so that supply meets demand. The Department's Skills Development Programme is coordinated in a three-pronged strategy (to include the Provincial Skills Forum; Skills Programme in partnership with the jobs Fund and Artisan Development).

- 7.1.11 Training is divided into two; there is one focussing on SMMES and the other for big businesses.
- 7.1.12 The challenge is to equip SMMES with skills that will enable them to participate in the mainstream tourism economy.
- 7.1.13 With regard to EPWP projects, the province and local government conducts feasibility studies and the National Department of Tourism funds the projects.
- 7.1.14 The Province also has a crime response strategy with a team that assists visitors with post traumatic stress management.
- 7.1.15 Issues to be looked at: tourist guide training; quality assurance; smmes vs. established businesses; offering bursaries for HRD & enterprise development.
- 7.1.16 WESGRO is the company tasked with marketing the Province and decides, for example, which municipalities to take along when the province participates in international marketing platforms. On the Other hand Brand SA and South African Tourism also market Cape Town in international platforms and sometimes there is no proper coordination.
- 7.1.17 The Province combines marketing with development, and route development is incorporated in marketing to ensure that rural tourism is promoted.
- 7.1.18 Tourism forms 10 percent of the provincial economy and more budget is therefore allocated for marketing.
- 7.1.19 Currently, R150 million is allocated for marketing. The city and municipalities contribute to the marketing budget.

Challenges expressed by the Province:

- (i) There are pressure points which are hotspots for tourist congestion. Pressure points need to be released off stress that comes with overcrowding and exceeding carrying capacity. A technological solution is needed to direct tourists to attractions that are not full or overcrowded at a particular point during the peak season.
- (ii) The provincial government has no direct link with the Robben Island because it is a national competency and there is no legislative framework enabling the Province to intervene whenever challenges arise in with regard to this world renowned facility. The province believes that access to Robben Island needs to be diversified; meaning operating licenses must also be given to SMMES to overcome challenges brought by the one ferry that operates for the island.
- (iii) There is a challenge of red tape when it comes to opening businesses in South Africa and this affects SMMEs as well. Turnaround time to open a business in the South Africa is too long, while in countries such as Rwanda takes only 2 days. Capital will always start flowing to where the turnaround time is quick and South Africa loses potential investments.
- (iv) The country has too much cash estimated at R600 billion sitting in corporate reserves not invested in tourism infrastructure.
- (v) The Cape Peninsula University of Technology was offering an accredited Tourist Guide Training programme. The matter had been reported to the National Department of Tourism and the National Registrar of Tour Guides was attending to the matter. CPUT had indicated that the challenge started when Culture, Arts, Tourism, Hospitality & Sport SETA (CATHSSETA) was still

THETA and the university had been given a go ahead to continue with training. A legal opinion has been obtained to continue with training whilst the problem is being sorted.

## **7.2 Table Mountain National Park**

- 7.2.1 The project started in 2004, a year in which the Park was proclaimed.
- 7.2.2 The challenge then was that some of the land belonged to the City of Cape Town and it had to be incorporated into the Park.
- 7.2.3 The Park is a tourism node and activities taking place include: leisure walking, scenic drives, mountain biking, running, horse riding and others.
- 7.2.4 There is a huge demand for recreational use by City citizens. The National Park is primarily free and has open access for 24 hours, and currently records 3.5 million visits annually, and 334 000 visitors were recorded in December of 2012 alone.
- 7.2.5 The Park has in place an integrated approach plan for safety which includes South African Police Service, South African National Parks, Tourism Agencies, Metro Police, Judiciary and Metro Rescue.
- 7.2.6 Currently 60 members constitute a force of rangers that patrol the Park.
- 7.2.7 Fourth monthly meetings are held with Metro Police and monthly with South African Police services to ensure proper implementation of the integrated approach.
- 7.2.8 The proactive plan includes visible uniformed policing, revolving patrols, CCTV camera monitoring, sector policing, criminal profiling and armed response unit to combat crime such as muggings, robbery and poaching at the Park.
- 7.2.9 Additional measures to be implemented include highly trained personnel to deal with all aspects of criminality use of weapons and firearms. The armed response unit will provide armed support to the rangers on foot patrol and armed response vehicle has a crew of four armed rangers.
- 7.2.10 The access control point will be introduced on Signal Hill and Tafelberg Road in partnership with the South African Police Service. There will be extra surveillance cameras on the Mountain and other hotspots. The City of Cape Town will provide additional manpower from the EPWP funded projects.
- 7.2.11 There is a good working relationship with the Cable Way Company.
- 7.2.12 The Park inherited old buildings and those have been concessioned to PPP partners, such as restaurants.

Challenges raised to the committee:

- (i) The R4.2 million budget allocation to the Table Mountain is inadequate. There is a challenge in procuring more surveillance cameras and patrol vehicles to cover the whole Park.
- (ii) There is negative media reporting of crime incidents at the Table Mountain. The media houses blow incidents out of proportion and create negative perceptions of safety within the Park.
- (iii) The National Department of Tourism approached the Park to place some tourism assistants as part of the Social Responsibility Implementation Programme. However, the contracts of about 200 safety monitors are coming to the end in March 2014.

- (iv) Most of the Table Mountain land belongs to the City of Cape Town and rest of the area is free.
- (v) There is illegal harvesting of medicinal herbs by traditional healers and there is a need for the Park Authorities to establish an indigenous plants nursery.

Committee recommendation:

The committee recommended that the management of Table Mountain should consider inviting Media Houses (especially editors) and make a presentation to it on the impact of bad publicity incidents at the Table Mountain.

### **7.3 False Bay Ecology Park (FBEP)**

- 7.3.1 The FBEP is meant to become one of the leading centres of conservation, environmental education and eco-tourism facilities in the country. The objective is to create recreational and tourism nodes and job opportunities.
- 7.3.2 Strategic alignment would result in new tourism development opportunities which are likely to emerge with development of the False Bay Coastal Park and Blaauwberg Conservation Area.
- 7.3.3 Tourism is a key driver of the Cape Town economy and the offering will include: cultural and heritage tourism; icon based tourism, such as Table Mountain, Robben Island, Cape Point, Kirstenbosch, Botanical Gardens as well as Blaauwberg Conservation and False Bay Ecology Park.
- 7.3.4 City of Cape Town Tourism Spatial Framework of 2003 indicated that the site is ideal for the application of the principles of responsible and sustainable tourism. The establishment of quality accommodation, bird-hides, regular guided walks and food and beverage facilities will create a tourism anchor magnet in the Strandfontein coastal area which is currently under-endowed with tourism resources, impoverished and generally lacking in economic opportunities.
- 7.3.5 The original budget injected by the National Department of Tourism in the project is R25 million. Project induction was July 2012 and Implementing Agent is Design Scape Architects.
- 7.3.6 Design Scape Architects are based in Western Cape and provide project management and oversight of employees on daily basis.
- 7.3.7 Between June 2012 and January 2014, approximately 160 people were employed. Completed work included road, parking, braai areas, landscaped lawn picnic area, ablutions and walking track. The facility is in use while construction is underway. It is expected to be visited by 45 000 per person / per annum.
- 7.3.8 Some of the employees have received permanent employment somewhere else using skills obtained from the project.

Challenges expressed to the committee:

- (i) Infrastructure (internal and external) – the area has been neglected and there was less investment in infrastructure before the project was initiated.
- (ii) Safety and security – site used to be infested with criminals, gang violence and murders.

- (iii) Invasive alien species – the site has invasive alien plant species that need to be eradicated to keep the site pristine.
- (iv) Water quality – water quality in the lake used to be very poor but is gradually improving since the inception of the project. It is now safe to swim and engage to other water sports.
- (v) Funding – there is no funding challenge at the moment but more funding will need be provided by the City of Cape Town for after care support.
- (vi) Creating sustainable job opportunities; and
- (vii) There is a need to make the area relevant and accessible to all, especially as there is a residential development planned in the area.

NDT recommendation to stakeholders:

National Department of Tourism indicated that the Rondevlei Renovations Section is not in crisis financially because the project started later in July 2012 than anticipated, as a result there is a lot of saving that was made. The NDT recommended that they would consider further funding of the project after completion of evaluating process of all the EPWP projects.

#### **7.4 West Coast District Municipality**

The following tourism stakeholders were invited to engage with the Committee:

##### **7.4.1 Clanwilliam Living Landscape**

- 7.4.1.1 The development is the Living Landscape Project undertaken by the Krakadouw Trust under the leadership of Prof. Parkington. Professor John Parkington (Archeologist) from the University of Cape Town has been working in Clanwilliam area since 1968.
- 7.4.1.2 He has been recording rock art, excavating in shelters and caves and digging coastal shells in order to understand the lives of the pre-colonial inhabitants of the Western Cape. He has been working through the Living Landscape Project to bring the results of this work into school curricula and museum displays.
- 7.4.1.3 This unique project highlights an important part of South African history (that of San / Bushmen). Tourists and school children learn to understand the San way of life, art and language by visiting the Living Landscape Centre and participating in rock art tours.
- 7.4.1.4 The Centre's workshop has crafts produced on the San theme of history and archaeology, traditional methods of production, use of authentic materials and natural objects.

##### **7.4.2 West Coast Fossil Park**

Although the committee was not able to visit the West Coast Fossil Park, the presentation made indicated that:

- 7.4.2.1 The West Coast Fossil Park is called “where past and present meet”. Guided tours to dig site display of 5 million year old animal fossils are undertaken.
- 7.4.2.2 The 45-minute tour is a fascinating description of what the area could have looked like when animals such as Sivatheres, Gomphotheres and bears still inhabited this part of Southern Africa.

- 7.4.2.3 As part of the tour, the visitors are given the opportunity to see if they too can find a new species to add to the museum collection. Although most of the material on the sieves is fossilised bone, it takes careful searching to pick up the tiny fossil bones from in between the larger fossil fragments.
- 7.4.2.4 There is a Visitors Centre with Museum display with coffee and curio shops.
- 7.4.2.5 School and students tours; bicycle and walking trails are offered to various sites in the Park.
- 7.4.2.6 The Park also offers a Bird hide, bird watching and children play park.

### **7.4.3 Griqua Ratelgat Eco-Cultural Project**

- 7.4.3.1 The project is located on the farm "Ratelgat" situated about 40 kilometres North of Vanrhynsdorp. The Vanrhynsdorp is still in a construction and development phase.
- 7.4.3.2 One of the three nodes for development, the open-air amphitheatre has been completed and is used during the Griqua community celebrations and festivals.
- 7.4.3.3 The other two nodes, a tourist centre close to the road and tourist accommodation, still have to be completed. The farm has been returned to the Griqua people as part of the land restitution process. It has a significant cultural and spiritual meaning for the Griqua community.
- 7.4.3.4 The Griqua Ratelgat Development Trust is part of the Griqua National Conference of South Africa.
- 7.4.3.5 Sheep farming and small-scale agricultural farming are being reintroduced on the farm.
- 7.4.3.6 The project has great eco-cultural tourism potential, as the farm will form part of the envisaged Knersvlakte Biosphere.

### **7.4.4 !Khwa ttu San Culture and Education Centre**

- 7.4.4.1 The project was started in 1994 by a Swedish philanthropic.
- 7.4.4.2 !Khwa ttu is based on the theme "A celebration of the San culture, present and past, for a better future." The objectives being to restore the heritage of the San, to educate the general public about the world of the San and to provide training to San community.
- 7.4.4.3 Khwattu is a Section 21 Company supported by a Swiss based Ubuntu foundation.
- 7.4.4.4 The project provides tour guide training to San youth from different communities sourced in the Southern African Countries.
- 7.4.4.5 Fifteen students are enrolled at a time and go back to their various communities after completing the course.
- 7.4.4.6 Training is CATHSSETA accredited and covers nature and cultural guiding and students are assisted to obtain public permit on site before they live they finish training.
- 7.4.4.7 Training is done in English as there are about ten dialects of San languages not common to all students. The challenge with San languages is that they are not documented and others have died.
- 7.4.4.8 Saturdays and Sundays are reserved for practical training in various aspects of the tourism industry within the institution.



- 7.4.4.9 Approximately 80 percent of students from the centre are attached to employment and are doing well. !Khwattu follows up on all their students to assess the impact of the programme.
- 7.4.4.10 In addition to training, !Khwattu operates a restaurant, has a curio shop, conference centre and a game farm used for guided tours and training.

## **7.5 Stony Point Eco Centre Project**

- 7.5.1 Stony Point project was initially awarded to Casidra (Pty) Limited in 2005 by the then National Department of Environmental Affairs and Tourism. For 5 years thereafter the project stagnated due to environmental and heritage constraints, and objections by interested and affected parties.
- 7.5.2 In 2010 after undergoing a revitalisation process, a new business plan was developed and tabled for approval. This led to a complete overhaul and restart of the project.
- 7.5.3 The Stony Point project is a community initiative funded by the NDT as part of its Social Responsibility Implementation (SRI) programme. The project is implemented in collaboration with the Overstrand Local Municipality with the aim to develop a Visitor Information Centre, tea room and Heritage Site of Whaling history.
- 7.5.4 The Cape Agency for Sustainable Integrated Development in Rural Areas (Casidra) is an implementing agency. Approved plans were together with the business plan were submitted in September 2011. Final approval of business plan was obtained in July 2012. Construction work commenced in January 2013.
- 7.5.5 Total project value as per cost estimate is R9.7 million and the total budget allocated is R8.550 million while total value of payments received is R5.663 million. The available balance as at the end of January 2014 was R593,336.
- 7.5.6 Project deliverables are 90 percent completed with the exception of the outside seated area, the internal shop fitting for eco centre, tearoom and the external interpretive signage.
- 7.5.7 Outstanding work is scheduled to be completed by end of March 2014. The Implementing Agency and key role players are in the process of drafting an Operations Managements Plan for the facility. The plan will outline the role and responsibilities for all parties involved.
- 7.5.8 Discussion with a mentor to provide business support to the Mooiuitsig Community Trust is underway. The mentorship agreement will be for a period of 6 months.
- 7.5.9 The Southern African Foundation for the Conservation of Coastal Birds (SANCCOB) works with the project to protect and rehabilitate penguins found in the project site.

Challenges expressed to the committee:

- (i) Lack of interest by the unemployed from Kleinmond and surrounding communities, and high staff turnover due to the low wages paid under the EPWP projects.
- (ii) Shortfall in the project budget led to extension of the completion date.

- (iii) In the absence of the amended project business plan completion of the project could not occur; and
- (iv) SRI programme does not allow for cost escalation given that the EPWP projects take a while to complete.

## **7.6 Visit to Small, Medium and Micro Enterprises**

### **7.6.1 Escape to the Cape**

Mr Shaheed briefed the committee on the company as follows:

- 7.6.1.1 Escape to the Cape is a young dynamic tour company specialising in luxury tours at affordable prices.
- 7.6.1.2 The business was conceptualised after realising that many of the Cape Town tour operators did not offer a full, affordable, informative, safe and luxury tour experience of the standard that foreigners expected.
- 7.6.1.3 He decided to devise a unique tour concept based on broad principles. All his prices are fully inclusive of all entry fees in attractions to be visited and there are no hidden costs to the tourist. Government provided support and created opportunities for the business to grow through the Tourism Enterprise Partnership programme and winning Emerging Tourism Enterprise of the Year Award (ETEYA).
- 7.6.1.4 Light snacks and bottled water are provided on all set tours and a light lunch is also available on a set of full day tours.
- 7.6.1.5 Tours are carried out with a luxury air-conditioned vehicle which is insured for passenger liability and has the necessary legal permit. The vehicle is equipped with satellite tracking, public address system, an on board fridge to keep drinks, multiple cell-phone and laptop charging facilities and 3G internet access.
- 7.6.1.6 The company also advises and assists tourists at no extra charge with dinner and social engagements, accommodation and local flight bookings.

Challenges expressed:

- (i) Market access.
- (ii) Barriers to entry.
- (iii) Access to finance.
- (iv) Lack of communication from other state institutions; and
- (v) General people negative perceptions.

### **7.6.2 Zwinoni Lodge – Milnerton Ridge**

Ms Emmah Makatu briefed the committee as follows:

- 7.6.2.1 Zwinoni Lodge, Venda word meaning birds, was built in 2002.
- 7.6.2.2 The lodge was established based on a concept of to home away from home. The lodge offers traditional African food. Guests are exposed to African hospitality coupled with art, history, music and food.
- 7.6.2.3 The owner also has a guesthouse with 10 elegant and stylishly decorated bedrooms overlooking the gardens, each fully equipped with satellite TV, a mini-bar, tea and coffee making facilities.

- 7.6.2.4 The lodge is 15 minutes away from Cape Town and the Waterfront. Golf course and beaches are only one kilometre away.
- 7.6.2.5 The two lodge has won ETEYA Award and Tsogo Sun's Book a Guesthouse competitions which changed the way of doing business completely by giving the owner and the guesthouse extensive additional publicity.
- 7.6.2.6 Book a Guesthouse was started by Tsogo Sun eight years ago for developing, mentoring and coaching accommodation establishments that displayed potential to become sustainable enterprises.
- 7.6.2.7 The programme concentrates on the empowerment of black women as well as development of their businesses within the local tourism industry; and
- 7.6.2.8 The facility was named the winner of the Guesthouse of the Year award for 2013 for the Tsogo Sun Book a Guesthouse competition.

Challenges expressed to the committee:

- (i) Experience challenges with regard to capacity; and
- (ii) Conference room can take only less than 20 people.

### **7.6.3 Malebo's Bread & Breakfast – Khayelitsha**

Ms Lydia Masoleng briefed the committee on the challenges experienced by business owners in the township:

- 7.6.3.1 It is difficult to complete the B&B and the husband had to resign from work. They used all the pension payout to complete the establishment.
- 7.6.3.2 Tsogo Sun assisted with training while TEP assisted to attend Tourism Indaba; and Cape Town Tourism assisted with marketing.
- 7.6.3.3 It was difficult to hire staff because the occupancy rate is low and seasonal. TEP membership was not renewed after the TEP charged a R600 fee per annum. The internet was only installed in the establishment 3 months ago.

The committee found that:

- (i) There is no signage to guide a person to the guesthouse.
- (ii) Relationship with other businesses in the area is not strong.
- (iii) There needs to be an intervention by provincial and national government in terms of ensuring sustainability of businesses in townships.
- (iv) The establishment was not graded; and
- (v) Ownership issue was not a challenge.

The National Department of Tourism agreed:

- (i) That there is a need to engage the SRI Unit to have a meeting with the establishment to consolidate support; and
- (ii) The establishment must be graded.

## **7.7 Look Out Hill Tourism Centre – Khayelitsha**

- 7.7.1 The Centre is located in Khayelitsha at the intersection of Mew Way and Spine Road. It was planned and developed as a beacon of tourism for the south eastern area that includes Khayelitsha and Mitchell Plain.
- 7.7.2 The centre consists of the dune that is part of the City's bio-diversity network; the boardwalk that leads to the dune summit; the parking area designed to accommodate private vehicles and tourist buses; the building that has a craft market, restaurant, out-door entertainment foyer, boardroom and exhibition hall.
- 7.7.3 In the short term, upgrades will include installation of CCTV cameras to secure the centre and augment current available security services; and to prevent vandalism.
- 7.7.4 In the medium term upgrades are to include the provision of billboards along Spine Road and Mew Way to heighten public awareness of the centre. Provision of lighting around the centre, parking area, boardwalk and dune summit.

## **8. Committee Observations**

The Committee observed that

- 8.1 **Governance** – the Department of Economic Development and Tourism in the province had a good audit report in terms of a tourism function. The Province had a fully fledged tourism unit at a Chief Directorate level.
- 8.2 **Intergovernmental relations** – the province works well with the National Department of Tourism, the Western Cape Destination Marketing, Investment and Trade Promotion Agency (WESGRO), the City of Cape Town, district and local municipalities. Planning and coordination of tourism is seamless amongst public and private sector organisations.
- 8.3 **Project management** - implementation of Social Responsibility Implementation projects were implemented in a more efficient manner in the Western Cape. This could be attributed to two reasons:
  - (i) Project implementers were resident in the Province of Western Cape and could provide project management on daily basis.
  - (ii) The province and municipalities provided maximum support to the projects to ensure their success and sustainability.
- 8.4 **Community participation** – there is dual economic participation in the tourism industry in Western Cape. Tourism Development was observed more entrenched in the urban areas as compared to the rural areas. The SMMES in the city were fairing much better than those in townships.

In addition, ownership of some community projects such as Khwattu San Culture and Education Centre rests with organisations other than communities themselves and communities only serve as employees.

- 8.5 **Poor Signage** – road signage to some tourism attractions and facilities in Western Cape is poor or non-existent at all. Travelling to these attractions and facilities become difficult and time consuming as tourists may get lost and be prone to opportunistic crimes such as mugging. The Committee experienced the negative impact of poor signage when they were travelling Malebo's Bed& Breakfast in Khayelitsha.
- 8.6 **Impact of Expanded Public Works Programme on Communities** – workers in the False Park Ecology Park indicated that they had been employed in the project for more than three years and the project had been the only source of livelihood at their homes. The Project Implementer also indicated that some employees had left the project due to permanent employment they had received elsewhere based on skills acquired in the project.
- 8.7 **Entrepreneurship spirit** – most of the SMMEs visited by the Committee had started business ventures on their own without government assistance. Their businesses showed sustainability and they had won some national competitions including Emerging Tourism Entrepreneur of the Year Award (ETEYA) and Best Guesthouse Award. Government support was only received later in a form Tourism Enterprise Partnership (TEP) programmes to support the already established businesses.

## 9. Conclusion

The oversight visit highlighted that good intergovernmental relations amongst the three spheres of government promote coordinated tourism planning and development in a destination. The good relationship between the West Coast District Municipality and Overstrand Municipality in Betty's Bay with the provincial Department of Economic Development and Tourism ensured that projects implemented in these areas have a well coordinated, structured and synchronised implementation. The Committee was also pleased with how the provincial department coordinated activities with the National Department of Tourism.

The Department of Tourism officials from the national and provincial level also accompanied the Committee throughout the oversight visit and provided clarity to all the issues raised by the Committee. This assisted the Committee in its oversight work. The Department is commendable for listening to the call made by the Committee in previous oversight visits wherein there were no Departmental officials. The Project Implementers were also available on project sites and interacted with the Committee on pertinent issues related to technical project information.

However, the inequalities and levels of efficiency observed between the SMMEs in the city and those in the townships raised concerns in terms of how the Province provides support to various tourism role players. The observation was that entrepreneurs in the township are struggling and need more support. Notwithstanding poor support given to township businesses, the Committee observed that the township SMMEs themselves did not show much enthusiasm about their own businesses. They displayed a dependency mentality tantamount to the notion that government needed to support them in everything. The entrepreneurship

and private sector drive was clearly lacking. This calls for a concerted effort from the Western Cape provincial government to conduct business management type workshops, particularly to township SMMES to assist them to run their facilities as businesses.

## **10. Recommendations**

It is recommended that:

- 10.1 The Department considers appointing implementing agents for SRI Projects from provinces where projects are located to ensure effective and efficient project management.
- 10.2 The Table Mountain National Park develops a media strategy to deal with negative media crime reporting to prevent negative perceptions of safety at the mountain. This should include an immediate meeting with media houses to discuss the damage done to the image of Table Mountain based on perceptions of safety created by negative media reports.
- 10.3 The National Department of Tourism continues to place Tourism Assistants at the Table Mountain as part of Social Responsibility Implementation Programme
- 10.4 The Western Cape Province should improve road signage to tourism attractions throughout the province, especially in townships.
- 10.5 The Department of Tourism should conduct an audit of how many institutions provide unaccredited tour guide training in the country. The audit must start with Cape Peninsula University of Technology where it was discovered that the institution has been offering unaccredited training.
- 10.6 The Western Cape Province in partnership with the Department of Tourism and Tourism Enterprise Partnership should conduct SMME workshops, particularly in townships, to assist emerging enterprises to be innovative and run profitable businesses.
- 10.7 The Department of Tourism engages the Tourism Enterprise Partnership (TEP) to ascertain how the requirements of a R600 fee by the SMMEs has affected the number of emerging enterprises enrolled in TEP programmes.
- 10.8 The Department of Tourism looks at possibility of assisting the Griqua Ratelgat Eco-Cultural Project with finishing the building that was partially funded by the erstwhile Department of Environmental Affairs and Tourism.
- 10.9 The Department of Tourism convenes a meeting with the Department of Arts and Culture, Western Cape Department of Economic Development and Tourism, and the Robben Island Museum to discuss the transport issues relating to ferrying tourists between Cape Town and Robben Island.

- 10.10 The Department of Tourism devises generic guidelines aligned to the 2010 Environmental Impact Assessment (EIA) Guidelines to assist potential developers to deal with EIA requirements of developing tourism projects. This may be posted on the Departmental websites and discussed in SMME workshops to assist in shortening the time taken to acquire EIA approvals.
- 10.11 There need to be more collaboration between Brand SA and South African Tourism when it comes to marketing of the Western Cape.
- 10.12 The Department of Tourism may engage the Department of Arts and Culture on how they can assist the! Khwa ttu project as it has both tourism and cultural/ heritage aspects.

Report to be considered.

**12. REPORT OF THE PORTFOLIO COMMITTEE ON WATER AND ENVIRONMENTAL AFFAIRS ON RHINO POACHING STAKEHOLDER WORKSHOP, HELD AT THE KRUGER NATIONAL PARK (NOMBOLO MDHLULI CONFERENCE CENTRE, SKUKUZA), FROM 2<sup>ND</sup> — 4<sup>TH</sup> DECEMBER 2013, DATED 5 MARCH 2014.**

**BACKGROUND**

Africa's rhinos have faced two catastrophic crises over the past 50 years. The first crisis extended from the late 1970s through the mid-1990s and saw most rhino populations decimated through relentless waves of poaching to support traditional rhino horn trades for traditional medicine in Asia and the production of dagger handles in Yemen. Many rhino range States saw their Black Rhinoceros populations completely disappear or plummet to levels that were a mere shadow of the tens of thousands of rhino's roaming our continent. From an estimated 100 000 animals throughout Africa, in 1960, Black Rhino numbers collapsed to an historic low of only some 2 410 animals by 1995,<sup>1</sup> including the near extinction of the western subspecies of Black Rhino. The northern subspecies of the White Rhinoceros fared even worse and was completely obliterated throughout its range, save for a small remnant population, numbering about 30 animals, in the Democratic Republic of Congo's Garamba National Park, on the border with Sudan. Comparatively speaking, the southern subspecies of the White Rhinoceros suffered far less attrition during this period, as most populations were found in either South Africa or Namibia. These two nations stood as the exception to the rule and averted most of the negative impacts of the first rhino crisis due to an unwavering government commitment to rhino conservation, diligent investment in protection and biological monitoring, and a strong alliance between non-

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<sup>1</sup> Emslie, R. H., Milledge, S., Brooks, M., Van Strien, N. and Dublin, H. (2007) *African and Asian Rhinoceroses – Status, Conservation and Trade*. Annex 1 to CoP14 Document 54, p. 26.

governmental organisations (NGOs), local communities, and private and public sector stakeholders, to promote common objectives.

South Africa unquestionably has the world's most successful conservation record for rhinos. In 2011, this country alone conserved 83 per cent of Africa's rhinos and 73 per cent of all wild rhino worldwide.<sup>2</sup> As one of the most biologically diverse nations globally, South Africa has long promoted biodiversity conservation through the sustainable use of natural resources. In fact, the country's Constitution enshrines the principle of sustainable management of natural resources that explicitly calls for, among others, "*a prosperous, environmentally-conscious nation, whose people are in harmonious coexistence with the natural environment, and which derives lasting benefits from the conservation and sustainable use of its rich biological diversity*". Within such an enabling environment, it is not surprising that, since the 1960s, there has been a marked shift to wildlife-based land-use amongst private landowners, and today game ranches in South Africa cover an area nearly three times the collective size of all national and provincial protected areas on State land. Wildlife in general, but rhinos in particular, have benefitted tremendously from these visionary natural resource policies. However, the country's superlative conservation record of more than a century is under threat, the fate of South Africa's rhinos is now inextricably linked with market forces in South East Asia, in countries like Viet Nam, Laos and China. (Vietnam recently saw its own rhino population slip into ignominious extinction).

Thus, South Africa's enterprising conservation success also brought with it a huge challenge, as it makes the country a prime hunting ground for those seeking rhino horns illegally. It is obvious that the burgeoning black-market demand for rhino horn in the past few years is largely attributed to the economic boom in east and south-east Asia, where the horn is used primarily for medicinal and recreational purposes.<sup>3</sup> The statistics of rhino poaching, since 2007 to date, attest to this reality. In 2007, South Africa lost 13 rhino to poaching, by 2009 the number had reached 124, in 2010 it rocketed to 335 and numbers of poached animals continue to rise in subsequent years.<sup>4</sup> Poaching in 2013 remains at historically high levels, despite the successful clamp down on pseudo-hunting by South Africa, which has constricted the illicit rhino horn supply.<sup>5</sup> Poaching trends and the levels of sophistication in the killing of rhino, backed by enormous resources, are very alarming and require urgent intervention.<sup>6</sup> Rhino poaching appears to behave like a runaway train. It is the worst

<sup>2</sup> Emslie, R.H. (2013) African Rhinoceroses – Latest trends in rhino numbers and poaching. Sixteenth meeting of the Conference of the Parties Bangkok, Thailand, 3-14 March 2013.

<sup>3</sup> Wilderness Foundation (2011) The History of Rhinos in South Africa [Internet]. Available from [http://www.wildernessfoundation.co.za/index.php?option=com\\_projects&view=news&id=11&prid=20&Itemid=3](http://www.wildernessfoundation.co.za/index.php?option=com_projects&view=news&id=11&prid=20&Itemid=3) (Accessed on 25<sup>th</sup> December 2013).

<sup>4</sup> Schack, W. (2012) Towards a strategic plan to halt rhino poaching. Presented to Parliament of the Republic of South Africa, Cape Town, January 2012.

<sup>5</sup> Emslie, R.H. (2013) African Rhinoceroses – Latest trends in rhino numbers and poaching. Sixteenth meeting of the Conference of the Parties Bangkok, Thailand, 3-14 March 2013.

<sup>6</sup> Ibid



environmental crime that the country has witnessed, with serious cultural and socio-economic implications for the nation. Government and relevant stakeholders understand the difficulty in stopping rhino poaching, and it is in this context that concerned institutions and individuals proposed various strategies to stop or even derail the poaching activities. Strategies proposed include actions and programmes to either burn the horns, poison the horns, legalise trade in horns and, finally, increase security measures and step up anti-poaching operations. However, the biggest stumbling block to all kinds of anti-poaching strategies are the immense and ever increasing rates at which the animals are poached; and the vastness of rhino distribution, which combined with the guerrilla tactics of the poachers, make counter-insurgent measures very difficult to establish.<sup>7</sup>

## STAKEHOLDER ENGAGEMENT WORKSHOP

Parliament, through the Portfolio Committee on Water and Environmental Affairs (hereinafter the Committee), had been engaging officials of the Department of Environmental Affairs (Department) since the upsurge in rhino poaching that started in 2008, with the aim of stemming these illicit practices from South Africa's protected areas network, mainly by organised crime syndicates. The Committee became increasingly concerned as poachers appeared to be more organised and sophisticated, outwitting the conventional anti-poaching measures, considering the growing number of poached animals. The growing and relentless killing of rhinos by poachers threatened to reverse the hard-won population increases achieved by conservation authorities during the 20<sup>th</sup> century. The illegal killing of rhino and the smuggling of their horns in recent years clearly indicates the increasing involvement of highly organised and well-structured crime syndicates that are operating in a lucrative international enterprise. In addition to the loss of horns through increased poaching, concerns have also been raised regarding 'leakage' of South African horns onto the illegal international markets from rhino horn stockpiles in the public and private sector. The concern for the Committee is that should poaching continue to escalate at the current rates, unabated, we could reach the situation where rhino numbers start declining, to a point when more animals are being poached than are born into the rhino population, as has been experienced in other rhino range States in the recent past. To stem this tide requires a properly structured and concerted effort by Government and other relevant role-players, as ongoing poaching of animals poses a significant threat to the rhino population and also to the reputation, eco-tourism industry and the public image of South Africa.

It was against this background that the Committee called for a Anti-Rhino Poaching stakeholder engagement workshop, (workshop) in the Kruger National Park, building on two significant parliamentary processes ( public hearings on rhino poaching in 2012, and a closed-door meeting, thereafter with all law enforcement agencies relevant to the protection of South Africa's wild rhino populations) and regular Committee engagements with the Department, aimed at finding optimal solutions to the ongoing

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<sup>7</sup> Schack, W. (2012) Towards a strategic plan to halt rhino poaching. Presented to Parliament of the Republic of South Africa, Cape Town, January 2012.

challenge of rhino poaching. In addition to the local stakeholders, the Committee invited members of Parliament from rhino range States on the Continent with the aim of sharing experiences on the challenges of rhino conservation and also learning from the many discussions at the workshop. Unfortunately, it was only the Zimbabwean Parliament that was represented at the workshop by the Chairperson of the Committee on Environment, Water, Tourism and Hospitality Industry. The attendance by local stakeholders was impressive, with about 80 delegates, including members of the Portfolio Committee, Minister of Water and Environmental Affairs (Minister) and officials from the Department, provincial Government departments, SANParks, iSiMangaliso, private game reserve owners, other non-governmental organisations (NGOs), researchers and academics. The workshop was organised at the Nombolo Mdhluli Conference Centre, in Skukuza, within the Kruger National Park and ran over a two-day period, from 2<sup>nd</sup> to 4<sup>th</sup> December 2013.

## **PARLIAMENTARY DELEGATION**

The following Committee members and staff attended the Rhino Poaching Workshop, as follows:

1. Hon Adv. JH de Lange, MP, from the African National Congress (ANC) and Committee Chairperson;
2. Hon JJ Skosana MP,(ANC);
3. Dr SB Huang, MP (ANC);
4. Hon N Tsotetsi MP, (ANC);
5. Hon J Manganye, MP (ANC);
6. Hon B Dlomo, MP (ANC);
7. Hon AZ Ndlazi, MP (ANC);
8. Hon P Bhengu, MP (ANC);
9. Hon M Wenger, MP (DA);
10. Hon F Rodgers, MP (DA)
11. Hon B Ferguson, MP (COPE);
12. Hon CN Zikalala, MP (IFP);
13. Ms Tyhileka Madubela, Committee Secretary;
14. Mr D Arendse, Committee Assistant;
15. Mr Thomani Manungufala, Researcher; and
16. Dr Scotney Watts, Researcher;

## **WORKSHOP PROCEEDINGS**

The Chairperson of the Committee, Hon Adv. JH de Lange, MP, chaired the Workshop. He opened the workshop, by welcoming the delegates and thanked them for their interest in rhino conservation. He also outlined the purpose of the workshop, which was to get a better understanding of the current situation relating to the illegal killing and conservation of rhinoceros

in South Africa and to debate and seek possible solutions to the rhino poaching challenges that the country faces in a participatory and inclusive manner. The Minister, Hon Edna Molewa, MP, delivered the keynote speech, which emphasised the need for cooperation by various stakeholders and also highlighted the Government's plans for moving forward in tackling the ruthless poaching of South African rhinos. The Minister reiterated that continuing to do more of the same is no longer working, as the poaching crisis requires complex and innovative solutions to match the challenge posed by sophisticated poachers.

This was followed by a series of presentations, covering rhino conservation issues; management of rhino populations; rhino safety and security; trends in poaching; structure and nature of black markets in wildlife products; consumer behaviour; and rhino economics. Discussions also focused on possible solutions to destroy or at least seriously debilitate the existing, underground "black market" in rhino horn. Some of the proposed solutions included, amongst others:

- Increased involvement of communities, including community ownership of rhino and benefit-sharing by communities;
- Emphasis on cross-border collaboration, including cross-border law enforcement operations to disrupt local criminal networks;
- Enhancing actionable intelligence to enable South Africa to disrupt transnational criminal networks involved in the illegal trade in rhino horn;
- Implementing mechanisms to increase the conviction rate in rhino-related cases;
- Converting the present ranger corps into the best anti-poaching force in Africa;
- Implementing mechanisms to improve communication and cooperation between private landowners, security forces and the officials of the Department;
- Support the building and continued use of a central DNA profile database for rhinos (known as RhODIS or rhino DNA index system), at the University of Pretoria's Faculty of Veterinary Science's, Onderstepoort facility, to enhance law enforcement, and prosecution of rhino poachers;
- Incentivise the continued conservation of rhinos by private game reserves and local communities by allowing a strictly, limited, regulated trade of live rhinos and specific rhino horns; and
- Implementing innovative, strategic, targeted culturally-sensitive demand reduction initiatives.

The discussions relating to a strictly limited and regulated trade in rhino horn included the need to:

- Ensure that all opportunities, implications and risks are assessed;
- Urgently finalise the verification of all rhino horn stockpiles, especially privately-owned stockpiles;
- Engage rhino range States and the region on these trade matters, including range expansion;

- Ensure sharing of best practices and information; and
- Ensure that all other measures and initiatives continue to be implemented and strengthened.

Finally, the Committee expressed concern with the sudden RENAMO resurgence in neighbouring Mozambique, particularly the uncertainty created by this on rhino conservation efforts in South Africa.

In conclusion, the Committee reaffirmed that all interventions should support protection, conservation and sustainable use, which are the cornerstones of the environmental rights afforded to the people of South Africa, as contained in the Bill of Rights in the South African Constitution. Section 24 of the Constitution provides everyone with the right to an environment that secures ecologically sustainable development and use of natural resources while promoting justifiable economic and social development. The Committee also noted that all parties present at the workshop shared a common concern and interest, and recommended that similar engagements need to be held as the Government prepares to table its proposal regarding the limited and regulated trade in rhino horn at COP17 to the CITES in 2016.

## **RECOMMENDATIONS**

The Committee expressed its commitment to continue working closely with all Government and civil society stakeholders in ensuring that decisions regarding the management and conservation of South Africa's rhino populations are not detrimental to their future. In this regard, the Committee recommends that:

### **Towards limited, regulated trade in rhino horn**

- While well-intentioned, the current CITES trade ban on legally selling rhino horn seems not to have saved any species or sub species of rhino, whilst succeeding to drive the illegal selling of rhino horn underground, creating a lucrative, well-functioning, illegal, underground "black market", which is a haven for organised crime, diverting vast sums of possible conservation funds into the hands of criminals. In fact, during these three decades of the CITES ban being in place, many species of rhinos have become extinct or are close to extinction. The current CITES ban on rhino horn trade constrains rhino conservation efforts and hence impinges on the long-term sustainability of the species. The increasing cost to keep rhinos safe and the decreasing prospect of earning income from animals by legal means are providing powerful disincentives for owners of game reserves to expand the number of rhinos on their land. The poachers therefore face a favourable economic climate of a ready supply of illegal horn at increasingly inflated prices due to the ban on legal trade of rhino horn, while the conservation agencies and rhino farmers experience tough economic times. The Committee is of the view that priority number one for the international wildlife conservation community must be to

destroy, or at the very least, to seriously debilitate the existence of a lucrative, rapidly-growing, well-functioning underground “black market”, illegally trading in rhino horn; and to replace this “black market” with a strictly, regulated, legal market mechanism, possibly amongst States. Accordingly, the Committee recommends that a limited, regulated trade in specific rhino horns be supported as our country’s position at COP17 of CITES;

- The Committee, through the Chairperson, should approach the Minister and the Director-General of the Department to have the Deputy Director-General of Biodiversity and Conservation, Mr Fundisile Mketeni and other relevant staff, solely focus on the rhino issue with regard to the COP17 of CITES, to ensure effective lobbying of strong blocks, like the European Union (EU) and other African rhino range States;
- The status and audit of all rhino horn stockpiles in the country, whether privately or state owned, should be finalised before the tenure of the current Minister expires and the Fourth Parliament rises;
- The Department should consider granting a limited amnesty to the owners of private game reserves to enable them to declare rhino horn stockpiles in private hands to facilitate accurate estimation of rhino horn stockpiles nationally;
- The Department should develop and report on the status of a “Plan B”, in a manner consistent with, the sensitivity of this matter, in case the Parties to the COP17 of CITES do not support South Africa’s proposal for a limited regulated trade in specific rhino horns that derive from natural mortality, current stockpiles of rhino horn or legal hunting;
- The Department should liaise with provincial conservation agencies to determine the accurate number of South African rhinos in the wild in the face of mounting poaching pressures on the species. There is a need for credible statistics on the species for setting conservation targets and also for promoting the species for various purposes, including trade; and
- The White Rhino Management Plan should urgently be completed and made available to brief the incoming Committee after the elections in May 2014.

### **Protection of rhinos**

- The Chairperson of the Committee, should engage the Department of Justice and Constitutional Development to determine the feasibility of legislation prescribing minimum sentences for rhino poaching;
- The Department should continue to make available to the Committee copies of all Memoranda of Understanding between South Africa and rhino range States, as well as consumer States, notably China and Viet Nam, and to regularly engage the Committee on these matters;
- The Committee recommends that Major General (retired) Johan Jooste should interact with his counterparts from other African rhino range States to benefit from each other’s strategic wildlife law enforcement and rhino protection plans; and

- The NatJoints should meet with rhino stakeholders, including provincial nature reserve authorities and private game reserve owners, to facilitate interaction in order to report rhino poaching activities timeously to effect rapid response measures and support effective law enforcement to enhance rhino protection.

### **Funding**

- The Department should urgently start the process of setting up a national fund for rhino conservation to augment, broaden and innovate current rhino protection initiatives;
- The Committee recommends that revenues generated from the disposal of stockpiles and any future revenues generated because of the future lifting of the CITES trade ban, be used exclusively to further rhino conservation efforts; and
- The Committee strongly supports the use of these sources of money or money from the fiscus to equip law enforcement officers with appropriate technology and capacity to respond appropriately to rhino poaching threats that South Africa faces.

### **Technology**

- The Department should determine, in consultation with relevant law enforcement agencies, the kind of technology that should be used to constrain or stifle poaching activities in national parks, such as deployment of drones and advanced eavesdropping technology, to neutralise poaching activities in protected areas.

### **Community engagement**

- The Department should facilitate meaningful community involvement in rhino conservation around protected areas to serve as firewalls against poaching. Such proactive community involvement should be linked to the ongoing land reform programme and hence requires the Department to interact with relevant partners in Government. This should fit well with the ***National Protected Area Expansion Strategy*** for South Africa that the Department has been implementing since its inception in 2008.

### **General**

- The Department should brief the incoming Portfolio Committee as soon as possible, after May 2014, on the progress made in respect of issues raised at the Rhino Poaching Stakeholder Engagement Workshop and recommendations made in this report.

### **Report to be considered.**