

*Wednesday, 14 June 2023]*

No 84—2023] FIFTH SESSION, SIXTH PARLIAMENT

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

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**ANNOUNCEMENTS,  
TABLINGS AND  
COMMITTEE REPORTS**

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WEDNESDAY, 14 JUNE 2023

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## **TABLINGS**

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

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

DELEGATION REPORTS ADOPTED BY THE PARLIAMENTARY GROUP ON INTERNATIONAL RELATIONS (PGIR) ON 05 MAY 2023.

- (a) Report of the 65<sup>th</sup> Commonwealth Parliamentary Conference, CPA International Conference, 20 – 26 August 2023 Halifax, Canada.



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**REPORT OF THE 65<sup>th</sup> COMMONWEALTH PARLIAMENTARY CONFERENCE,**

**CPA INTERNATIONAL CONFERENCE**

**20-26 AUGUST 2022**

**HALIFAX-CANADA**

## 1. Background and Overview

The purpose of this report is to give an account of the outcomes of the 65th Commonwealth Parliamentary Conference (CPA) held in Halifax, Canada, from the 20<sup>th</sup> – 26<sup>th</sup> August 2022.

The conference brought together Speakers, Members of Parliament and Parliamentary staff representing the nine regions of the CPA – Africa; Asia; Australia; British Islands and Mediterranean; Canada; Caribbean, Americas and Atlantic; India; Pacific; and South East Asia. The CPA reaches the countries of the Commonwealth as well as national, state, provincial and territorial Parliaments and Legislatures bringing together over 180 CPA Branches of the Association.

The Parliament of the Republic of South Africa together with the Provincial Legislatures is affiliated and participates in the political activities of the Commonwealth Parliamentary Association at both Africa Region and International level. This participation fulfils one of Parliament strategic objective premised on deepening and enhancing parliamentary international engagement and cooperation.

Parliament's Strategic Plan places prime importance on increasing its capacity to represent the interests of South Africa in the international arena. It further seeks to promote and facilitate the transformation of undemocratic governance structures and participate in rules based system that seeks to democratised multilateral institutions processes, building strategic partnerships around mutual interests and promote internationalism and solidarity through the interconnectedness of challenges amongst African countries in particular and developing nations in particular.

The South African Parliament together with the Provincial Legislatures participated in the proceedings of the 65<sup>th</sup> Commonwealth Parliamentary Conference under the theme **“Inclusive, Accountable and Strong Parliaments: The Cornerstone of Democracy and Essential for Development”**

The 65th CPA International conference afforded parliamentarians across the length and breadth of nine regions to deliberate and process the governance work of the Executive

Committee, Commonwealth Women Parliamentarians, topics arising from the Workshops and matters debated and decided in the General Assembly. The topics discussed at the Workshops of the 65<sup>th</sup> CPC included the following;

- Remaining Relevant in Response to a Pandemic: The Role and Responsibilities of Parliament (CPA Canada Region Host Topic)
- Role of Parliaments in Achieving Sustainable Development
- A People's Parliament: Accessibility through Innovation
- Access to Assistive Technologies: Implementation of Standards Across Commonwealth Parliaments
- Building Gender Sensitive Parliaments
- Cyberbullying: Youth, Trolling and Mental Health
- The Climate Emergency: Are Parliaments Holding Governments to Account?

During the 65<sup>th</sup> Commonwealth Parliamentary Conference, there were a number of additional conferences and meetings including: 38<sup>th</sup> CPA Small Branches Conference; 7<sup>th</sup> triennial Commonwealth Women Parliamentarians (CWP) Conference; 65<sup>th</sup> CPA General Assembly; meetings of the CPA Executive Committee; and the Society of Clerks at the Table (SOCATT) meetings.

The General Assembly Meeting also processed reports emanating from the Executive Committee Meeting and presided over the filling of vacancies of the position of Chairperson of the Executive Committee, Treasurer, Vice Chairperson of the Executive Committee, Chairperson of the Commonwealth Women Parliamentarians and Chairperson of the Disability Parliamentary Network.

The South African delegation attending the proceedings of the 65<sup>th</sup> Commonwealth Parliamentary Conference was led by the Chairperson of the National Council of Provinces, Hon, Amos Masondo.

The branches and sub-branches constituting the South African Parliament delegation included the following;

- **Parliament of the Republic of South Africa**
- **Gauteng Provincial Legislature**
- **Limpopo Provincial Legislature**
- **Northern Cape Provincial Legislature**
- **North West Provincial Legislature**
- **Kwa-Zulu Natal Provincial Legislature**
- **Free State Provincial Legislature**
- **Western Cape Provincial Legislature**

## **2. Messages of Solidarity**

The messages of solidarity commenced with messages from key eminent persons, which included the Vice Patron, His Excellency, **Mary Simon, Governor-General of Canada**. In her message of goodwill messages, the Governor General call for Commonwealth Parliamentarians to uphold the principles of inclusive parliamentary democracy and the values of the Commonwealth.

The Speaker of the House of Commons of Canada **Hon. Anthony Rota**, further remarked that during this conference, Parliamentarians will continue to learn from each other about how they can make their respective Parliaments more inclusive, accessible, accountable and stronger. The conference program is full of opportunities to network and expand on the understanding about how to promote the values of the Commonwealth Parliamentary Association.

The **CPA Secretary-General, Stephen Twigg** paid tribute to the late CPA Chairperson, Hon. Emilia Monjowa Lifaka from Cameroon and highlighted the key agenda items for the conference

## **3. DISCUSSIONS AND ANALYSIS FROM THE CWP CONFERENCE AND 65<sup>TH</sup> COMMONWEALTH PARLIAMENTARY CONFERENCE WORKSHOPS**

### **3.1 Issues Emanating from the Commonwealth Women Parliamentary Conference**

Women Parliamentarians from across the Commonwealth have gathered in Halifax, Nova Scotia, Canada for the 7th triennial conference of the Commonwealth Women Parliamentarians (CWP), held ahead of the wider 65th Commonwealth Parliamentary Conference.

The CWP Conference was opened by the Vice-Chairperson of the Commonwealth Women Parliamentarians, Hon. Valerie Woods, MP, Speaker of the House of Representatives, National Assembly of Belize who welcomed delegates. The CWP President (2022), Hon. Myrna Dreidger, MP, Speaker of the Manitoba Legislative Assembly spoke to the CWP conference about her experience as a legislator.

Over 100 Commonwealth Women Parliamentarians attended the conference from across the Commonwealth. The CWP conference saw leading figures in Commonwealth Parliaments addressing the conference and included four wide-ranging sessions for delegates. The CWP Conference also heard from Members from the Parliaments of Canada, India, Uganda, Sri Lanka, Australia, Malaysia, Scotland, Gujarat, Trinidad and Tobago, United Kingdom and New Zealand as well as experts from the Commonwealth Human Rights Initiative (CHRI), the World Trade Organization. Hon. Dr Zainab Gimba, MP from the House of Representatives at the Federal Parliament of Nigeria was elected as the new Chairperson of the Commonwealth Women Parliamentarians in succession to the outgoing CWP Chairperson, Hon. Shandana Gulzar Khan (Pakistan).

Ahead of the CWP Conference, the CWP Steering Committee met in Canada representing the nine CPA Regions: Africa; Asia; Australia; British Isles and the Mediterranean; Canada; Caribbean, Americas and the Atlantic; India; Pacific; and South-East Asia. Members of the Steering Committee also re-elected Hon. Valerie Woods, MP (Belize) as the CWP Vice-Chairperson.

The CWP Conference further deliberated on its workshops under following topics;

- Empowering Women Parliamentarians and Promoting Diversity / Intersectionality
- Effectively Combating all forms of Abuse and Harassment in Parliament

- Financial Empowerment of Women and Gender-Sensitive Budgeting
- Promoting Gender-Sensitive Parliaments Post-Pandemic

Following the exchange of experiences and extensive discussions from the participants during the 7<sup>th</sup> Commonwealth Women Parliamentarians, delegates endorsed the following recommendations for the consideration of CWP Charters to integrate into their respective parliamentary programmes in response to the fulfilment of the Strategic Plan of the CWP International. These include the following;

- In promoting women's empowerment and greater diversity in public office, Parliamentarians and Legislatures should take an institution-centric approach towards lasting change.
- National and sub-national legislatures across the Commonwealth should ensure that their Parliaments have policies and legislation in place to effectively tackle harassment and abuse in all its forms for all persons in Parliament.
- Commonwealth Parliaments must ensure that all budgets incorporate a gender lens and all policies and agreements are gender sensitive.
- Commonwealth Parliaments should use lessons learnt from the COVID-19 pandemic to proactively explore gender sensitive practices and policies.

#### **4. KEY ISSUES EMANATING FROM THE COMMONWEALTH PARLIAMENTARY CONFERENCE**

##### **4.1 Workshop A: Remaining Relevant in Response to a Pandemic: The Role and Responsibilities of Parliament (CPA Canada Region Host Topic)**

This workshop explored how emergency situations, such as the COVID-19 pandemic, results in the Executive branch assuming greater power to quickly mitigate the situation, often at Parliament's expense.

This can be dangerous because it undermines the Legislative branch at a time when parliamentary scrutiny and oversight is required. Thus, the workshop sought to



emphasise Parliament's continuing importance in times of crisis and the role it plays when providing oversight of emergency responses, while further assessing the need for Parliaments to modernise themselves so they can better respond to handling crises.

The workshop illustrated that Parliament itself became a confluence for the COVID-19 pandemic's impacts, as Canadian Parliamentarians at both the federal and provincial level adapted to the virus' effects both within and outside the Legislature.

Delegates heard about the benefits and shortcomings of adopting hybrid sittings and electronic voting at various jurisdictional levels to prevent the transmission of the virus. Generally, attendees agreed that the lack of scrutiny by Parliament during the pandemic resulted in an upsurge of 'government overreach' by the Executive branch, although these were checked in most cases. Furthermore, they discussed the viability of continuing hybrid and electronic voting in a post-pandemic world, as a means of overcoming geographic and personal hindrances to attending Parliament, as well as the possible shortcomings associated with these practices.

Delegates also raised national experiences of the pandemic and commented on their shared experiences of increasing public reliance on their constituency offices due to the pandemic's impact on the economy, public health, and food supply, among other areas. Finally, the role of Parliament in planning for the next pandemic was debated by Members, some of whom raised the challenges posed by said planning, due to a myriad of ever-changing public interests within their home countries.

**The following recommendation was endorsed as follows:**

Parliaments (both large and small) should develop contingency plans for future pandemics and crises. The contingency plan should facilitate the discharge of Parliaments in all of its roles and responsibilities and make allowances for procedural changes, public consultation where possible and be adaptable in accordance with the specific crisis.

#### **4.1.1 Workshop B: Role of Parliaments in Achieving Sustainable Development**

With seventeen (17) new goals including ending poverty and hunger, realising gender equality, reducing inequalities, and ensuring climate action, it was clear when they were agreed that the 2030 Sustainable Development Goals (SDGs) had high hopes for the

potential of the period from 2015 to 2030. However, the role that Legislatures around the world play in ensuring the implementation of these goals remains an often-unexplored topic.

This session discussed this theme and provided guidance to elected representatives on the role they can play in ensuring the implementation of the SDGs.

The session also addressed sustainable development outside the SDGs and what other mechanisms there are for measuring progress on the topic within Commonwealth jurisdictions and the wider world. Financing for development was a key theme in addition to how Parliaments can encourage such support for development projects in their oversight of this work.

The format for this workshop consisted of individual panellist presentations, a Q&A period followed by an audience exercise answering three key questions related to the SDGs.

**The following recommendation was endorsed:**

Members of Commonwealth Parliaments should familiarise themselves with the SDGs, their indicators and the mechanisms that they have to contribute toward their implementation by 2030.

#### **4.1.2 Workshop C: A People's Parliament: Accessibility through Innovation**

Where Legislatures may have previously acted as bastions of traditions and norms, the effects of the COVID-19 pandemic dramatically accelerated transformations in parliamentary life. In many cases, CPA Branches were required to undergo years of modernisation in a matter of weeks, if not instantaneously. There is now a question of whether this spirit of adaptation and innovation will continue in the medium to long-term. This workshop looked specifically at innovations that have increased the accessibility of Parliaments for those people the institution represents. The session investigated links between parliamentary representation and the digital transition and at the pros and cons of virtual/hybrid approaches. The session also explored the non-technological

adaptations and approaches that have emerged during the pandemic and whether they will continue to endure.

In other countries such as India, technology has strengthened democracy and brought India's democratic institutions closer to the people. While Parliament itself has become increasingly digitized, social media and mobile applications allow people to access broadcasts and information about Parliament from their mobile devices.

House visits and 'meet-the-people' sessions are used by Parliamentarians in Singapore to stay connected with their constituents, while targeted outreach services, vaccination dialogues, mobile health checks, and legal clinics allow Parliamentarians to provide information and services directly to constituents in their communities.

In South Africa, virtual and hybrid sittings of the Provincial Parliament allowed parliamentary business to continue despite COVID-related restrictions. Other measures, such as holding the opening of Parliament in communities away from the parliamentary precinct, helped connect the Parliament and its Members with the people they serve, while a board game was created as a tool for raising awareness of how Parliament works.

**The following recommendation was endorsed as follows:**

Parliaments should remain open and accessible institutions to all members of the public that they represent and should, where possible and appropriate, explore modern and innovative approaches to meeting this requirement.

**4.1.3 Workshop E: Access to Assistive Technologies: Implementation of Standards Across Commonwealth Parliaments**

This session explored the challenges that persons with disabilities face when interacting with Parliament, especially the experiences of Members of Parliament. It included a presentation covering some of the most accessible technologies from an assistive technology expert. It also included a discussion of what resources are available and what are needed for Parliamentarians to implement assistive technologies without duplicating effort.

Important progress has been made in the decade since the adoption of the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD), however this has not been enough. Despite constituting approximately 15% of the world's population, persons with disabilities continue to be disproportionately represented in governance and at all levels of decision-making. Persons with disabilities historically and globally have been the subject of cultural and legal hindrances which have limited their ability over generations to reach their full potential. Today, persons with disabilities participate in terms of real numbers in a minimal way in the political/parliamentary process despite their representation in populations globally.

Inclusive and representative Parliaments are crucial to ensuring a healthy and fair democracy. Legislative and policy work can have a tremendous impact on the lives of persons with disabilities, both articulating the rights that persons with disabilities are entitled to and protecting them from discrimination in political, economic and social spheres. Parliament has a particular responsibility to serve as a role model for society and to lead the way in creating a disability-responsive government at the national and local levels.

This workshop comprised of a review of some of the assistive technologies currently available followed by a panel discussion about experiences as Members of Parliament with disabilities, successes in implementing changes, identifying gaps of what is needed for further change, and what can be done on a policy level.

**The following recommendation was endorsed:**

Parliaments must adopt assistive technologies to enhance the accessibility of their institutions to persons with disabilities.

**4.1.4 Workshop F: Building Gender Sensitive Parliaments (Gender topic)**

Women Parliamentarians have held the responsibility of protecting and securing women's rights and gender equality in Parliaments for many years. Through networking, they have helped to shift this responsibility to the Commonwealth Parliaments in which they serve, the institutions responsible for representing the needs of all citizens.

Women represent half of the world's population, but gender inequality is clearly visible throughout Parliamentary Committees, in legislative and government leadership roles, within parliamentary organisations, and especially political parties. The workshop participants recognised the importance and value of gender-sensitive Parliaments and delegates provided thought-provoking commentary on the successes and failures of their Parliaments in the pursuit of gender sensitivity.

Women Parliamentarians reflected upon the support they receive from, and aspire for, from their male colleagues. Male Parliamentarians present listened and commented on how inequality in the workplace, affects the ability of women to run, serve and succeed in office. A male participant recognised his own responsibility in making Parliaments truly democratic and provided examples of the changes his Parliament has undertaken to support the equality of women and LGBTQIA+ citizens. Another Parliamentarian reflected upon how male political candidates with families are not questioned about their ability to serve in office, but female candidates are unjustly subjected to criticism.

Delegates discussed how Parliaments should create a culture for the equal participation of women and underrepresented genders. The assembled stressed the importance of Parliaments responding, acting and being held accountable to make their institutions gender sensitive.

The workshop included presentations from Parliamentarians from the Northwest Territories (Canada), the KwaZulu-Natal Legislature (South Africa) and an academic specialising in politics and gender. The panellists reminded delegates that CPA has resources available to help institutions become gender sensitive Parliaments.

**The recommendation for the workshop approved as follows:**

Commonwealth national and sub-national Legislatures should strongly support the promotion of gender-sensitive Parliaments and report progress annually at the Commonwealth Parliamentary Conference.

**4.1.5 Workshop G: Youth Roundtable - Cyberbullying: Youth, Trolling and Mental Health**

This Youth Roundtable session was focused on the theme of cyberbullying, with special emphasis on its implications for youth engagement in society and democracy. The session, which was divided into two parts, was chaired by the Deputy Speaker of the Parliament of Saint Lucia.

The first part of the session consisted of presentations from two panellists. The first panellist, a Member of Parliament of the United Kingdom, delivered remarks focusing on the online harm faced by UK Parliamentarians, and what support mechanisms are in place or being developed to respond to that harm. The second panellist, a Member of the Legislative Assembly of Nova Scotia, delivered remarks focusing on online harassment of young people and elected officials in Nova Scotia, and the difficulties faced in preventing or addressing that harassment. The panellists' presentations were followed by a question-and-answer session which saw enthusiastic and passionate input from delegates in the audience.

The second part of the session saw delegates divided into break-out groups, with each group being tasked with generating a set of strategies to deal with cyberbullying as an issue. The session then reconvened in plenary to hear the results of the break-out discussions. The break-out discussion themes and issues included what campaigns against cyberbullying should focus on, what success stories exist in the Commonwealth and beyond with respect to responses to cyberbullying, what mental health support can be offered to victims of online harm and how Parliaments can maintain oversight of social media companies whose platforms are used for cyberbullying.

**The workshop then discussed the following recommendation:**

Commonwealth Parliaments should establish, or develop, existing mechanisms that support their younger Members when experiencing poor mental health or abuse online.

**Workshop H: The Climate Emergency: Are Parliaments Holding Governments to Account?**

This session explored the climate emergency and whether and how Parliaments are holding governments to account in combatting climate change. Participants heard that

the goal to limit temperature rise to 1.5C is only just possible if we make immediate reductions in greenhouse gas emissions.

Some of the issues that were discussed were the failure of most governments to meet their own climate change targets, the lack of short-term goals, and the problems with being constrained by the election cycle. In the current cost of living crisis, governments have been tempted to scale back climate promises and to lower fuel taxes. Some jurisdictions say that oil and gas revenues are being used to lift people out of poverty, however the environment is suffering.

Small, especially island, nations who contribute very little to the world's carbon emissions are at the highest risk of climate disasters. They struggle to know how to influence larger nations with high carbon emissions to curb their continued usage of fossil fuels. Within nations, it has been recognised that disadvantaged groups such as women, children, indigenous peoples, LGBTQ+ people, and people living in poverty suffer the worst effects of climate change.

Some solutions that Parliamentarians can implement are climate change education for all Members, non-partisan working groups, and collaboration with non-governmental organisations (NGOs) in educating the public on climate change. Parliamentarians can ask questions in Question Periods; propose legislation to limit climate change which will, at the least, foster debate; act as scrutineers to make sure that climate change policies are being implemented by governments; and influence budgetary decisions on climate change adaptation and mitigation as opposed to fossil fuel subsidisation.

One example of a forward-looking policy is the *Well-being of Future Generations (Wales) Act 2015*. Every piece of policy considered by the Welsh Parliament has to be viewed through this prism, which includes environmental issues.

**The following recommendation was endorsed:**

Parliaments have a responsibility to ensure that national climate laws and policies are robust, ambitious and in line with international commitments such as the Paris Agreement. Parliamentarians should, therefore, be bold in holding governments to account when progress is slow or lacking.

**5. KEY DECISIONS EMANATING FROM THE GENERAL ASSEMBLY**

At the 65th CPA General Assembly, important discussions took place which agreed on a new road map to CPA's goal of recognition as an international, inter-parliamentary organisation. Members approved a number of important constitutional amendments for the CPA including on governance and membership, Officer roles and appointments, women's representation as full delegates to CPC and on the CPA Executive Committee, representation of the Commonwealth Parliamentarians with Disabilities (CPwD) network with a new Officer role for the CPwD Chairperson, provision for virtual/hybrid meetings, rules for elections, increasing the population threshold for CPA Small Branches and the regional rotation for future appointments to the role of CPA Secretary-General.

The 65th CPA General Assembly also approved the application submitted by the Parliament of Maldives (People's Majlis) to form the CPA Maldives Branch and re-join the CPA's membership.

The General Assembly met on the last day of the conference, deliberated and endorse its recommendations with respect to the key issues;

- **Election of the Chairperson of the Executive Committee:** Following the demise of the former CPA International in 2021, the Chairperson of the CPA United Kingdom Branch was recommended by the Executive Committee to be an Acting Chairperson until the 65<sup>th</sup> General Assembly. Having noted the Acting Chairperson was the only one whose name was submitted to fill the vacancy of the position of the Chairperson of the Executive Committee, the 65<sup>th</sup> General Assembly endorse the incumbent to the position in question.
- **CPA Status Update:** The General Assembly reaffirm the urgent priority of securing a new Status for the CPA which reflects the CPA's work as an International, Inter-parliamentary organisation
- The General Assembly instructs the Secretariat to bring a firm proposal to the 66<sup>th</sup> CPC in Ghana in 2023 which will enable a new non-charitable CPA to the establishment in 2023. Legal and financial advice should continue to be taken throughout this process to ensure that the proposal brought to the 66<sup>th</sup> CPC safeguard our existing asserts and deliver long-term sustainability.



- The General Assembly requests CPA Branches to urge their governments to compel the United Kingdom to grant CPA an International, inter-parliamentary status.
- If an acceptable agreement cannot be reached with the United Kingdom Government by the Mid-Year Executive Committee in Gibraltar in March/April 2023, the CPA HQ Secretariat will invite all CPA Branches to submit Expressions of interest to host the CPA with full recognition as an international, inter-parliamentary organisation. A detailed paper on this process will be presented at the Mid-Year Executive Committee in Gibraltar.
- The Governance Working Group should oversee this work, reporting to the Coordinating Committee, the Executive Committee and the General Assembly
- **CONSTITUTIONAL AMENDMENTS**
  - The preamble to the CPA constitution should clearly reflect the purpose of the Association and should have a reconciliation with that of other regions.
  - Branches that had applied for re-addition to the CPA could not be ratified since a General Assembly was not held during the COVID-19 pandemic, it was therefore imperative that the CPA Constitution is amended to take care to such cases.
  - To recognise Commonwealth Parliamentarians with Disabilities chapters and to serve in EXCO.
- **Constitutional Amendment from Executive Committee on Women's Representation:** In determining Branch delegates each Branch shall ensure that at least one third of its delegation to the General Assembly are women except only where it is impossible to do so, either by virtue of the composition of the Legislature itself or limitations arising to a single CPA delegate. Each CPA Region shall nominate women comprising at least one third of the prescribed members of its Regional Representative to serve on the CPA Executive Committee
- **Matters Submitted by Branches to the General Assembly:** The General Assembly considered and endorsed a submission by Western Cape Branch proposing to amend Article 11(4) of the constitution to read as follows;

- A minimum of two branch delegates to the plenary conference at which the meeting of the General Assembly is held, with at least one of the delegates being a woman
- **Readmission of Maldives Branch:** Agree on recommendation of the Executive Committee, to approve the application submitted by Maldives to form the CPA Maldives Branch and re-join the CPA.
- **Future Venues for Governance Meetings:** The General Assembly noted venues and dates for the 66th Commonwealth Parliamentary Conference to be held in Ghana 2023 and the 67<sup>th</sup> CPC to be held in New South Wales Branch in 2024.
- **Other Elections due at the General Assembly:** The General Assembly noted the elections of the CPA Chairperson (United Kingdom), CPA Vice Chairperson (Ghana), and Treasurer (India) CWP Chairperson (Nigeria).

- (b) Report of the Pan African Parliament Statutory Committee Sitings, 22 August – 8 September 2022 Midrand, Gauteng Province.



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# **REPORT OF THE PAN AFRICAN PARLIAMENT STATUTORY COMMITTEE SITTINGS**

## **22 AUGUST TO 08 SEPTEMBER 2022**



**REPORT OF THE PAN AFRICAN PARLIAMENT STATUTORY COMMITTEE  
SITTINGS HELD ON 22 AUGUST TO 08 SEPTEMBER 2022**

The Pan African Parliament (PAP) convened its Committee Sittings from 22 August to 08 September 2022, in the Midrand, Gauteng Province. The Committee Sittings were held under the African Union Theme for year 2022, ***“Building resilience in nutrition on the African continent: Accelerate the human capital, social and economic development”***. These Committee Sittings were attended by the PAP Members serving in the following 11 PAP Permanent Committees:

1. The Committee on Rural Economy, Agriculture, Natural Resources and Environment;
2. The Committee on Monetary and Financial Affairs;
3. The Committee on Trade, Customs and Immigration Matters;
4. The Committee on Cooperation, International Relations and Conflict Resolution;
5. The Committee on Transport, Industry, Communications, Energy, Science and Technology;
6. The Committee on Health, Labour and Social Affairs;
7. The Committee on Education, Culture, Tourism and Human Resources;
8. The Committee on Gender, Family, Youth and People with Disability;
9. The Committee on Justice and Human Rights;
10. The Committee on Rules, Privileges and Discipline; and
11. The Committee on Audit and Public Accounts (CAPA).

The objective of the Committee Sittings was to discuss the Committee programs and to prepare for the next Ordinary Session, which was held in October 2022. In addition to meetings of individual Committees, there were joint Committee Programmes which included the Strategic Reorientation Workshop for Members of the Pan African Parliament, under the theme, ***“Reviving, Renewing, Repositioning and Reinvigorating the Pan African Parliament”***, (see the attached executive summary of the Workshop Report).

There was also a Hybrid Seminar between the Pan African Parliament and the African Union Labour Migration Advisory Committee (AU-LMAC). This Seminar sought to address ***Gaps in women and men migration workers’ protection in Africa through advocacy for the use of legal instruments: The role of PAP and AU Labour Migration Advisory Committee.***

## **2. THE SIGNIFICANCE OF THE COMMITTEE SITTINGS**

### **2.1. THE 11<sup>TH</sup> CONFERENCE OF SPEAKERS OF AFRICAN PARLIAMENTS**

Of significant importance during the Committee Sitting of August-September 2022 is the fact that it coincided with the 11<sup>th</sup> Conference of Speakers of African National and Regional Parliaments, which was held from 01 to 02 September 2022. In addition to discussing the 2022 theme of the African Union, which is:” ***“Building resilience in nutrition on the African continent: Accelerate the human capital, social and economic development”***, The Conference of Speakers discussed the following salient topics:

- Post Covid 19 Recovery Strategies;
- Sustaining the Operations of Parliaments in the Covid-19 induced New Normal: experience sharing and best practices;

- The African Continental Free Trade Area (AfCFTA) as a vehicle for Continental Integration and Economic Development;
- Update on Agenda 2063 Special Project & the Role of the PAP in the achievement of Agenda 2063;
- The African Governance Architecture;
- The status of Ratification of the Malabo Protocol & other AU Legal Instruments;
- Reflections on the effectiveness of the Pan African Parliament.

At the conclusion of the of the Speakers' Conference, a Joint Communiqué (see attached) was presented and Adopted.

Furthermore, of significance during the Committee Sittings was the meeting of the Association of Secretary General of African Parliament (ASGAP), which was held on 30<sup>th</sup> and 31<sup>st</sup> of August 2022. The following are amongst important discussions held during the ASGAP Meeting:

- The role of African Parliaments in the ratification, domestication and implementation of the African Union Treaties;
- Lessons for sustaining Parliamentary Operations and Administration in times of Major Crisis and Emergencies;
- ASGAP Governance and Internal Organisational Matters; and
- The African Union Theme for Year 2022.09.30

At the conclusion of the ASGAP Meeting, a resolution was issued on the outcome of the meeting (see attached).

(c) Report of the 8<sup>th</sup> BRICS Parliamentary Forum Virtual Meeting, 6 September 2022.



**REPORT OF THE 8<sup>TH</sup> BRICS PARLIAMENTARY FORUM VIRTUAL MEETING**

**6 September 2022**





## EXECUTIVE SUMMARY

The South African Parliament's multi-party delegation led by the National Assembly (NA) Speaker, Hon. Nosiviwe Mapisa-Nqakula, and the National Council of Provinces (NCOP) Chairperson, Hon. Amos Masondo attended the 8<sup>th</sup> BRICS Parliamentary Forum virtual meeting held on 6 September 2022. The virtual meeting was hosted by the National People's Congress of China under the theme '*Leveraging the role of the legislature to foster high-quality BRICS partnership*'. The objective of the meeting was to facilitate the implementation of the 14<sup>th</sup> BRICS Summit commitments.

During the meeting, all the Presiding Officers' agreed that the BRICS parliamentary cooperation needs to be strengthened to be more effective in, amongst others, taking transformative actions to accomplish the BRICS common agenda; consolidating common policy positions at the Inter-Parliamentary Union assemblies; promoting green development, to make the global economy grow better; and increasing exchange and cooperation between the legislative bodies of BRICS countries. Also for the Forum to cooperate in expediting the implementation of the 2030 Agenda; finding an amicable solution to emerging health concerns; establishing the multilateral trading system; safeguarding peace, and security, and fostering cooperation amongst BRICS countries.

## OBSERVATIONS AND RECOMMENDATIONS

The South African Parliament is invited to note the following key issues from the meeting:

- **South African Parliament's discussion and position on the BRICS Parliamentary Forum expansion:** The Presiding Officers of the National People's Congress of China and the Russian Parliament emphasised the need to open and expand the BRICS parliamentary cooperation with other emerging markets and developing countries. The expansion decision will be based on the Forum's consensus.

This development calls for a discussion within Parliament led by the Presiding Officers and supported by the Parliamentary Group on International Relations and the Focus Group on BRICS. The Department of International Relations and Cooperation may be invited to provide a high-level presentation on South Africa's National Interests with a focus on countries already interested in joining the BRICS cooperation and this presentation may inform Parliament's position on the matter. President Xi Jinping emphasised the acceleration of the BRICS expansion process during the 14<sup>th</sup> Summit. The last BRICS expansion was in 2010 when South Africa joined the group. According to the Hindustan Times, Iran and Argentina have submitted their formal applications to join the group. Algeria, Argentina, Cambodia, Egypt, Ethiopia, Senegal, Thailand, and Uzbekistan are also seen as potential applicants as their foreign leaders attended the 14<sup>th</sup> Summit.

- **The finalisation and adoption of the Multilateral Declaration of Intent (Protocol of Intention) of the Legislative Organs of BRICS:** South African National Assembly Speaker and the Presidents of the Russian Federation Council of the State of Duma welcomed the effort to formalise and institutionalise parliamentary cooperation by approving the draft Multilateral Protocol. In this regard, with the approval of the South African Parliament's Presiding Officers, the draft Protocol as consolidated by the Indian Parliament should be distributed (by the IRPD) to the PGIR and the BRICS Focus Group for familiarisation and understanding with a view of tabling and finalising the Protocol during the 9<sup>th</sup> BRICS Parliamentary Forum meeting in 2023 hosted by the South African Parliament.

**The Draft Protocol does not empower the Forum with oversight function over the BRICS Summit (Heads of State and Government), instead, the Parties commit themselves to:**

- Strengthen the BRICS Parliamentary Forum;
- Cooperate in the establishment of exchange programs to promote mutual understanding of the Parties' culture and legal systems of the States of the Parties through inter-parliamentary exchanges on matters of mutual interest;
- Coordinate parliamentary diplomacy on a proper level;
- Host an annual meeting based on rotation;
- Organise an informal Executive Secretariat of parliamentary staff of the Parties for the BRICS Parliamentary Forum to be administered *pro tempore* by the host country during their annual meetings.

The 8th BRICS Parliamentary Forum virtual meeting took place on the 6<sup>th</sup> September 2022 from 14:00 to 15:30 (South African Time) under the theme '*Leveraging the role of the legislature to foster high-quality BRICS partnership*'. The objective of the meeting was to facilitate the implementation of the 14<sup>th</sup> BRICS Summit commitments. The Chairman of the Standing Committee of the National People's Congress of China, Hon. Zhang Ping hosted the meeting. The National People's Congress of China is the current Chair of the BRICS.

The Presiding Officers of the Republic of South Africa, the Federative Republic of Brazil, the Russian Federation, and the Republic of India attended the meeting. South Africa was represented by:

- National Assembly (NA) Speaker, Ms. Nosiviwe Mapisa-Nqakula, MP.
- National Council of Provinces (NCOP) Chairperson, Mr. Amos Masondo, MP.
- House Chairperson of International Relations of the NA, Mr. Madala Ntombela, MP.
- House Chairperson of Oversight and Institutional Support of the NCOP, Ms. Winnie Ngwenya, MP.
- Mr. Yunus Ismail Carrim, MP.
- Mr. Supra Mahumapelo, MP.
- Mr. Mikateko Mahlaule, MP.
- Mr. Terence Mpanza, MP.
- Mr. Kenneth Mmoiemang, MP.
- Mr. Darren Bergman, MP.
- Ms. Thembi Msane, MP.
- Mr. Narend Singh, MP.
- Mr. Mzwakhe Sibisi, MP.
- Ms. Thandiswa Marawu, MP.
- Mr. Nqabayomzi Kwankwa, MP.

The South African delegation was supported by the following officials: Ms. Nogolide Nojozi (Office of the Speaker); Ms. Zukiswa Kula (Office of the Speaker); Mr. Chumani Xotyeni (Office of the NCOP Chairperson); Mr. Dumisani Sithole (IRPD); Ms. Nomfundo Sonjica (IRPD); Ms. Zarena Kroese (IRPD); Ms. Mpho Monnakgotla (IRPD); Ms. Janine Paulsen (IRPD); Ms. Shirley Montsho (PCS) and Ms. Masego Dlula (PCS).

## **2. WELCOMING REMARKS**

Welcoming remarks were delivered by the Chairman of the Standing Committee of the National People's Congress of China, Hon. Zhang Ping. In his opening remarks, he welcomed and thanked everyone for attending the meeting and noted, amongst others, that the confrontation and power politics have been raising their heads. Conventional and non-conventional threats are emerging. Multilateralism and the global governance system are facing severe shocks. BRICS legislative bodies need to make good use of the cooperation framework such as the Inter-Parliamentary Union (IPU) to increase policy coordination and communication to oppose unilateralism and power politics as well as interference in other countries internal affairs. Secondly, legislators need to continue to promote the Parliamentary Forum mechanisms to expand the links and exchanges between the special committees, friendship groups, and departments of our legislative bodies and encourage more interaction amongst MPs and

delegates. The Forum should strive to strengthen exchanges in governance, and legislative quality, and enhance the ability for sound and democratic decision-making.

On the BRICS expansion, noted that the Forum should open up lines and find new ways to expand BRICS cooperation in the legislative to uphold the common interests of emerging markets and developing countries. In conclusion, amongst others, noted that the MPC stands ready to strengthen exchange and cooperation with the legislative authorities in BRICS countries to contribute to a high-quality.

### **3. ADDRESSES BY BRICS PRESIDING OFFICERS**

The following Presiding Officers from the Republic of South Africa, the Federative Republic of Brazil, the Russian Federation, and the Republic of India addressed the meeting.

#### **3.1. Address by the South African Parliament's National Assembly Speaker, Hon. Nosiviwe Mapisa-Nqakula**

National Assembly Speaker Hon. Nosiviwe Mapisa-Nqakula noted, amongst others, that the Forum is meeting at a time of immense global political and economic volatility that is reshaping the global geo-political space, on the economic and military situation across the world. The provocative actions and military threats instigated by so-called global superpowers threaten the peace and security of the world. The economies' food and fuel supply have created dire straits in many jurisdictions. The current political, military and economic situation requires fair and objective statecraft, diplomacy, and the strengthening of multilateralism which are necessary to secure global peace, the sovereignty of nations, and economic prosperity. The wisdom to establish the BRICS partnership, and importantly, the parliamentary forum is validated more strongly by the prevailing geo-political atmosphere as articulated in the inaugural session in 2015.

On internal affairs, noted that each nation has the right to choose its path and the Forum should be guided by the abiding principle of solidarity, openness, and inclusivity as well as a fair and just approach, to political, and economic affairs concerning national sovereignty. These are the pillars for the cooperation of the BRICS formation.

The Forum needs to confront common challenges through parliamentary cooperation to turn the BRICS commitments into reality. Through the oversight functions, BRICS Parliaments must ensure that the BRICS vaccine centre has the resources and capacity to build capacity against infectious diseases. The BRICS Parliaments must leverage their authority in holding their respective governments to account for what they have committed themselves to.

In conclusion, noted that the broader BRICS partnership is a valuable platform for South Africa in fighting its triple challenges of unemployment, poverty, and inequality through increased trade, investment, tourism, capacity building, and technology transfer. Also, emphasised formalising the cooperation to be more strategic, results-oriented, and responsive governments to the current global crisis.

#### **3.2. Address by the President of the Federation Council Chairman of the State of Duma, Hon. Valentina Ivanovna Matviyenko and President of the State Duma Vyacheslav Viktorovich Volodin**

President of the Federation Council Chairman of the State of Duma, Hon. Valentina Ivanovna Matviyenko noted that the dialogue within Parliaments is already a good tradition and the Forum has firmly established itself as an important component of the multifactor cooperation of the five

countries. For further cooperation development, the Forum should look at how to make the BRICS PF more effective.

It is important to move forward to give BRICS a qualitatively new parliamentary dimension - step-by-step in a calibrated manner. In this context, welcome the effort to institutionalise parliamentary cooperation within the BRICS five including bringing the approval of the draft protocol. The existing experience of the inter-parliamentary association serves as the basis, for example, the algorithm of the Asia-Pacific Parliamentary Forum (APPF) and your passion for this Forum are organised on a rotating basis by the country presiding over the APPF.

In the consolidation of common positions, noted that it is necessary to take consolidated positions in international platforms such as the IPU which is scheduled for October this year. To increase the level of the Forum's cooperation in all key areas, oriented towards the long term. BRICS PF is already moving in the right direction, and the efforts are yielding positive results. On the implementation of the agreements reached by our top leadership. The legal framework for the implementation adopted at the BRICS Summit is good proof of that, and the Beijing Declaration adopted during the BRICS Summit serves as a good reference point for the Forum.

On global challenges, noted that the world needs responsible leadership and the elimination of the imposition of unjustified tensions. BRICS needs to work systematically on strengthening trade and economic cooperation: - the expansion of the BRICS economic opportunities is important. It is important to discuss the specifics of the BRICS parliaments in expanding the BRICS economic opportunities. There is great potential in cooperation between the 5 BRICS countries in the areas of finance and investment: a good example of practical cooperation is:

- the New Development Bank and
- the BRICS contingency reserves currency arrangement.

On the currency, noted that the strong consideration for the creation of an international reserve currency based on a basket of national currencies of the five BRICS countries. Cooperation at a parliamentary level following the spirit of the times can contribute to the implementation of these initiatives. The issue of putting alternative currencies replacing dollars and developing an independent currency trading system will be raised during the Eastern Economic Forum which is currently taking place in Vladivostok.

On the BRICS expansion, noted that the Forum requires the involvement of more partners. As parliamentarians need to make proposals to intensify and expand cooperation. The current group of 5 is a force in the global South, with no hidden agenda or hostile nature. It supports the principle of equality, mutual respect, and a sound balance of interests. The Forum should consider including legislatures from other interested countries. The decision to involve other legislatures partners in the group should be based on the Forum's consensus. In conclusion, noted that they hope that the work of our parliamentary cooperation will be continued by the South African colleagues during next year's BRICS PF meeting hosted by the South Africa Parliament.

### **3.3. Address by Chairperson of the Parliamentary of the Standing Committee on External Affairs of India, Hon. P.P. Chaudhary**

Chairperson of the Parliamentary P.P. Chaudhary of the Parliament of India noted amongst others, the need for the Forum to have a shared agenda, and for legislatures to identify bold and transformative actions to accomplish BRICS common agenda. And, the importance of parliamentary cooperation has been emphasised in realising the overall objectives of the BRICS

forum and it is strongly cementing the bonds of friendship amongst the BRICS countries. Being the people's representatives, one of its core responsibilities is to leverage all possible friends and facilitate the realisation of better and richer relations amongst BRICS countries. Even the COVID-19 pandemic could not deter the Forum from meeting to deliberate on the well-being of the people, security, growth, and development.

On the global governance system, noted that the BRICS parliamentarians have deliberated on the need for reforming the UN Security Council, WTO, WHO, IMF, and other multilateral institutions to make the global governance architecture more representative, inclusive, and participatory. These developments highlight the crucially important role that legislatures play in strengthening intra-BRICS cooperation.

On global challenges noted that the world is interlinked and interconnected. Developmental challenges and other global challenges require parliamentary cooperation and parliamentary diplomacy. The Forum is bound to participate increasingly at the BRICS PF to bring forth the impending concerns, developmental needs, and other aspirations of our people. The Forum has to ensure the well-being of the people and take the fruits of development for the benefit of the people.

In conclusion, legislatures should be duty-bound to enhance people's active participation in processes of development. Legislatures as representatives of the people, need to set examples of commitment, dutifulness, and best efforts. They must cooperate with people in addressing concerns and encourage them to come forward and participate.

### **3.4. Address by President of the Federal Senate of Brazil, Hon. Rodrigo Pacheco**

President of the Federal Senate of Brazil, Hon. Rodrigo Pacheco amongst others noted that 2015 was a significant year, for the birth of an alternative instance of dialogue between friendly nations, nations were striving to strengthen their strategic partnerships. That year in 2015, the BRICS Parliamentary Forum was established as a direct channel for interaction and understanding in BRICS Parliaments. Brazil takes great satisfaction that it was part of the process that culminated in the establishment of the BRICS forum. The Forum is about establishing and cultivating general dialogue between the BRICS forum.

In today's world, parliamentary diplomacy becomes increasingly necessary for a full understanding of the complexities facing the world and useful for establishing relations that meet the interests and needs of the various national and sub-national actors. The Forum allows legislatures to learn about the parliamentary practices of each country, and promote cooperation in the field of parliamentary administration.

On climate change, he noted that one of the difficulties is the failure of developed countries to keep their promises to financially support other countries in their effort to combat climate change. Issues such as this must be a priority on the Forum's agenda. Legislatures must use oversight and legislative function to combat climate change. The Forum must be used to share parliamentary experiences and create opportunities for joint, harmonious, and convergent actions on any other that is important and strengthens the Forum.

## **4. CLOSING REMARKS**

Closing remarks were delivered by Hon. Ping. In his closing remarks, he noted that the BRICS cooperation should move in the direction of closer cooperation and promote green development, to make the global economy grow better. It is important -

- to increase exchange and cooperation between the legislative bodies of BRICS countries,
- make good use of the parliamentary forum to share our experiences in governance,
- development of the rule of law and legal oversight,
- support governments and public to take part in BRICS cooperation,
- encourage friendship and cooperation and interaction between parliamentarians and delegates to enhance mutual understanding, and
- strengthen the legal and public support for BRICS cooperation.

Wished the leadership of the legislatures prosperity in everything they do and happiness for their citizens.

## 5. OBSERVATIONS AND RECOMMENDATIONS

The South African Parliament is invited to note the following key issues:

- **South African Parliament's discussion and position on the BRICS Parliamentary Forum expansion:** The Presiding Officers of the National People's Congress of China and the Russian Parliament emphasised the need to open and expand the BRICS parliamentary cooperation with other emerging markets and developing countries. The expansion decision will be based on the Forum's consensus.

This development calls for a discussion within Parliament led by the Presiding Officers and supported by the Parliamentary Group on International Relations and the Focus Group on BRICS. The Department of International Relations and Cooperation may be invited to provide a high-level presentation on South Africa's National Interests with a focus on countries already interested in joining the BRICS cooperation and this presentation may inform Parliament's position on the matter. President Xi Jinping emphasised the acceleration of the BRICS expansion process during the 14<sup>th</sup> Summit. The last BRICS expansion was in 2010 when South Africa joined the group. According to the Hindustan Times, Iran and Argentina have submitted their formal applications to join the group. Algeria, Argentina, Cambodia, Egypt, Ethiopia, Senegal, Thailand, and Uzbekistan are also seen as potential applicants as their foreign leaders attended the 14<sup>th</sup> Summit.

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- Coordinate parliamentary diplomacy on a proper level;
- Host an annual meeting based on rotation;
- Organise an informal Executive Secretariat of parliamentary staff of the Parties for the BRICS Parliamentary Forum to be administered *pro tempore* by the host country during their annual meetings.

END

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- (d) Report of the visit by a Foreign Affairs Committee of the Parliament of Vietnam to the Parliament of RSA, 23 September 2022.



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**Report of the Visit by a Foreign Affairs Committee of the Parliament of  
Vietnam to the Parliament of the RSA on Friday, 23 September 2022**

## 1. Purpose of the Report

To report on the Visit by the Foreign Affairs Committee of the Parliament of Vietnam to the Parliament of the RSA on Friday, 23 September 2022.

## 2. Background

The Vietnamese Embassy in the RSA initiated the visit.

## 3. Purpose of the visit

The purpose of the visit was to strengthen bilateral relations and cooperation between the Foreign Affairs Committee of the Parliament of Vietnam with their counterpart Portfolio Committee of International Relations and Cooperation of the Parliament of the RSA. Also, to exchange experiences on matters or issues of mutual interests.

**In attendance from the South African side:** Mr CT Frolick, MP – House Chairperson for Committees (NA) and Mr D Bowman.

**In attendance from the Portfolio Committee on International Relations and Cooperation:** Mr Supra Mahumapelo, MP – Chairperson of the PC on IR and Cooperation, Mr T Mpanza, MP and Mr BS Rhadebe, MP.

Ms Zarena Kroese – Unit Manager: Protocol and Ceremonies provided protocol and Mr Z Cawe – Officer for Bilateral Relations supported the meetings.

**In attendance from the Vietnamese side:** Mr Le Anh Tuan, Vice Chairman of the Foreign Affairs Committee, Leader of the Delegation; Mr Hoang Van Loi, Ambassador of Viet Nam in the RSA; Mr Pham Phu Binh, MP; Ms Ly Tiet Hanh, MP; Mr Be Minh Duc, MP; Mr Huynh Thahn Phuong, MP; Mr Nguyen Dai Thang, MP; Ms Tran Thi Kim Nhung, MP; Ms V Thi Ngoc Quynh, Director General of the External Relations Department; Ms Pham Kieu Linh (interpreter); Mr Nguyen Duy Thanh, Official of the External Relations Department; Mr. Vu Duc Duong, Attaché, Embassy of Viet Nam in the RSA.

## 4. Courtesy call on House Chair for Committees, Mr CT Frolick, MP

Mr Frolick, MP welcome the delegation and expressed his appreciation in having the delegation in Parliament. He informed the delegation that he was part of the South African parliamentary delegation that attended the Inter-Parliamentary Union hosted by the Parliament of Vietnam in 2015 and had an opportunity to visit Ho Chi Minh City. He commended Vietnam for their socio-economic development that has led Vietnam to emerge as one of the big economies in East Asia and that the RSA is aware of the key milestone –the 2025 Anniversary Celebrations of the unification of the North and South Viet Nam. He further highlighted the challenges experienced by countries of the world especially after Covid 19 pandemic and thanked the people of Vietnam for their support during the struggle in South Africa because most SA

liberation fighters received their military training in Vietnam. Mr Frolick, MP further stressed that the South African Parliament will continue to forge good relations with Vietnamese counterparts. He thanked the delegation for visiting the Parliament of the RSA and wished them a wonderful stay in South Africa.

In response, Mr Le Anh Tuan – the leader of the delegation thanked Mr Frolick, MP for availing himself to meet with them and expressed his delight for visiting the RSA. He conveyed greetings from the Speaker of the Parliament of Vietnam and explained the purpose of their visit, which among other things, is to strengthen bilateral relations and cooperation between the Parliament of Vietnam and the Parliament of the RSA. He also commended the RSA position in the continent of Africa and the region and pointed out that Vietnam attaches great importance in its ties with the RSA. He called for the strengthening of relations at parliament-to-parliament level and look forward to cooperation at the multilateral forums. He further urged the RSA to support Vietnam candidacy of the United Nations Security Council in 2026/27.

In enhancing cooperation on trade, industry and investment, Mr Le Anh Tuan suggested increasing imports and exports by seeking available opportunities from both sides. On industries, he proposed that the RSA should create a conducive climate for Vietnamese industries to import coal from South Africa. On agriculture, he suggested the exchange of research work at this level. The legislature of the two countries should be an important channel between the executives of the two countries.

On Vietnam – South Africa Parliamentary Friendship Group, Mr Le Anh Tuan informed Mr Frolick, MP that the National Assembly of Vietnam has established a Vietnam – SA Friendship Group consisting of 9 MPs from different Provinces. He urged Parliament of the RSA to do the same.

In conclusion, Mr Le Anh Tuan urged the two Parliaments to work together and support each other in bodies affiliated to and extended an informal invitation to Mr Frolick, MP to visit Vietnam at a mutual convenient dates. Details could be handled at the diplomatic level.

Mr Frolick, MP conveyed greetings from the Speaker of Parliament, Ms Mapisa-Nqakula, MP and expressed gratitude to the Vietnamese leadership citing that during the IPU Conference in 2015 held in Vietnam, the then Speaker of the National Assembly, Ms B Mbete had an opportunity to pay a courtesy call on President of Vietnam.

He also committed that the South African parliamentary delegations in bodies like IPU, Non-Aligned Movement, etc will find an opportunity to interact with Vietnamese delegation. He mentioned the upcoming IPU Speaker's Conference in Indonesia and the COP 27 in Egypt. He informed the delegation that he has been deployed by the Speaker to lead the SA parliamentary delegation to COP 27 in Egypt and will be ready to engage with the Vietnamese delegation on matters of climate change and other matters of mutual bilateral importance. In addition, on other multilateral forums, the representatives of both Parliaments should engage and share notes on agenda items and other matters of mutual interests.

In conclusion, Mr Frolick, MP informed the delegation that the Parliament of the RSA was still at a stage of finalising the process of establishing Parliamentary Friendship Groups.

The House Chairperson and the leader of delegation exchanged gifts. The meeting adjourned.

### **5. Meeting with the Portfolio Committee on International Relations and Cooperation**

Mr Supra Mahumapelo, MP welcome the delegation and applauded the people of Vietnam for their resilience in their struggle to overcome oppression in all forms. He pointed out that South Africans had admired their resilience. Despite the end of Apartheid in 1994, the country was still experiencing huge unemployment, inequality and poverty. He further mentioned the tension between the Executive and Parliament when it comes to oversight.

Mr Le Anh Tuan – the leader of the delegation thanked Mr Mahumapelo, MP and members of the Committee for receiving them. He explained the purpose of their visit, which is to strengthen relations and promote cooperation between the two Committees. He conveyed greetings from the leadership of the Vietnamese Parliament and the Chairperson of the Committee and commended the South Africa's role in Africa and in the multilateral forums. He also assured the Committee that the government of Vietnam attaches great importance in its bilateral relations with the government of the RSA and view South Africa as an important partner. They are keen to work together with South Africa in strengthening relations and cooperation on matters of trade, defence, international relations, and other matters of mutual interests.

He further called for the RSA and Vietnam to continue supporting each other in the Non-Aligned Movement and the United Nations Organisation and urged the RSA to support endeavours of Vietnam in the African Union and that Vietnam was ready to support the RSA endeavours in the East Asia. He urged for the creation of a favourable condition to boost industrial capacity of the two countries and suggested that the South African government should support the exportation of coal from South Africa to Vietnam.

He mentioned the fruitful meeting the delegation had with Mr Frolick, MP that morning and expressed support to the idea of strengthening cooperation at the parliament-to-parliament level and that MPs from both sides should engage with each other on matters of mutual interests such as the sustainable development and climate change among others. He pointed out the mandate and role of the National Assembly of Vietnam, it has 10 Committees and the responsibility of the Foreign Affairs Committee including oversight, ratification of International treaties, etc.

Mr Mahumapelo, MP – the Chairperson of the PC on IR and Cooperation exchanged gifts with the leader of the delegation and invited Mr Tuan to sign the distinguished guest book.

## **6. General outcomes of the meeting**

The meeting further deliberated and agreed as follows:

- 1) Both sides will impress to their Parliaments and Executives to support each other in multilateral forums and will urge their delegations in conferences and bodies affiliated to - share notes and positions on conference's agenda items;
- 2) The Vietnamese delegation extended an invitation to the PC on IR and Cooperation to pay a visit to Vietnam at a mutually convenient date. Details could be handled at the diplomatic level.
- 3) The visit was a success. It deepened understanding and boosted friendship between the two Committees.

## **6. Recommendations and/or Action by Parliament**

None

- (e) Report of the 8<sup>th</sup> G20 Parliamentary Speakers' Summit, 5 – 7 October 2022 Jakarta, Indonesia.



**REPORT OF THE 8<sup>TH</sup> G20 PARLIAMENTARY SPEAKERS' SUMMIT**





## EXECUTIVE SUMMARY

South African Parliament led by Madam Speaker attended the 8<sup>th</sup> G20 Parliamentary Speakers' Summit from 5 to 7 October 2022 in Jakarta, Indonesia. The Summit brought together parliamentary leaders from the world's 20 major economies, including China, India, Türkiye, the Russian Federation, the United Kingdom, and the USA. Guest observers at the Summit included leaders from Azerbaijan, Cambodia, Ukraine, and the United Arab Emirates. The Summit's theme 'Stronger Parliament for Sustainable Recovery' was assessed through four sessions: Sustainable development and green a green economy; an inclusive economy and a strong society; effective parliaments and strong democracy; and gender equality and women's empowerment.

In their deliberations, the Speakers of Parliament underlined that strong parliaments are key to strong democracies as they place citizens at the centre of policymaking and legislation. They called on the G20 to actively engage with parliaments and formally acknowledge the role of the P20 to ensure that the people they represent have a voice in G20 deliberations.

Geopolitical conflicts have presented threats of food and financial crises on a global scale. In this regard, countries ought to strengthen common grounds and overcome differences to confront these problems. Multilateralism remains the most effective way to overcome these problems. There is no single problem that can be solved by one country alone. For this reason, all countries must sit down together to find a way out of the problems at hand.

Parliaments should also uphold multilateralism and safeguard international equity and justice, adhere to openness and inclusiveness to jointly promote sustainable development of the world economy, and pursue green and low-carbon development to promote harmonious coexistence between man and nature

As per the practice, the 8<sup>th</sup> G20 Parliamentary Speakers' Summit was supposed to conclude with the adoption of the Joint Statement. But due to the disagreements on the inclusion and the wording of paragraph 2 of the Draft Joint Statement, the Summit failed to adopt the Statement. This paragraph, amongst others, states that the war in Ukraine that began in February 2022 poses a threat to global security and the rules-based multilateral system.

## 1. INTRODUCTION

The Parliament of Indonesia jointly with the IPU brought together 19 Speakers of Parliament and around 59 heads of delegations from the G20 economies at the Parliamentary Speakers'

Summit from 5-7 October in Jakarta, Indonesia. Their discussions centered on four main topics: green economy, food, and energy security, ensuring the effective role of parliament and democracy, as well as social inclusion, gender equality, and women's empowerment.

South Africa's Parliament was represented by the National Assembly Speaker Nosiviwe-Mapisa Ngakula and Hon. Cedric Frolick. Support staff included: Head: Office of the NA Speaker, Ms. Nogolide Nojozi; Office of the NA Speaker, Ms. Zukiswa Kula; Secretary to Parliament, Mr. Xolile George, International Relations and Protocol Division (IRPD) Manager, Mr. Dumisani Sithole; and IRPD researcher, Ms. M. Monnagotla; and Section Manager: Communication Relations, Mr. M. Wolela.

## **2. WELCOMING REMARKS**

Welcoming remarks were delivered by esteemed leaders including the Speaker of the Indonesian House of Representatives, Puan Maharani who noted that the current period gives countries, particularly the parliaments of the G20 countries, an opportunity to build a better world order. This is the commitment of the parliaments of the G20 countries: Stronger Parliaments for Sustainable Recovery. The G20 parliaments must take this opportunity to build a world that has a human face, a culture of love for humanity, love for peace, and love for the natural environment.

The IPU President, Duarte Pacheco noted that today countries find themselves in a dangerous place, where the very existence of life on earth is under serious threat. Countries cannot afford to let these major challenges continue unchecked. The time to act and show responsibility and political courage is now.

UN Secretary-General, António Guterres, speaking by video link, noted that countries are confronted with mighty challenges: soaring inflation, crushing debt, widening inequalities, deepening poverty, raging conflicts, and a burning planet. He urged MPs to do everything in their power to build a more sustainable, resilient, and peaceful world.

## **3. DISCUSSIONS ON THE FOUR SESSIONS OF THE SUMMIT**

Discussions centered on four main topics: green economy, food, and energy security, ensuring the effective role of parliament and democracy, as well as social inclusion, gender equality, and women's empowerment. Some of the salient views included the following:

### **3.1. SESSIONS 1 & 2: ACCELERATING SUSTAINABLE DEVELOPMENT AND THE GREEN ECONOMY AND EMERGING ISSUES: FOOD AND ENERGY SECURITY, AND ECONOMIC CHALLENGES**

In accelerating sustainable development session, participants noted that the G20 parliamentary forum is a strategic platform to discuss the world's common agenda that requires political support and cooperation from parliaments. Common challenges: poverty, the humanitarian crisis and conflicts, social inequality, climatic changes, and other modern challenges are impossible to overcome alone.

One of the most useful lessons that the COVID-19 pandemic taught the whole world was that global challenges require global solutions, and that collective effort and joint activities are essential. Parliamentarians as representatives of the people ought to take part in the discussions to find the best solutions for the problems of universal concern. The legislatures' cooperation platforms prove the undertaking and resolve to pursue joint endeavours for a better

world. The P20 summit is very important in this sense as it is an event capable of defining what roles the parliaments could play and of determining what contributions they can make to addressing the present-day problems.

The geopolitical conflicts have presented threats of food and financial crises on a global scale. In this regard, countries ought to strengthen common grounds and overcome differences to confront these problems. Multilateralism remains the most effective way to overcome these problems. There is no single problem that can be solved by one country alone. For this reason, all countries must sit down together to find a way out of the problems at hand.

Participants concluded by emphasising the importance of parliaments' efforts to support countries to confront all the crises and challenges the world is going through to realize the hopes and aspirations of the people. Also, social integration and the empowerment of women, and the roles that parliaments play in this regard. The importance of comprehensive cooperation between the parliaments to build a better future and achieve recovery after the Corona pandemic, as well as strengthening the efforts of the G20 parliaments to enhance communication between the member states and boost cooperation.

Parliaments should also uphold multilateralism and safeguard international equity and justice, adhere to openness and inclusiveness to jointly promote sustainable development of the world economy, and pursue green and low-carbon development to promote harmonious coexistence between man and nature. In addition, participants proposed the strengthening of trade and economic and investment cooperation between the G20 countries. For the G20 countries to strengthen cooperation to overcome the global crisis and promote world economic recovery amid geopolitical conflicts.

### **3.2. SESSIONS 3 & 4: EFFECTIVE PARLIAMENT, VIBRANT DEMOCRACY, AND SOCIAL INCLUSION, GENDER EQUALITY, AND WOMEN'S EMPOWERMENT**

In the effective parliament, and vibrant democratic session, participants agreed that strengthening parliamentary roles is a solution in the face of a difficult global situation. A strong parliament is a key to realizing democracy and people's welfare by prioritising cooperation with other stakeholders.

When it comes to the current conflicts and disunity impacts everyone, no one comes off as the winner. For this reason, global parliaments should be part of the solution, acting as bridges, and carrying a peace mission. They should build dialogue and build negotiations, prioritise togetherness to avoid division.

During this discussion, National Assembly Speaker Nosiviwe Mapisa-Nqakula noted, amongst others, that armed conflicts and the ongoing pandemics have shown the world that no country is immune to their devastating effects. In any war situation, critical is the creation of a settlement platform that can only be achieved through dialogue. In the current situation - Russia and Ukraine, countries, therefore, have to recommend as this platform of parliamentarians that both countries, Ukraine and Russia should be assisted to go to the negotiating table.

When it comes to democracy, parliamentarians are the voice of the people. Therefore, need to hold the executive to account, which is a vibrant democracy. If democracy is to survive, it is important that democracy becomes responsive to the socio-economic plight of all the people in the system and not just about the structural indicators, as integral and as important as these may be. This is to ensure that democracy as a system protects its legitimacy and demonstrates the moral authority required by governments to govern. The G20 platform, therefore, can be a

catalyst for promoting the overarching mission of multilateral collaboration in pursuit of coordinated approaches to common problems.

In the social inclusion, gender equality, and empowerment session, participants stressed that global challenges and geopolitical conflicts have pushed back various advances in the field of gender equality. There are still many women who are hindered from political participation, economic and educational access, to security and health guarantees. In this regard, countries and parliaments should prioritise education as the first door to increasing literacy, skills and expertise, and awareness of the health of women. Through education, women can participate more in politics. This is very important for women in protection from discrimination and violence, including smuggling and trafficking of people. After all, women are integral to effective and sustainable community empowerment. When in parliament, women certainly tend to fight for their rights and formulate long-term policies that directly have an impact on the nation's next generation.

During this discussion, National Assembly Speaker Nosiviwe Mapisa-Nqakula noted, amongst others, that globally, women and girl-children are facing attacks that threaten their everyday existence. One in three women and girls continue to be subjected to horrendous sexual and/or physical violence perpetrated by an intimate partner and family members. In this light, parliamentarians need to strengthen the oversight framework to ensure that governments live up to their global commitments and pass legislation that gives effect to these commitments. As a way of keeping women's and girls' needs at the forefront of countries' COVID- 19 recovery plans.

Also, parliaments need to pass comprehensive laws that criminalise all forms of GBV and child marriages. Through legislation, parliaments need to ensure equal remuneration for men and women doing the same job with the same qualifications, responsibilities, and working hours. Parliamentarians need to push for well-designed fiscal policies, including public procurement policies, to protect and support women's businesses, incomes, and employment during the ongoing pandemic.

#### 4. ADOPTION OF THE JOINT STATEMENT

As per the practice, the 8<sup>th</sup> G20 Parliamentary Speakers' Summit was supposed to conclude with the adoption of the Joint Statement. But due to the disagreements regarding the inclusion and the wording of paragraph 2 of the Draft Joint Statement, the Summit failed to adopt the Statement. Paragraph 2 reads as follows:

The war in Ukraine that began in February 2022 poses a threat to global security and the rules-based multilateral system. ~~As well as~~ **In addition to** deepening the food crisis induced by the pandemic, it has ~~undermined~~ **threatened** energy security and increased global complexities and uncertainties, including in the financial markets. We urge G20 leaders to redouble their efforts to **overcome differences**, promote peace and economic recovery, ~~overcome~~ **effectively address** the current crises and seize all opportunities to create a fairer, more sustainable, and prosperous global society, **based on the fundamental principles of international law**. Parliaments **too**, through diplomacy and dialogue, must ~~take a constructive approach to~~ **strengthen their contributions** toward advancing international peace, **sustainable development, and economic recovery**. ~~and security.~~

END

## **2. The Minister of Justice and Correctional Services**

- (a) Proclamation No R. 122, published in Government Gazette No 48693, dated 02 June 2023: Referral of matters to existing Special Investigating Unit: In respect of the affairs of the Umgeni Water Board, in terms of the Special Investigating Units and Special Tribunals Act, 1996 (Act No 74 of 1996).

## **3. The Minister of Transport**

- (a) Annual Performance Plan of the Road Accident Fund (RAF) for 2023/2024.

## **National Council of Provinces**

### **1. The Minister of Justice and Correctional Services**

- (a) Submission of the list of candidates to be appointed as representatives of the National Council for Correctional Services (NCCS) in terms of section 83(2)(h) of the Correctional Services Act, 1998 (Act. No. 111 of 1998).

Referred to the **Select Committee on Security and Justice** for consideration

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# **COMMITTEE REPORTS**

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



## **REPORT OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS ON THE COMPLAINT AGAINST HONOURABLE MKHACANI MASWANGANYI, MP**

The Joint Committee on Ethics and Members' Interests ("the Committee") having considered the complaint against Honourable Mkhacani Maswanganyi, MP, reports its finding and its recommendation on penalty, in terms of item 10.7.8.1 of the Code of Ethical Conduct and Disclosure of Members' Interest ("the Code").

### **INTRODUCTION**

Mr Abdurrazack Achmat on behalf of himself, Zukiswa Fokazi and #Unite Behind, a non-profit organisation, ("the Complainants") submitted a complaint to the Committee concerning Honourable Mkhacani Maswanganyi, MP ("the Member"). The Office of the Registrar of Members' Interests received the complaint on 12 September 2022 for an alleged breach of the Code.

### **SUMMARY OF THE COMPLAINT**

The Complainants state the following.

The Member currently serves as the Chairperson of the Standing Committee on Finance. He was the Minister of Transport from 30 March 2017 to 26 February 2018. In this portfolio he acted unlawfully in appointing Justice Tan Makhubele as the Chairperson of an interim Board at PRASA, where she acted to facilitate unlawful and corrupt settlements.

The Complainants state that during 2018 they addressed the Portfolio Committee on Transport ("the PCOT") on the issue of, that amongst other persons, the Member is guilty of violating the Constitution, various laws against corruption and the obstruction of justice. The appeal to the PCOT was that the issue of safety and security was an urgent crisis and PRASA was mired in state capture, corruption, mismanagement and maladministration.

The Complainants pleaded with the PCOT–

- to have the Minister of Transport appoint a new board at PRASA;
- to have persons who are implicated in corruption removed from PRASA with possible criminal charges and civil liability to follow;
- to ensure that investigations must be concluded;
- to ensure that companies must also be criminally investigated;
- that a skills and lifestyle audit is needed at PRASA;
- that PRASA appointments must be merit based;
- that a safety plan is needed for all commuters;
- that the central rail line must be reopened with adequate safety;
- that the security used by PRASA must be PSIRA compliant;
- that commuters especially women and children must be protected;

The Complainants also addressed the time period when Mr Popo Molefe was the Chairperson of the PRASA Board and the alleged antagonistic manner in which the African National Congress (ANC) committee members on the PCOT dealt with him. Also, the intervention that Mr Molefe requested of the then Speaker of the National Assembly Ms Mbete and his letter to the PCOT. The Complainants state that the Member was a committee member of the PCOT that allegedly did nothing to root out corruption under the Chairpersonship of Ms Magadzi. For this reason, the Complainants state that the Member is underserving of being a member of a public oversight body.

The Complainants asks that the Committee to investigate the Member for failure to exercise oversight over PRASA and the antagonistic approach towards the Board.

The Complainants state that when the Member was Minister of Transport, he continued to thwart the operations at PRASA. He refused to meet with the Board despite numerous requests. Instead of dealing with the issues at PRASA he expressed his intention to remove the Board in June 2017. The Member rendered the Board unworkable. He then said that Parliament had dissolved the Board and that he could not go against Parliament. He also did not appoint a new Group CEO. PRASA consequently had an acting Group CEO for 3 years. His

appointment of an interim Board was unlawful as it was contrary to the Legal Succession to the South African Transport Service Act No. 9 of 1989.

The Complainants also state the Member attempted to negotiate unlawfully with China to develop the Moloto Rail Development Corridor at a price of R57 billion rand. He did this by attempting to circumvent procurement rules by negotiating an international development treaty with China.

The Complainants argue that the Member breached items 4.1.1, 4.1.2, 4.1.3, 4.1.4 and 4.1.5 of the Code.

Item 4.1 of the Code provides as follows:

- “4.1 Members must:
- 4.1.1 abide the principles, rules and obligations of this Code;
  - 4.1.2 by virtue of the oath or affirmation of allegiance taken by all elected Members, uphold the law;
  - 4.1.3 act of all occasions in accordance with the public trust placed in them;
  - 4.1.4 discharge their obligations, in terms of the Constitution, to Parliament and the public at large, by placing the public interest above their own interests;
  - 4.1.5 maintain public confidence and trust in the integrity of Parliament and thereby engender the respect and confidence that society needs to have in Parliament as a representative institution; and ... .”

## **SUMMARY OF RESPONSE BY THE MEMBER**

The Member was given an opportunity to respond and responded as follows:

The Member indicated that he does not understand why certain members of the PCOT are singled out for ignoring the correspondence of the Complainants considering that the PCOT is a multiparty committee who collectively through its members carry out an oversight function. It is incorrect that the content of the Complainants letter was ignored by the PCOT. After the Complainants wrote a letter to the PCOT the PCOT convened an urgent meeting on 6 February 2018 from 09H30 to 18H00 to address the issues. The issues raised by the Complainants were attended to by the Member (as Minister) with the assistance of PRASA and the Rail Safety Regulator (RSR).



The Member states that the Complainants are selective with the truth and they are misrepresenting the facts. The Member disputes that he violated human rights and indicates that he dealt with this issue in the Turn-Around Strategy of PRASA.

The Member indicates that PRASA did the following:

- Developed an Employee Relations Policy that included workplace grievances, conflict, disciplinary processes and collective bargaining, skills audit performance contracts, equal pay for equal work, pay scale and job grading in order to build trust between management and employees;
- Introduced Quality Management Systems (ISO9001) which focussed on customer satisfaction, engineering and management standards and developed a comprehensive security strategy;
- Made interventions to the Supply Chain Management process by reviewing the procurement policy, enforcement of record keeping in respect of minutes, memorandums and contacts;
- Adopted a Corporate Security Strategy that addressed internal security capacity by reducing outsourced security and a move towards a holistic security business model.
- Increased security capacity from 304 in 2009, to 2673 in 2015;
- Implemented modernisation.

The Member states that the PRASA was never a target. However, the Board's performance was marred by poor performance and faced declining revenues, governance failures and was in a weak financial position. The Annual Performance Plan shows that the Board's performance dropped from 60% in the first quarter of 2015 to 21% in the last quarter. Irregular spending also grew from R550 million in 2014/2015 to R2, 2 billion in 2015/2016. The Board members also approved payments to themselves which was not due, and which amounted to fruitless and wasteful expenditure. The then Minister wrote to the Board in October 2016 asking all Board members who had received undue payments to repay the money back to PRASA. This matter was addressed in the PCOT. The PCOT adopted a resolution that the Board members should re-imburse PRASA as the payments were not properly sanctioned. The Auditor- General found that these payments were irregular.

After the Public Protector's Report, "Derailed Report No 3 of 2015/2016" PRASA appointed forensic investigators and some criminal cases were opened. When the 2015/2016 "Derailed" report was done by the Public Protector, the Member was not the Minister of Transport as he only became the Minister in March 2017.

The Member indicates that when he was the Minister of Transport the names of the Board members were approved by Cabinet and their names were sent to the State Security Agency ("the SSA") for vetting. Adv N Makhubele's appointment amounted to a conflict of interests according to a screening report by the SSA issued on 18 October 2017. The Member indicates that he wrote to the Minister of Finance on 4 September 2017 to secure a person to serve on the Board in terms of section 24 of the Legal Succession Act No.9 of 1989.

Lastly, when the Member became the Minister the project of the Moloto Rail was in existence. He indicates that the project inception started in October 2012. The Departments of Finance and Transport and the Gauteng Government, Mpumalanga Government and Sekhukhune District (Limpopo Province) were mandated by the National Government to fix the challenge of transport between the three provinces mentioned above. The Member does not remember a contract with a Chinese company.

## **THE REPORT OF THE STATE CAPTURE COMMISSION: PART V, VOLUME 2: PRASA**

At paragraph 2169, page 842 the Report of the State Capture Commission states that "the members of the Portfolio Committee on Transport have hardly covered themselves in glory in their handling of PRASA-related matters. The most strident criticism must, of course, be reserved for the ANC members of the Portfolio Committee". The Report then goes on to refer to the conduct of Ms Magadzi as the Chairperson of the PCOT and does not specifically address the conduct of the Member.

At paragraph 2173, page 844 the Report indicates that the Member was appointed Minister of Transport after the then President of the Republic of South Africa, Mr. J. Zuma dismissed Minister Peters from the Cabinet. According to Mr Molefe, Minister Maswanganyi refused to meet with his Board and in effect rendered it unworkable.

Further at paragraph 2173, it is stated that “What is however more worrisome about the elevation of Mr Maswanganyi to Minister of Transport is this. As noted above, he said that it was Parliament that has decided to dissolve the Board and a Minister “cannot go against a decision” taken by Parliament! On that score, Mr Maswanganyi is simply wrong. As powerful as Parliament is, the power to dismiss the Board lies with the Minister. It is considered that there should be serious reservations about appointing as a Minister a person who has so limited understanding of who holds the reins of power in respect of matters that fall within his portfolio. It is so that Mr Maswanganyi is no longer a member of Cabinet, but the fact that he was appointed as a member of Cabinet is quite worrying.”

### **COMMITTEE DELIBERATIONS**

The Complainants address the conduct of the member as a member of the PCOT. The Committee noted that the conduct referred to in the Report relates to the conduct of the African National Congress members on the PCOT acting together in relation to the PRASA Board and the issue of the payment allegedly made by Swifambo to members of the African National Congress. The Complainants do not state specifically the exact conduct attributed to the Member while he was a member of the PCOT. The Report also does not single out the Member, but it does address the conduct of the then Chairperson, Ms Magadzi.

The Conduct of the Member is further addressed in respect in his portfolio as the Minister of Transport. In the Members’ response to the complaint, he attaches evidence that the PCOT dealt with the letter of the Complainants and indicated that PRASA took steps to implement a Turn-Around Strategy. However, the Committee noted that contrary to the version offered by the Member, the Report is scathing towards the Member for his ineptness as the Minister of Transport. The Committee noted that the authority to appoint the Board falls within the province of the Minister, irrespective of the action by the Parliament of the RSA.

In respect of the aspect that the Member unlawfully tried to negotiate with China, the Committee accepted the explanation by the Member that the Moloto Rail Development project was in existence prior to his tenure as the Minister of Transport.

## **FINDING**

The Committee found as follows:

In respect of the alleged conduct of the Member while he served as a member of the PCOT, the Committee found that the Member did not breach the Code.

In respect of the Member's failure to appoint a Board, the Committee found that the Member breached the Code. The Member breached item 10.1.1.3 of the Code read with 4.1.3 and 4.1.5 of the Code, i.e. that the Member failed to –

- 4.1.3 act of all occasions in accordance with the public trust placed in him;
- 4.1.5 maintain public confidence and trust in the integrity of Parliament and thereby engender the respect and confidence that society needs to have in Parliament as a representative institution;

when he indicated that Parliament had taken the decision to dismiss the PRASA Board and that he could not go against a decision of Parliament. Thereby failing to understand his role as a Minister.

In respect of the allegation that the Member attempted to negotiate a contract with China, the Committee found that the Member did not breach the Code.

## **SANCTION**

The Member was requested to provide written representations on the sanction/penalty to be imposed by the Committee. The Member provided representations dated 5 May 2023.

## **SUMMARY OF THE REPRESENTATIONS**

The representations by the Member state the following:

1. He was appointed as a Minister from April 2017 to February 2018.
2. That when he was appointed as a Minister, he received induction on his role as Minister from the Secretary to Cabinet.
3. He understood his role as a Minister. He was guided by various Constitutional Court judgments on separation of powers as it applied to his duty and functions as a Minister.

4. He has always observed the rules regulating committee meetings and procedures of the House.
5. He never brought Parliament into disrepute.
6. He has never been disciplined for breaching the Code.
7. Even outside of Parliament he conducts himself in a manner befitting Parliament.
8. He did what was necessary to appoint the PRASA Board.

#### **COMMITTEE CONSIDERATION ON THE REPRESENTATION ON SANCTION/PEMALTY**

The Committee noted that the Member indicated that he received the necessary induction as a Minister. In this regard, the Member should have been aware that it was his duty to appoint the PRASA Board. The Member should have appointed the Board and not use Parliament's actions as an excuse.

#### **COMMITTEE RECOMMENDATION ON SANCTION/ PENALTY**

The Code determines what penalty must be applied.

Item 10.7.7.2 of the Code states:

“in the event of the Committee finding that that a Member is guilty of contravening clauses 10.1.1.3 ... of this Code, the Committee shall not impose any of the above mentioned sanction, but shall recommend any greater sanction it deems appropriate to the House, and the House shall decide the appropriate sanction to be imposed after consideration of the recommendation of the Committee.

The Committee recommends to the House to impose the following penalty.

That the Member be suspended from his seat in all parliamentary debates and sittings, and from committee meetings and committee related functions and operations from 10 October 2023 to 1 December 2023.

REPORT TO BE CONSIDERED

**BEKIZWE SIMON NKOSI**  
**CO-CHAIRPERSONS OF THE JOINT COMMITTEE ON ETHICS AND**  
**MEMBERS' INTERESTS**

**MOJI LYDIA MOSHODI**

## **National Council of Provinces**

### **1. REPORT OF THE SELECT COMMITTEE ON FINANCE ON FINANCIAL MATTERS AMENDMENT BILL [B20B–2022] (NATIONAL ASSEMBLY SECTION 75); DATED 14 JUNE 2023**

#### **1. Introduction and background**

The Financial Matters Amendment Bill (FMAB) seeks to amend the Associated Institutions Pension Fund Act, the Temporary Employees Pension Fund Act, the Military Pensions Act, the Government Employees Pension Law, the Financial and Fiscal Commission (FFC) Act, the Land and Agricultural Development Bank Act (Land Bank Act), the Auditing Profession Act, and the Auditing Profession Amendment Act, of 2021.

#### **2. Public Participation Process**

On 02 May 2023, the Select Committee on Finance (SeCoF) received a briefing on the FMAB from the National Treasury. On 06 June 2023, the Committee held public hearings and received an oral submission from the Congress of South African Trade Unions (COSATU) and a written comment from Ms Nadia Taljaard-Nilsen. The National Treasury responded to the issues raised during the public participation process on the same day. The Committee held a meeting on 13 June 2023, to further process and adopt the Bill.

#### **3. Overview of the objectives of the Financial Matters Amendment Bill**

The FMAB proposes to amend the Associated Institutions Pension Fund Act, of 1963, the Temporary Employees Pension Fund Act, of 1979, the Military Pensions Act, of 1976, the Government Employees Pension Law, of 1996, the Financial and Fiscal Commission Act, of 1997, the Land Bank Act, of 2002, the Auditing Profession Act, of 2005 and the Auditing Profession Amendment Act, of 2021.

The section below summarises the proposed amendments explained in the memorandum on the objectives of the FMAB and the National Treasury's presentation made to the Committee.

##### **3.1 Amendments to Associated Institutions and Temporary Employees Pension Fund Act**

The proposed amendments in these Acts seek to align provisions with their administration by the Minister of Finance and make consequential amendments such as reflecting the responsible Department and its Head and removing the requirement to consult the Minister of Finance and updating references to other Ministers.

### 3.2 Amendments to the Military Pensions Act

The purpose of the amendment is to address discrimination against life partners of military pensioners, retrospectively. The Financial Matters Amendment Act, of 2019 recognised life partners and allows life partners to claim benefits from the date that the Amendment Act took effect. The proposed amendment provides benefits to members' life partners retrospectively, from 27 April 1994 when the interim 1993 Constitution took effect. Twelve months is allowed for the registration and submission of claims.

### 3.3 Amendments to the Government Employee's Pension Law

The proposed amendment seeks to facilitate administration and make the "clean-break" principle applicable to members of the Associated Institutions Pension Fund (AIPF) by amalgamation into the Government Employees Pension Fund (GEPF). The GEP Law provides for a "clean break" for GEPF members. The "clean break" principle means that the spouse of a member may claim pension interest immediately upon divorce or dissolution of customary marriage, and not wait for the member to become entitled to a portion of the pension.

### 3.4 Amendments to the Financial and Fiscal Commission Act

The purpose of the amendment is to enhance good corporate governance. Currently, the Chief Executive Officer (CEO) of the FFC is also the Secretary to Commission. The proposal seeks to omit the role of the CEO of the Commission as its Secretary. National Treasury submitted that provision for the Secretary to the Commission should be discretionary and regulation in legislation is not necessary. Therefore, the Minister of Finance's letter to the Chairpersons of the Finance Committees dated 5 April 2023 requested that the proposed amendment in the Bill be rejected since it should be included in a Bill tagged as a section 76 and not a section 75 Bill.

### 3.5 Amendments to the Land and Agricultural Development Bank Act

The proposed amendment aims to align the Act with the administration by the Minister of Finance and with provisions of the Companies Act, of 2008. The Companies Act, of 2008 repealed most of the Companies Act, of 1973, including provisions relating to judicial management and replaced it with business rescue. The business rescue in Chapter 6 of the Companies Act, 2008 did not replace, by implication, the judicial management in Land Bank Act.

The amendment, therefore, proposes to replace the provision for judicial management for Land Bank with business rescue in terms of the Companies Act, 2008. Liquidation provisions in Chapter 6 of the Companies Act do not apply to the Land Bank. Section 44 of the Land Bank Act provides that the Bank may not be wound up except by or in terms of an Act of

Parliament. NT further explained that passing this Bill might assist the Land Bank with its liability solution and enable the Bank to fulfil its mandate of supporting the agricultural sector.

### 3.6 Amendments to the Auditing Profession Act and the Auditing Profession Amendment Act

The purpose of the amendment is to strengthen sanctions for auditors admitting guilt of seriously improper conduct. It adjusts the powers of the Enforcement Committee (EC) where the Auditor admits guilt. National Treasury explained that if the EC's view is that conduct does not warrant the sanction of deregistration or disqualification from registration as an Auditor, it must follow the admission of guilt process and refer the matter to a Disciplinary Committee (DC) for sanctioning.

Subsequently, the Senior Counsel's advice was obtained on how to deal with alleged improper conduct by Auditors committed and not finalised before 26 April 2021 when the Amendment Act took effect. Legal advice received by National Treasury clarified that Independent Regulatory Board for Auditors (IRBA) may establish an interim transitional DC to deal with these cases. Therefore, clause 22 is no longer required. National Treasury requested that clause 22 be rejected.

## 4. Key issues raised during the public participation process

COSATU acknowledged the importance of the Bill in addressing the challenges that military veterans' partners have experienced in accessing pension benefits when their partners and ex-partners passed away or during separations; providing for the extension of existing legal requirements to AIPF, and addressing the problems experienced in the auditing profession.

COSATU, however, remains concerned about the unhealthy relationship between some auditors and the institutions they audit, noting that the King Report recommended time limits for auditing contracts and that IRBA has instituted a rule requiring the Mandatory Rotation of Auditing Firms (MRAF) after ten years. COSATU submitted that this MRAF rule needs to be entrenched in law and its timeframe be reduced to five years. Its concern is that in the face of massive resistance from compromised auditors, IRBA can simply delete the rule.

COSATU proposed an amendment for consideration by the Standing Committee on Finance (SCoF) to insert a new section in the Bill formalising in law, the existing IRBA rule providing for MRAF and limiting the lengths of auditing contracts of firms and State Owned Entities (SOEs) to five year non-renewable term.

Ms Nadia Taljaard-Nilsen tendered her support for the FAMB, acknowledging that this Bill has been many years in the making and aims to finally bring the rights of the previous spouses of AIPF members in alignment with private sector pension fund members.



## **5. Responses by the National Treasury to issues raised by COSATU**

On COSATU's proposal to include a provision for the MRAF for auditors in the Bill, NT explained that this will require the National Council of Provinces (NCOP's) permission to propose this amendment since it is outside the scope of the Bill. The public hearings will have to be conducted and thereafter, the National Assembly (NA) will have to consider the NCOP's proposed amendment, which includes public hearings by the SCoF. This, according to NT will result in the enactment of the Bill into law later than anticipated.

Given the urgent proposed amendments to the Land Bank Act that would facilitate its liability solution, NT requested that this proposed MRAF amendment to the Bill not be made by the SeCoF. NT committed to considering alternative ways of expediting this amendment to the Auditing Profession Act before the 2024 elections and, if not feasible, commence processes this year to enable the introduction of a Bill amending the Auditing Profession Act in Parliament after the 2024 elections, but still in 2024.

IRBA supported the NT's proposed alternative to legislating the rule, indicating that the majority of Public Interest Entities (PIEs) already rotated, mitigating the extent of possible auditor familiarity risk in the short term. However, IRBA identified many PIE audit firms with tenures exceeding 10 years, with a few exceeding 100 years, which is a concern. IRBA said that in the interim, it will emphasise the importance of independence considerations by auditors, audit committees and shareholders in terms of the IRBA Code of Conduct to mitigate any risk.

## 6. Committee observations

- 6.1 The Committee noted that the FMAB proposes amendments in eight different pieces of legislation and that the Minister of Finance requested that the Committee rejects the amendments proposed in three Acts, namely, the FFC Act and the Auditing Profession and Auditing Profession Amendment Acts.
- 6.2 The Committee further noted that the proposed amendments to the three Acts, namely, the Associated Institutions and Temporary Employees Pension Fund Acts and the Land Bank Act, are technical in nature and seek to align the provisions in these Acts with administration by the Minister of Finance and make consequential amendments.
- 6.3 The Committee further noted that while the proposed amendments to the Land Bank Act are technical in nature, they might assist the Bank with its Liability Solution and enable it to better fulfil its mandate of supporting the agricultural sector.
- 6.4 The Committee noted from the memorandum on the objectives of the FMAB that the National Treasury consulted the FFC, Government Pensions Administration Agency (GPAA), Land Bank and IRBA in finalising the draft FMAB.
- 6.5 The Committee further noted that the National Treasury envisages no material financial implications to the state from the proposed amendments in the FMAB, except for the amendments to the Military Pensions Act, of 1976. And that the financial implications will only be known after affected members have submitted claims in respect of life partners.
- 6.6 Regarding the Auditing Profession Amendment Act, the Committee noted that the sanctions imposed against people transgressing the law were far too mild. The Committee further noted that the Enforcement Committee may only introduce certain types of sanctions, and in instances where the transgression warrants a more serious sanction, it will be referred to the Disciplinary Committee.
- 6.7 On the clean break principle, the Committee noted NT's response that in the event of divorce, a member's pensionable service will be reduced to take into account the amount paid to the ex-spouse and the member will remain entitled to a gratuity and an annuity based on actual service years.
- 6.8 The Committee noted COSATU's recommendation that the MRAF rule, which sets time limits for auditing contracts should be entrenched in law to ensure that IRBA adheres to it even in the face of massive resistance from compromised auditors and be reduced to five years. The Committee also noted NT and IRBA's responses to the recommendation made.

- 6.9 The Committee noted that National Treasury said that the Supreme Court’s ruling on the MRAF rule, requiring the amendment of the Auditing Profession Amendment Act, will not affect National Treasury’s decision to table the amended legislation in 2024. Neither the National Treasury nor IRBA has the intention to appeal the Court decision as it was a technical legal matter.
- 6.10 The Committee requested the National Treasury to ensure that the clauses it wanted to be removed from the Bill (B20B-2022) are indeed removed and gave it a further 24 hours to check on this. However, National Treasury confirmed that the current version of the Bill excludes such clauses and so the Committee decided it will go ahead and vote on it.

## 7. Committee recommendations

- 7.1 The Committee recommends that NT should table the amendments to the Auditing Profession Amendment Act by 2024. The Committee agrees with the aims of the amendments and recommends that they be submitted in an amendment Bill by the end of the third quarter of next year or at the very latest in the fourth quarter.
- 7.2 The Committee supports the proposed amendments in the Land Bank Act and recommends that National Treasury monitors that they assist the Bank with its liability solution and enable the Bank to better support the agricultural sector.

*The Select Committee on Finance, having considered and examined the Financial Matters Amendment Bill [B20B–2022] (National Assembly – section 75), referred to it, and classified by the JTM as a section 75 Bill, accepts the Bill.*

The Democratic Alliance (DA), the Economic Freedom Fighters (EFF) and the Freedom Front Plus (FF+) reserved their positions on this Report.

Report to be considered.

## **2. Policy Assessment and Recommendations Report of the Select Committee on Security and Justice on the 2023/24 Budget Vote 5, Annual Performance Plan (APP) of the Department of Home Affairs, dated 14 June 2023.**

### **1. Introduction**

The Department of Home Affairs (DHA) carries out its mission in line with its commitment to citizen empowerment and inclusivity, economic development and national security, by:

- Being an efficient and secure custodian of citizenship and civil registration;
- Securely and strategically managing international migration;
- Efficiently managing asylum seekers and refugees; and
- Efficiently determining and safeguarding the official identity and status of persons.

The DHA's services are divided into two broad categories: civic services and immigration services.

On 7 June 2023, the Select Committee on Security and Justice met with the Department on Home Affairs to receive a briefing on the Department's Annual Performance Plan and budget, through a virtual platform. The report represents an overview of the Department of Home Affairs annual performance plans and budget.

### **2. Strategic Focus and National Development Plan**

#### **2.1 Strategic Focus 2020-2025**

The DHA carries out its mission in line with its commitment to citizen empowerment and inclusivity, economic development and national security, by:

- Being an efficient and secure custodian of citizenship and civil registration;
- Securely and strategically managing international migration;
- Efficiently managing asylum seekers and refugees; and
- Efficiently determining and safeguarding the official identity and status of persons.

The DHA has identified the following outcomes for the 2020 to 2025 period:

- Secure management of international migration resulting in South Africa's interests being served and fulfilling international commitments;
- Secure and efficient management of citizenship and civil registration to fulfil constitutional and international obligations;
- Efficient asylum seeker and refugee system in compliance with domestic and international obligations;
- Secure population register to empower citizens, enable inclusivity, economic development and national security; and
- DHA positioned to contribute positively to a capable and developmental state.

The following departmental priorities will form an integral part of the DHA strategic planning process going forward:

- The DHA will continue to support the Border Management Authority (BMA) as a public entity through systems, legislation, policies and standard operating procedures that form part of the broader approach to managing migration within the RSA.
- The Digitization Programme to modernise civic services as announced by the President in the 2022 SONA has commenced and the 2023/24 financial year will digitise around 36 million birth records.
- The Automated Biometric Identification System (ABIS) went live in November 2022. The DHA is in the process of implementing phase 2 which will include additional functionalities such as Iris, infant footprint and palm-print backend recognition capability.
- The Biometric Movement Control system (BMCS) rollout to 72 ports of entry will be completed in the 2023/24 financial year.
- The DHA has developed an implementation plan to deal with the Vulindlela Task Team policy and process recommendations.
- A multi-disciplinary task team has been appointed to deal with the Lubisi Report recommendations.

- The implementation of the DHA Repositioning Programme is underway and around 30 projects form part of the Programme Management Office.

To deal with long queues:

- a. The DHA Menlyn office in the Menlyn Shopping Mall in Pretoria was opened in March 2023 with more malls to follow.
  - b. The Branch Appointment Booking System (BABS) has been rolled out to all 200 modernised offices.
  - c. DHA is in the process of procuring an additional 100 mobile offices to cover the 778 visiting points to augment the DHA access model and strategy.
- The procurement process for the Passenger Name Record (PNR) has started. The bid specification process is underway. The PNR system data elements include passenger data from airline reservation systems like payment details, travel itinerary and baggage information. The PNR is a key component of a risk-based approach to immigration.
  - DHA has made significant progress with the implementation of the Protection of Personal Information Act (POPIA).
  - DHA will continue with the implementation of the DHA Plan to promote gender-based violence and femicide (GBV&F) as well as gender, youth and persons with disability issues. Specific focus to be placed on:
    - a. Increase awareness on issues of harassment through the launch of women's forums across the DHA.
    - b. Undertake a survey on different issues related to GBV&F.
    - c. Strengthen the DHA Sexual Harassment Policy.
    - d. Host sessions aimed at empowering employees on issues of harassment, especially lower level employees.
    - e. Create a dedicated email for reporting cases of harassment.

- Central to the DHA improving its organisational performance and quality of service delivery, is the issue of capacity. The funding received from National Treasury as part of the Capacitation Business Case has already shown a positive impact on target-setting for 2023/24. The DHA will strive to improve its HR capacity from 46% to at least 55% over the medium term in conjunction with National Treasury.
- The DHA will continue in its endeavours to find durable solutions for long lasting systemic challenges such as system downtime through working closely with SITA and other service providers.

### **2.3 Contribution to the National Development Plan (NDP)**

A major focus on the NDP is to confront the triple challenge of poverty, inequality and unemployment by achieving higher growth rates. The DHA's contribution is to ensure that the inclusion of all citizens in democracy and development is enabled by providing them with a status and an identity that gives them access to rights and services. This must be done in an efficient, effective, professional and secure manner.

In both the 2022 and 2023 SONA's, the President affirmed that one of the key ingredients for economic growth and competitiveness is the ability to attract skills which the economy needs.

An additional priority for the DHA is to facilitate the acquisition of the critical skills needed for economic growth as determined by the Department of Higher Education and Training (DHET) in order to build South Africa's skills base. While Chapter 3 of the NDP generally envisages a relatively positive role regarding South Africa's constructive participation within the region, a more nuanced impression emerges in Chapter 7, dealing specifically with positioning South Africa in the world. The DHA's role in enabling regional development and integration, is to work with the Southern African Development Community (SADC) countries through the Department of International Relations and Cooperation (DIRCO) to establish efficient, secure and managed migration.

The DHA is also central to harnessing the 4th Industrial Revolution and building a capable state. Its modernisation programme can reduce fraud and the cost of doing business by enabling e-government, and thus attract more investment. This involves progress in streamlining and

modernising the visa application process to make it easier to travel to South Africa for tourism, business and work. To date, the eVisa system was launched in 14 countries, including China, India, Kenya and Nigeria. Therefore, it will be critical for Parliament to monitor the implementation and expansion of this programme.

### **3. Annual Performance Plans 2023/24 per Programme**

The Annual Performance Plan for 2023/24 covers the following:

- DHA contribution to the National Development Plan;
- Apex Priorities and MTSF related commitments;
- DHA contribution to the Economic Reconstruction and Recovery Plan (ERRP);
- State of the Nation (SONA) commitments;
- Ministerial priorities;
- ICT Modernisation Programme;
- Contribution to the National Strategic Plan (NSP) on Gender-based Violence and Femicide;
- Contribution to the District Development Model (DDM); and
- White Paper on Home Affairs (DHA Repositioning Programme).

#### **3.1 Programme 1: Administration**

The Administration programme covers all functions of the DHA that support its core business, such as policy, governance, finance, human resources (HR) management and security. It is also responsible for the provision of Information Communication Technology (ICT) infrastructure, accommodation, transport and the keeping of records.

Programme 1 has 18 annual targets, but only four key annual targets and performance indicators were selected for analysis.

The DHA indicates that a complete BMCS system enables the capturing of fingerprint and facial biometric data of all travellers who enter or exit South Africa will be built onto the live capture platform and be rolled out to all ports of entry. The new system will interface with the e-Visa system to confirm visa compliance. In addition, it will further identify undesirable travellers and confirm citizens against the Automated Biometric Identification System (ABIS)



The Asylum Seeker Management and Refugee System is intended to replace the outdated National Immigration Information System (NIIS). The system will administer the asylum process from registration to deportation or asylum recognition, including processes at statutory bodies (Standing Committee for Refugee Affairs (SCRA) and Refugee Appeals Authority of South Africa (RAASA)) in a predominantly paperless environment. The system will be implemented in the following refugee reception centres: *Cape Town, Gqeberha, Durban, Musina and Desmond Tutu*. The system will also be rolled out to RAASA and SCRA.

The 2023/24 financial year will be used to finalise preparatory work for the scanning of the 340 million records which commenced in the 2022/23 financial year and for the digitisation of around 36 million paper-based records (births). One physical record (for births, marriages, deaths and amendments) contains on average 5 pieces of paper which means that an estimated 1.7 billion pieces of paper need to be digitised.

### **3.2 Programme 2: Citizen Affairs**

This programme aims to provide secure, efficient and accessible services and documentation for the citizens and lawful residents. Citizen Affairs covers the activities of the Civic Affairs Branch at the national and provincial level. This involves providing and managing identity and status services for citizens, permanent residents, and persons accorded refugee status.

The annual target for 2023/24 was increased from 750 000 to 800 000 births to be registered within 30 calendar days, the appointment of additional front office staff in 2022/23, and the potential increase in the number of mobile offices in the 2023/24 financial year. The ultimate aim is to ensure that all births are registered within 30 calendar days and thereby ensuring that early birth registration is the only entry point to the national population register.

With regard to the issuance of Smart ID cards to eligible citizen, the annual target for the 2023/24 will be increased to 2.5 million, while the appointment of additional front office staff in 2022/23 and potential increase in the number of mobile offices in the 2023/24 financial year. The output is central to the secure and efficient management of citizenship and civil registration to fulfil constitutional and international obligations.

The issuance of passports to undeserving applicants could lead to reputational damage for the country. The output supports the APEX priority dealing with a capable, ethical and developmental state. The target of 90% of machine readable adult passports to be issued within

13 working days is projected to remain the same over the medium term. This is mainly due to dependencies on service providers such as Government Printing Works.

The issuance of children passports was included in the annual performance plan with effect from the 2022/23 financial year. The turnaround time in terms of number of working days to issue children passports is different from the adult target due to a different business process followed with the printing of children passports by the Government Printing Works (inclusion of details of parents in passports).

### **3.3 Programme 3: Immigration Affairs**

This programme aims to facilitate and regulate the secure movement of people through the ports of entry into and out of the Republic of South Africa. The programme is also responsible for determining the status of asylum and regulate refugee affairs.

**Law Enforcement:** The output provides a safe environment as it ensures that everyone in South Africa is correctly documented and placed on a system with their personal information. It also provides stability in ensuring that there is enforcement that is visible and attending to matters that are of concern to members of the public.

**Permanent Residence Permits:** The output deals mainly with the developmental aspect of immigration but with due consideration to national security imperatives. The focus is on permanent residence permits that will facilitate economic growth and employment. The output plays a critical role in support of the APEX priority dealing with economic transformation and job creation.

**Critical Skills Visas:** The output and DHA outcome contribute to the proactive attraction, recruitment and retention of critical skills needed for economic growth and development. The output makes an important contribution to the economy in infrastructure, manufacturing, energy, retail, professional and financial services as well as research and development in order to grow the economy. This is in line with the 2023 SONA imperative announced by the President.

### **3.4 Programme 4: Institutional Support and Transfers**

The Institutional Support and Transfers appears for the first time as a stand-alone programme. Funding of the BMA was budgeted for in programme 1 while the Electoral Commission and Represented Political Parties fund was previously planned and budgeted for in Programme 2, *Institutional Support* sub-programme. The purpose of this new programme is to transfer funds to the Electoral Commission and Represented Political Parties Fund, which manages national, provincial and local government elections to ensure those elections are free and fair. The programme will also transfer funds to the Border Management Authority to ensure south Africa's borders are effectively defended, protected, secured, and well-managed.

Border Management Authority: It is reported that processes are under way to establish the Authority as a schedule 3A public entity from 1 April 2023, and the entity is set to be fully operational by 2025/26. Transitional arrangements for this include transferring the frontline immigration function and personnel at ports of entry to the authority, seconding personnel to the authority from other organs of state, and conducting physical verification and asset inventories. The entity has signed a memorandum of understanding with the Department to share corporate services.

### **3.5 Assessment of Service Delivery**

The Department reported that the main problems included: Lack of efficiency/slow service (customers), inappropriate staff conduct and lack of customer engagement (customers).

These were attributed to lack of proper queue management (customers), outdated inefficient systems (officials), lack of infrastructure (customers) in tandem with internal work environment, understaffing (officials/customers), lack of skills development (officials), lack of proper internal and external signage at DHA offices (customers), lack of resources (officials), and lack of clear communication on interventions aimed at service delivery.

Corruption was one of the major issues highlighted by immigrants.

## **4. Budget Allocation**

The Department receives an allocation of R10.9 billion for 2023/24. This represent a nominal decrease of R232.8 million (or -2.1 per cent) from the 2022/23 adjusted budget. Once inflation

is taken into account, this represents a marginal decrease of R740.2 million or 6.67% in real terms.

The *Administration* programme receives R2.71 billion for 2023/24 compared to an adjusted appropriation of R2.80 previously. The current allocation translates into a decrease of R82.9 million (or -3.0 per cent) in nominal terms, and R209.9 million (or -7.49 per cent) in real terms.

The *Citizen Affairs* branch budget declines from R3.75 billion in 2022/23 to R3.36 billion in 2023/24. This is a reduction of R396.9 million (or -10.6 per cent) in nominal terms and R553.9 million (or -14.74 per cent) in real terms.

The *Immigration Affairs* budget receives R858.6 million for 2023/24. An examination of the budget by programme reveals that Programme 3: *Immigration Affairs* ' budget for 2023/24 has been significantly reduced. Its budget shows a nominal reduction of R643.2 million (or 42.8 per cent) from the adjusted budget allocation for 2022/23. When the inflation is considered, the programme's budget shows a further reduction of R683.3 million (or -45.5 per cent) in real terms from the previous financial year.

*Institutional Support and Transfers Programme*: There is a notable budget increase in this programme from R3.03 billion in 2022/23 financial year, to R3.92 billion in 2023/24. This represent a nominal increase of R890.0 million (or 29.3 per cent) in compared to the previous financial years' budget. In real terms, the programme's budget increases by R706.7 million (or 23.29 per cent). The *Electoral Commission* receives the largest portion of the transfers to the value of R2.23 billion in 2023/24, up by R8.5 million (or 0.38 per cent) in nominal terms. However, when inflation is factored, the *Electoral Commission* 's budget shows a real percent change decrease of -4.31 per cent compared to the previous financial year.

The Border Management Authority Act (No. 2 of 2020) was signed into law in July 2020, and became effective 1 January 2021. It is encouraging to note that the *Border Management Authority's* (BMA) budget increases both in nominal and in real terms. The BMA's transfer shows a nominal increase of R1.17 billion (or 698.81 per cent) from R167.9 million in 2022/23 financial year, to R1.17 billion in 2023/24. However, when the inflation is factored, the BMA's budget increases by R1.11 billion (or 661.5 per cent) in 2023/24.

## 4.1 Financial Assessment

Financial outlook and guidance provided by National Treasury as per MTEC Guidelines guided the planning process. The DHA must plan with available funding.

- Risks to the fiscal framework:
  - Slowing global and domestic economic growth;
  - Pressure from the public service wage bill; and
  - Continued requests for financial support from financially distressed state-owned entities.
- Contractual commitments, especially on contracts with a forex component, must be honoured. If not, services could be disrupted and litigation ensued.
- Payment of suppliers within 30 days becomes difficult towards financial year end in particular.
- Maintenance and support are compromised. Vehicles are not repaired as the budget for fleet hardly covers the running costs of fuel.
- Tech refreshes are delayed. This contributes to downtime and system instability and ultimately customer frustration.
- Security services are underfunded. This has already led to the withdrawal of certain shifts and compromise the asset base of the DHA and the safety of its officials and clients.
- Office accommodation – private lease rentals – DHA is not in a position to move to alternative accommodation or open new offices.

### 4.1.1 Wasteful and Irregular Expenditure

The Department informed the Committee that the Department has not incurred any unauthorised expenditure in the last 10 financial years. The irregular expenditure balance is a cumulative figure and includes the following contracts:

- Security services – R199 million; awaiting condonation;
- ABIS – R477 million contract / R308 million paid to date; awaiting condonation;
- IT firewalls – R119 million contract / R52 million paid to date; contract cancelled.

The Department has not disclosed material losses through criminal conduct in its financial statements. Disciplinary steps are taken against officials held accountable for incurring irregular expenditure. Fruitless and wasteful expenditure are recovered from officials found

liable in law for the loss. This relates mostly to 'no shows', interest paid, and traffic fines. Where fraud or corruption is suspected, criminal cases are opened.

## **5. Discussions / Responses by Department**

**5.1 Protection of whistle blowers:** Members wanted to know, in the fight against corruption, what steps are being utilised to protect whistle blowers. The Department responded that they fight corruption through counter corruption services and they work with law enforcement agencies to protect whistle blowers.

**5.2 Friendliness of staff and staff morale.** Members wanted to know what is being done to address the friendliness of frontline workers within the Department to ensure effective service delivery. Members also wanted to know what is being done to ensure that staff morale is good. The Department responded that work is ongoing and HR is working on improving the culture and training of frontline staff.

**5.3 Vehicle and Infrastructure challenges:** Members wanted to know what measures were being put in place to mitigate the challenges in relation to vehicles and infrastructure. The Department responded that they have a mechanism called self-financing to generate revenue through the sale of passports and identity documents and they buy vehicles and service their generators and do general maintenance work on their fleet of vehicles. If they improve the revenue collection then the self-financing will improve and the fleet will be maintained.

**5.4 Difference in budgeted amounts:** Members wanted to know why there was a differences in the MTEF allocation and baseline budget of the Department. The Department responded that the MTEF allocation letter dated 22 February 2023, for the 2023/24 baseline amount of R10 863 billion. The Department also received money through the adjustment estimates which was R500 more for digitisation as well as R798 million in self-financing. Those two figures affected the baseline. In addition, in March 2023, the Second Appropriation Act received an additional R300 million for the Representative Political Party's Fund which affected the initial allocations, hence the increase.

**5.5 Target decrease for Smart ID Cards:** Members wanted to know what the reasons were for the decrease in the targets for smart card identity cards from pre Covid to now. The

Department responded that Covid had impacted the Department as they had lost staff and they are trying to get back to normal levels. There has been an incremental improvement in Smart ID cards and they are working with other stakeholders eg IEC in raising awareness prior to the elections next year.

**5.6 Rollout of DHA services in shopping malls on Saturdays:** Members wanted to know why the Department could not rollout its services on Saturdays in shopping malls as this would increase trading hours and assist in reducing queues. The Department responded that they do not have the legal instruments in place for the DHA to operate on Saturdays. There are currently issues related to overtime payments for Saturday work, however the Department of Home Affairs Bill (DHA Bill) will address these matters.

**5.7 Long Queues:** Members were very concerned about the unacceptable long queues and wanted to know what measures the Department has in place to address the queues as well as accommodation of offices. The Department responded that they were working with DPWI to improve the accommodation and that they have introduced a booking system. The uptake has been huge with over 1.3 million people using the booking system. There is a particularly huge uptake in Gauteng, however, the uptake has been a bit slower in other Provinces. In respect of the office space, the Department acknowledged that they do not have adequate halls but do their utmost to provide sufficient chairs for people to sit on when they are in the queues.

**5.8 Digitisation:** Members wanted to know about the recruitment of young people and what the Department's plans were. The Department responded that they need to ensure that the machinery is there so that they can house the graduates and have the required facilities. The Department advertised for the first 2000 last year and currently have 1405 graduates so far in the programme.

**5.9 Rollout of Biometric Movement Control System (BMCS):** Members wanted to know whether the BMCS has been rolled out effectively and in how many ports. The Department responded that the BMCS would be rolled out at 72 ports this year. The Department informed the Committee that a complete BMCS system enables the capturing of fingerprint and facial biometric data of all travellers who enter or exit South Africa which will be built onto the live capture platform and be rolled out to all ports of entry.

**5.10 Chinese business owners employing Malawians for minimum wage:** Members wanted to know what the Department is doing to address the situation of the Chinese business owners employing Malawian's at minimum wage and if 'Operation Dudula' forms part of the Department of Home Affairs. The Department responded that they continuously address these matters through their Inspectorate. The Minister met with the Chinese Business Forum and expressed concern regarding the employment of undocumented foreigners. Over the last year, the Department has appointed additional inspectorate officials and they will be more focused in their operations. The Department informed the Committee that 'Operation Dudula' is not part of the Department, however they work together and receive information which the Department follows up on in their investigations.

**5.11 Verification of persons through naturalisation certificates:** Members wanted to understand what the delays were in the issuing of these certificates. The Department responded that they follow directives in terms of legislation. The Department receives applications with supporting documentation, delays are caused due to manual documentation. Upon completion of the entire process, the people are invited to come for induction then the certificate for naturalisation is given to the persons.

**5.12 Border Management Authority:** Members wanted to know why the BMA is not a stand-alone Department with its own Budget and APP. Members also wanted to understand what challenges remain in respect of the integration of officials into the BMA. The Commissioner of the BMA responded that indeed the BMA has been a stand-alone legally from 1 April 2023. The BMA will share the service level agreement entered into with the Department of Home Affairs, with the Select Committee. The BMA is bleeding financially along with other Departments and the work which the BMA does is very important in respect of amongst others; immigration and trade facilitation. In respect of the integration of staff, there are a number of challenges due to the creation of a new organisation and when you have to move so many people out. There were many administrative issues in April and May and they are hopeful that moving forward, the administrative issues will be dealt with. The BMA is dealing with organised labour units. There is also the issue of constrained budgets and issues of access control. The BMA has a signed implementation protocol between the BMA and SAPS to continue doing access control in ports and this function will be handed over when they are fully capacitated.



## 6. Recommendations

Members made the following observations and recommendations to the Department:

- 6.1 The Department should ensure that they tackle corruption and fraud and protect whistle blowers in the fight against corruption.
- 6.2 The Department must generate sufficient revenue to rollout sufficient vehicles and obtain the necessary accommodation to provide efficient services to communities.
- 6.3 The Department must make every effort to speedily introduce legislation aimed at extending trading hours to Saturdays to address the long queues and deliver efficient services to communities.
- 6.4 The Department should ensure that it conducts effective training for frontline staff to enhance the friendliness of staff and thereby improve service delivery. In addition, the Department must improve the implementation of measures to improve the overall morale of staff within the Department.
- 6.5 The Department must continue to conduct the necessary inspections and investigations to address the employment of undocumented foreigners at minimum wage within the country.
- 6.6 The Department should speed up its recruitment of young people and put the necessary mechanisms in place to obtain the equipment needed to digitise its services. The digitisation of services will improve efficient service delivery significantly.
- 6.7 The Department should ensure the effective rollout of the Biometric Movement Control System (BMCS) as this will enhance the Department's effective capturing of data.
- 6.8 The Border Management Authority should within 30 days of adoption of this report, submit the Service Level Agreement between the BMA and the Department of Home Affairs to the Committee.

6.9 The Border Management Authority should work effectively to integrate staff with minimal disruption to ensure the effective implementation of the Border Management Authority. The Border Management Authority should also move with speed to ensure the synchronization of departments in order for the BMA to be a stand-alone Department with its own APP and budget. The Border Management Authority plays an important role in protecting our borders, addressing illegal migration and facilitating trade. Therefore, by becoming independent and resolving the current challenges, this will improve the effectiveness of the BMA and the citizens of South Africa.

6.10 The Department, should within 30 days of adoption of this report, submit the following reports to the Committee:

6.10.1 The Gender Based Violence Plan of the Department; and

6.10.2 The list of selected offices where the IMS Case Management system will be rolled out.

## **7 Conclusion**

The Committee encouraged the Department, particularly in respect of the constant challenges related to long queues and the budgetary challenges to work effectively and efficiently to ensure that service delivery is improved and that the Department works hard to integrate the comments made by citizens to improve their services. The Committee further wished the Department well in mitigating the challenges in the implementation of the Border Management Authority (BMA).

The Select Committee on Security and Justice supports Budget Vote 5.

**Report to be considered.**

### **3. Policy Assessment and Recommendations Report of the Select Committee on Security and Justice on the 2023/24 Budget Vote 22, Annual Performance Plan (APP) of the Department of Correctional Services, dated 14 June 2023.**

#### **1. Introduction**

This report serves to assess the strategic plans, annual performance plans and budget of the Department of Correctional Services (DCS) for 2023/24 against the backdrop of service delivery. It is with this in mind that the Select Committee presents this report on the budget briefing by the DCS. The Select Committee on Security and Justice, on 30 May 2023, held a virtual briefing on the 2023 Budget and APPs of the Department and reports as follows:

#### **2. Strategic Priorities of the Department of Justice for the 2023/24 financial year**

##### **MTEF Focus Areas**

- Providing adequate security and security equipment at correctional centres.
- Improving facilities including provision of 1 000 additional bed spaces over the MTEF.
- Offering effective rehabilitation programmes, which includes implementing the self-sufficiency and sustainability framework.
- Successful reintegration of offenders into society through increasing effective victim participation in parole decisions.

##### **Alignment to SONA 2023**

- The Department will implement rehabilitation programmes that addresses the underlying causes of offending behaviour including those contributing to gender-based violence.

##### **Broad Policy Priorities for 2023/24**

- Implementation of the Self-Sufficiency and Sustainability framework,
- Providing adequate security and security equipment at correctional centres,
- Improving facilities,
- Offering effective rehabilitation programmes, and

- Successful reintegration of offenders into society.

### 3. DCS Budget Allocation 2023/24

The Department of Correctional Services has been allocated a total budget of R26 026.7 billion in the 2023/24 financial year. This is a decrease by 1.9 per cent or R509.3 million from the 2022/23 allocation.

The **Administration and Incarceration programmes** received the largest proportion of the total Departmental budget. These two programmes account for a combined 78 per cent of the total budget of which 58 per cent is allocated to the Incarceration programme and 19 per cent is allocated to the Administration programme.

The **Rehabilitation and Social Reintegration** programmes received the smallest allocations of the total budget and together they account for only 12 per cent (Rehabilitation 7 per cent while Social Reintegration accounts for 5 per cent) of the total budget for 2023/24 financial year. The Care programme comprises 9.5 per cent (10 per cent in 2022/23) of the budget.

**Administration** is the second biggest programme both in terms of budget and personnel. An amount of R4.9 billion has been allocated to this programme and there are 6 241 officials. the Judicial Inspectorate for Correctional Services is a sub programme of the Administration Programme.

Funds earmarked for the **Judicial Inspectorate for Correctional Services** amount to R76,4million in 2023/24, R79,9 million in 2024/25 and R83,5million in 2025/26

The **Incarceration** programme is the largest allocated programme in terms of the budget and its allocation has been decreased by 2.89 per cent (or R440.1 million) when compared to the previous financial year. An amount of R15 110.3 billion has been allocated to this programme in the 2023/24 financial year. This amounts to 58 per cent of the total budget allocation for the Department.

The **Rehabilitation** Programme is the second smallest allocated programme in this budget and comprises only 7 per cent of the total allocation for the Department in 2023/24. This

programme has been allocated an amount of R2 261.4 billion which is a nominal decrease of 3.45 per cent as compared to the 2022/23 allocation. In monetary terms this programme received R80.7 million less than it received in 2022/23 financial year.

The **Care** Programme has decreased by -5.96 per cent in 2023/24 financial year, which resulted in this programme being allocated a total amount of R2 482.0 billion.

The **Social Reintegration** Programme This programme has been allocated an amount of R1 239.9 billion for the 2023/24 financial year, which is a decrease of 4.40 per cent as compared to the previous financial year.

### **3.1 Financial Assessment of DCS**

The total number of irregular expenditure reported as at 31 March 2023 is one thousand and ninety- seven (1 097) of which eight hundred and eighty- one (881) were finalized. This translate to a total of 80% (881/1 097) being finalized.

The total number of fruitless and wasteful expenditure reported as at 31 March 2023 is three hundred and forty (340) of which one hundred and sixty-nine (169) were finalized. This translate to a total of 48% (169/340) being finalized.

The Department is implementing consequence management and is consistently working towards recovering the funds.

## **4. Annual Performance Plans 2023/24 per Programme**

The 2023/24 APP has 10 Outcomes 96 indicators in total, 81 are for DoJ&CD and 15 are for NPA. 8 indicators that were on the 2022/23 APP were not included in the 2023/24 APP due to fact that they were either achieved or they had been planned for one financial year.15 new indicators were included in the 2023/24 APP.

### **4.1 Programme 1: Administration Programme**

The Administration programme This programme provides strategic leadership, management and support services to the Department. The Administration programme consists of eight (8) sub-programmes.

**Audit Outcome:** The target for 2023/24 is to have an Unqualified audit opinion with reduced findings. In 2021/22 the Department received unqualified audit opinion with reduced findings. The Auditor-General indicated that the Department is a defendant in various lawsuits and the outcome of those cannot be presently determined and no provision for any liability that may result has been made in the financial statement.

- **Percentage of officials charged for fraud and corruption:** The target for the Department under this indicator is 95% for the 2023/24 financial year. This target will remain the same in the medium term.
- **Percentage of Correctional Facilities and Public Private Partnership facilities inspected:** The target for this indicator in the 2023/24 financial year is 56%. This target will remain the same in the medium term.
- **Percentage of Integrated Inmate Management System implemented as per Master Information System and Security Technology Plan:** The target for this indicator in the 2023/24 financial year is 20.64%. This target will increase to 26% (in 2024/25) and 30% (in 2025/26).
- **Percentage of youth employed within the Department.** For 2023/24 financial year, the Department intends to have 20% of youths employed within the Department. This target will also remain the same in the medium term.

#### **4.2 Programme 2: Incarceration Programme**

This programme provides services and well maintained physical infrastructure that supports safe and secure conditions of detention consistent with human dignity of inmates, personnel and the public; and provides for the profiling of inmates and compilation of needs-based correctional sentence plans, administration and intervention. This programme has four sub-programmes which are: Security Operations; Facilities; Remand Detention and Offender Management.

#### **Key Targets**

- **Percentage of inmates who escaped from correctional facilities:** The Department's target for escapes in the 2023/24 financial year is less than 0.030% of inmates who escape from their correctional facilities. This target will be less than 0.029% (in 2024/25) and less than 0.028% (in 2025/26).

- **Percentage of inmates injured as a result of reported assaults in correctional facilities:** The Department's target is to have less than 4.55% of inmates injured as a result of assaults in correctional facilities in the 2023/24 financial year.
- **Percentage of confirmed unnatural deaths in correctional facilities:** For this indicator, the Department plans to have less than 0.32% of confirmed unnatural deaths in their facilities for the 2023/24 financial year. The target for this indicator will remain the same in the medium term.
- **Infrastructure projects:** The Department plans to complete 15 infrastructure projects in the 2023/24 financial year. In 2024/25 the target is 13 infrastructure projects and for 2025/26 the target is for 2 infrastructure projects.
- **Percentage of overcrowding in Correctional Centres:** The Department's target for overcrowding is less than 50% in the 2023/24 financial year. In the previous financial year, the target for this indicator was less than 32%. In the medium term the target will remain at 50%.

### 4.3 Programme 3: Rehabilitation Programme

This programme provides offenders with needs-based programmes and interventions to facilitate their rehabilitation and enable their social reintegration. There are three sub-programmes under Rehabilitation programme.

#### Key Targets

- **Percentage of offenders with Correctional Sentence Plans:** The Department intends to have 84 per cent of offenders with Correctional Sentence Plans who have completed correctional programmes in 2023/24 financial year. This target will remain the same in the medium term.
- **Percentage of offenders participating in long occupational skills:** For the 2023/24 financial year, the Department intends to have 90 per cent of offenders participating in Long Occupational Skills. This target will also remain the same in the medium term.
- **Percentage of offenders participating in General Education and Training per academic year:** The Department plans to have 85 per cent of offenders participating in General Education and Training for this academic year. This target will increase to 90 per cent in 2024/24 and 2025/26 financial years.
- **Percentage of offenders, parolees and probationers receiving social work**

**services:** The Department intends to have 58 per cent of offenders, parolees and probationers receiving social work services in 2023/24 and this target will increase to 60 per cent (in 2024/25) and 62 per cent (in 2025/26).

- **Pass rate for Grade 12 National Certificate.** The Department intends to have 77 per cent of learners passing their Grade 12 in 2023/24 financial year and this target will remain at 77 per cent in 2024/25 and increase to 78 per cent in 2025/26.

#### 4.4 Programme 4: The Care Programme

This Programme provides needs-based programmes and services aimed at maintaining the personal wellbeing of inmates in the Department's custody Sub-programmes under the Care programme includes Nutritional Services and Health and Hygiene Services.

##### Key Targets

- **Percentage of inmates screened for diabetes:** The Department intends to have 90 per cent of inmates screened for diabetes in the 2023/24 financial year. This target will remain the same over the medium term.
- **Percentage of therapeutic diets prescribed for inmates:** 12 per cent of inmates will benefit from therapeutic diets in the 2023/24 financial year. This target has been the same in the previous financial year and will remain stable over the medium term.
- **Percentage of inmates screened for hypertension:** The target for this indicator in 2023/24 is 90 per cent and will remain the same over the medium term.

#### 4.5 Programme 5: Social Reintegration Programme

This programme provides services focused on offenders' preparation for release, the effective supervision of offenders placed under the system of community corrections and the facilitation of their social reintegration into communities.

This Programme has three sub-programmes namely: Supervision; Community Reintegration and Office Accommodation: Community Corrections.

##### Key Targets

- **Percentage of parolees without violation:** The Department plans to ensure that 97 per cent of parolees do not violate their parole conditions. This target has remained the same when compared to the previous financial year and will continue to be the same in



the medium term.

- **Percentage of probationers without violation:** The Department intends to ensure that 97 per cent of probationers do not violate their conditions. Again, this target has also remained the same when compared to the previous financial year and will continue to be the same in the medium term.
- **Victim Offender Dialogue (Victims):** Under this indicator, the Department plans to have 4 700 victims participating in Restorative Justice programme. This is an increase of 600 as compared to the target of 2022/23 financial year. This target will increase to 5300 (in 2024/25) and 5900 (in 2025/26).
- **Victim Offender Dialogue (Offenders):** Under this indicator, the Department plans to have 3 500 offenders, parolees and probationers participate in Restorative Justice programmes. This is an increase of 500 as compared to the previous financial year and this target will increase to 4000 (in 2024/25) and 4500 (in 2025/26).
- **Job creation:** The Department intends to have 48 economic opportunities facilitated for offenders, parolees and probationers. This is an increase of 6 economic opportunities when compared to the target of the previous financial year.

## 5. Discussion / Responses by the Department

**5.1 Arrest by Hawks:** In response to a member's question regarding an arrest in Acacia Park and why the Hawks and not DCS was involved in the arrest. The Department responded that they were arrested by the Hawks because it was the relevant law enforcement agency tasked to deal with that type of case and DCS officials were present.

**5.2 Irregular Expenses:** Members were concerned that there were reports of irregular expenditure but no officials had been disciplined for this. The Department responded that there is consequence management and officials are taken through disciplinary processes. The Department will submit statistics and a report on the disciplinary cases to the committee.

**5.3 Gambling of inmates:** Members wanted to understand how inmates are allowed to gamble and what the Department does to address this. The Department responded that this is difficult to monitor because under the Sports, Arts and Culture programme, they allow inmates to play recreational games but do not allow them to play games with money. In the event that offenders are found gambling, they are disciplined. Recreational games are for the benefit of offenders.

**5.4 Anti-corruption strategy:** Members wanted to know what is being done to protect whistle blowers and related the question to the Thabo Bestor escape in which whistle blowers lost their jobs. The Department responded that it has an Anti-Corruption Strategy in place which includes protection of whistle blowers, both officials and offenders. There are also security plans in place to ensure that whistle blowers are transferred to centres where they will be safe. In addition, they have a call centre line where members of the public report incidents of corruption. The Department will provide the Committee with a full report on this.

**5.5 The differentiation between treatment of inmates and victims/ordinary citizens:** Members were concerned that in some cases inmates receive food, medical assistance and other basic services whereas victims and citizens generally are suffering financially. The Department responded that in terms of the Bill of Rights and the Mandela Rules, inmates are to receive fair treatment. The Department acknowledged that we need to have the same benefits for all citizens. Victims of crime are able to access compensation but often this entails procuring the services of a lawyer. More needs to be done by various Departments to work together to ensure that victims receive solace.

**5.6 Budget reduction in Rehabilitation Programme:** Members wanted to know how the Department will ensure that rehabilitation remains a priority despite the budget cuts. The Department responded that it is prioritising its budget in the Incarceration and Rehabilitation programmes. The Department is implementing its self-sufficiency and sustainability programme to ensure that it procures its own food agriculturally and through the bakeries. The Department indicated that it will provide the Committee with a full and detailed report on this matter.

**5.7 The impact of loadshedding:** Members wanted to understand the real impact of loadshedding on Correctional Centres and whether the Department is working with DPWI. The Department is engaging DPWI and Treasury on this matter to increase the number of generators as the current challenge is that the Correctional Centres house inmates as well as officials on the grounds. The Department has been able to ensure that all centres do not experience darkness and that there are no security incidents as a result of load-shedding. The Department is also working closely with municipalities and Eskom to find ways for Correctional Centres to receive an exemption from load-shedding.

**5.8 Overcrowding and Foreign Nationals:** Members wanted to know why foreign nationals are not being housed in Home Affairs centres instead of within Correctional Centres. The Department responded that on a monthly basis, they compare flows between Correctional Centres and Home Affairs centres and those persons who are not meant to be in DCS facilities are handed over to Home Affairs on a monthly basis. The Department would submit a report to the Committee.

**5.9 Parolees:** Members wanted to know what work parolees do after they have received parole and whether there were any best case studies. Members also wanted to understand how parolees are being monitored after their release. The Department informed the Committee that there are many parolees who have started their own businesses and even employ other parolees eg North West Province. The Department would submit a detailed report on these case studies to the Committee. In respect of monitoring of parolees, the Department has launched a campaign of doing spot checks to ensure parole officers do their work. The Department still experiences challenges where parolees do not comply and they are then brought back into DCS facilities or put on the list of absconding where they changed their address without informing the parole officer.

**5.10 Offender victim dialogue:** Members wanted to know how successful the dialogues are and what challenges the Department has. The Department responded that on a monthly basis, they convene forums which involves members of the community which is facilitated with the parole board. The Department has had some success but there are some challenges where victims are not ready to forgive the offender.

**5.11 Victims not being informed of release of offenders:** Members wanted to understand why victims are not informed of the release of offenders. The Department responded that victims are interacted with and invited to parole board meetings and make presentations to the parole board. There are instances where some offenders are relocated and the Department ensures that if they are released, they are not in close vicinity of victims. Community participation in release of offenders particularly in rural areas are important eg House of Traditional Leaders and other community leaders.

**5.12 Regional Commissioner Post – Eastern Cape:** Members wanted to understand why this post has not been filled and where the process is at currently. The Department confirmed that the post had been advertised and is closed. The Department is now setting up a panel for shortlisting and interviews will take place shortly.

**5.13 Numbers of psychologists and social workers:** Members wanted to know whether there are sufficient social workers, psychologists and general support for inmates or are there still challenges for the Department in the provision of these services to inmates. The Department admitted that the numbers do not match the required amount for the number of offenders and they are working with the Department of Social Development to increase capacity and have a programme of auxiliary social workers. The Department is also required to implement a budget reduction tool on compensation budget and is required to reduce the number of employees to fit the budget by Treasury. This decrease has impacted the organisational structure and will impact the number of psychologists and social workers which will in turn affect the rehabilitation programme. The Department has made submissions to treasury and are told to continue reducing the number of employees. The Department has formed a task team to address backlogs.

**5.14 Re-offending:** Members wanted to understand the reasons for parolee re-offending. The Department responded that they do not have huge percentages for re-offending and in the event that the offender comes back into the system, they are usually arrested for different crimes to the original one. The Department is working with the Department of Planning, Monitoring and Evaluation (DPME) to develop a project to evaluate rehabilitation and correctional programmes as well as the monitoring of parolees. This programme will allow them to have some pointers on how to improve.

**5.15 Benefits for victims of crime:** Members reflected on the fact that victims of crime do not receive rehabilitation or programmes to enhance their living situations. The Department responded that the Minister and Deputy Minister has tasked the Department to have more programmes for victims of crime including improving living conditions, providing them with skills to establish gardens and where there are employment opportunities within the Department, they interact with victims and expose them to these posts.

**5.16 Thabo Bester escape:** Members wanted to understand how this escape occurred and what its current position is in relation to the contract with the G4S security company. The Department responded that Thabo Bester was under the care of Mangaung Correctional Centre which is managed under a public private partnership. The Department received the initial report in May 2022, in which it was reported that the offender burnt in the cell and the matter was then referred to SAPS. A case of arson and unnatural death was opened and the investigation by SAPS and the post mortem results indicated that the body in the cell may have been the body of someone else not Thabo Bester. The Department faced challenges in conducting the investigation and failed to receive the necessary co-operation from the contractor. The Department has issued a notice of termination to the contractor. The Department will send the full report on the Thabo Bester investigation to the Committee.

**5.17 Judicial Inspectorate of Correctional Services Bill:** Members wanted to know what the timeframe is for the introduction of the Judicial Inspectorate for Correctional Services Bill (JICS Bill) and whether the Constitutional Court extension on this Bill will be met. The Department responded that the JICS Bill has also been developed and the finalisation thereof hinges on a final determination from National Treasury to replace most of the provisions in Chapters 9 and 10 of the Act. The Department is hoping to introduce the Bill as soon as possible and is confident it will meet the Constitutional Court extension deadline.

**5.18 Remand detainees:** Members wanted to know what measures are being implemented to reduce the number of remand detainees. The Department responded that the average number of remand detainees on 31 December 2022 was 51 919. On a monthly basis, specific categories of remand detainees are referred to court for bail review under Section 63A and Section 63(1) of the Criminal Procedure Act, 1977.

**5.19 Escapes:** Members wanted to understand how many escapes had taken place in the past year and what measures were being put in place to prevent future escapes. Members wanted to understand how and when the public and victims are informed of an escape by an inmate. The Department responded that there were 27 in the previous year and 6 escapes this year, which shows a decrease from the past 3 years where they had above 80 escapes. The Department is implementing strategies to reduce escapes and tracing those who have escaped. Figures indicate that more than 80% have been brought back into custody. The Department responded that in

terms of protocol, immediately when an escape occurs, they inform victims and families of the offender and they issue a media alert. A report is also sent to SAPS as it is a crime and the Department then works with law enforcement agencies.

**5.20 Facilities:** Members wanted to understand the nature of the Department's relationship with DPWI in respect of facilities and those that are at 0% capacity. The Department has a process in place to revise Service Level Agreements with DPWI to enter into a tripartite agreement to diversify the procurement strategy. In February 2022, they had bilateral discussions with DPWI and various resolutions were adopted and there is currently an action plan in place. The Department will provide a full report to the Committee on the status of Correctional Centres operating at 0% capacity on a provincial basis.

**5.21 Engagement with CPFs in WC:** Members wanted to know how the Department works with CPF structures in the Western Cape Province. The Department responded that there are ongoing engagements and they work closely with CPFs. The Department provides CPFs with a list of parolees and instances of escapes, with the assistance of CPFs they often arrest escapees within 72 hours. Area commissioners also attend CPF meetings and they work with CPFs in the areas of stakeholder and parole management.

**5.22 Increase in target for Overcrowding and bed space:** Members wanted to know why the target for overcrowding had increased and what the current overcrowding percentages are within the Department as well as the amount of bed space available. The Department is 46% overcrowded and this is in line with the judgement that emanated from the Western Cape High Court that prompted the Executive of the Department to utilise the 150% threshold as the maximum overcrowding status. The main driver of overcrowding in DCS remains the new approved bed space of 107 582 which is a decrease of 1 222 from the previous bed space of 108 804. The increase in the target was therefore to ensure the Department adheres to the High Court percentage.

**5.23 Presidential Pardon:** Members wanted to know what is the process from the Department's side. The Department responded that pardons fall under the mandate of the Department of Justice and Constitutional Development, however the DCS prepares a motivation for remission of sentence which must go through cabinet and is then approved by the President.

## **6. Recommendations**

**6.1** The Department should ensure that it prioritises the upgrading of correctional centres and works tirelessly to ensure that the overcrowding is reduced and the bed space is increased at all Correctional Centres.

**6.2** The Department should ensure that it reduces the number of remand detainees by implementing the necessary Sections of the Criminal Procedure Act for these detainees to obtain bail swiftly.

**6.3** The Department should endeavour to work with all CPF structures in all provinces and with law enforcement agencies to improve its services in returning escapees to custody as well as to work with the CPFs to effectively monitor parolee activities.

**6.4** The Department, together with other Departments and stakeholders should endeavour to find a plan to provide the necessary skills and support to victims of crime to ensure that victims receive the compensation they deserve.

**6.4** The Department should ensure that it works well with DPWI to effectively roll out sufficient generators and other sources of power to counter load-shedding with the aim of preventing escapes within correctional centres.

**6.5** The Department should work innovatively to ensure that despite budget cuts in the rehabilitation programme, this does not affect the importance of rehabilitation of offenders and that it does not affect the services of psychologists and social workers within the Department. In this regard, the Department should implement programmes of action to focus on the retention and appointment of sufficient psychologists, social workers and health care practitioners.

**6.6** The Department should implement the necessary measures to prevent any escapes and in the event of inmates escaping, victims and their families should be informed of the escape as expeditiously as possible.

**6.7** The Department should prioritise the protection of whistle blowers and transfer them to safe facilities and continue to receive reports from the public on corrupt activities within the Department. Further, the Department should implement the necessary disciplinary procedures in these cases.

**6.8** The Department should continue monitoring the activities of parolees to satisfy themselves that parolees are indeed capable of providing for themselves and implement the necessary monitoring mechanisms.

**6.9** The Department should, within 30 days of adoption of this report, furnish the Committee with the following detailed reports:

6.9.1. Consequence management in respect of irregular expenses: a detailed report on disciplinary measures undertaken.

6.9.2 A report on the incidents of corruption reported by the public through the call centre.

6.9.3 A report on the Department's Self-sufficiency and sustainability programme.

6.9.4 A report on the figures of foreign nationals within correctional centres and those handed over to the Department of Home Affairs.

6.9.5 A report on the best practice case studies of parolees who have started their own businesses and who are employing other parolees.

6.9.6 A full and detailed report on the Thabo Bester escape.

6.9.7 A report on the employment equity targets of the Department for persons with disabilities.

## **7. Conclusion**

The Committee encouraged the Department, that despite some big budget cuts, the Department continues to ensure the safety, rehabilitation and care of inmates as well as the overall health of DCS officials.

The Select Committee on Security and Justice supports Budget Vote 22.

**Report to be considered.**



## **4. REPORT OF THE SELECT COMMITTEE ON APPROPRIATIONS ON THE *APPROPRIATION BILL* [B3 – 2023] [NATIONAL ASSEMBLY (SECTION 77)], DATED 14 JUNE 2023**

### **1. Introduction**

The *Appropriation Bill* [B3– 2023] was referred to the Committee, for concurrence, on 8 June 2023. In order to streamline the processing of the Bill, the Committee received a thorough briefing from National Treasury on the Bill, as tabled by the Minister of Finance, on 09 May 2023. Thereafter, on 17 May 2023, the Committee consulted with the Financial and Fiscal Commission (FFC) and the Parliamentary Budget Office (PBO) on the Bill. With respect to public participation, the Committee held public hearings on 24 May 2023, during which submissions were heard from Equal Education (EE), the Public Service Accountability Monitor (PSAM), the Organisation Undoing Tax Abuse (OUTA), and the Congress of South African Trade Unions (COSATU).

### **2. Overview of the Bill**

The Bill outlines various provisions that govern the utilisation of appropriated funds for the 2023/24 financial year. These include, under Clause 3, an explanation that amounts marked as specifically and exclusively appropriated in the Schedule may be used only for the purpose indicated, unless the amount or purpose is amended by, or in terms of, an Act of Parliament. Clause 4 provides that the Minister of Finance may, in writing, impose conditions on an amount in the Schedule, other than a conditional allocation, in order to promote transparency and accountability and the effective management of the appropriation; and stop the use of an amount in respect of which conditions thus imposed are not met. Clause 5 deals with the use of unspent funds, with subsection (1) explaining that, despite Clause 3 of this Bill and Section 43(4) of the Public Finance Management Act No 1 of 1999 (PFMA), the Minister may approve that unspent funds in an amount in the Schedule allocated for -

- a) Transfers and subsidies to other institutions, be used elsewhere within the same main division;
- b) Payment for capital assets, be used elsewhere within the same vote: or
- c) Payment for financial assets, be used elsewhere within the same main division.

Subsection (2) states that the sum of the unspent funds in a main division of a vote approved for use in another main division of that vote, in terms of subsection (1) and section 43(1) of the PFMA, may not exceed eight percent of the amount appropriated under the main division; with subsection (3) indicating that the approval of the use of unspent funds in terms of subsection (1) must be disclosed in the National Treasury's next quarterly report to the relevant parliamentary committees. Subsection (4) provides that, despite any provision in other legislation to the contrary, the amount appropriated for the compensation of employees within a vote in the Schedule to this Bill may only be increased with the approval of the Minister of Finance; and that the Minister may not approve the use of unspent funds in terms of subsection (1) for compensation of employees. Subsection (5) states that section 43 of the Public Finance Management Act and the provisions of this Bill apply with the necessary changes to the use of unspent funds in the amount appropriated under a main division within a vote to defray excess expenditure within the same main division for another classification as envisaged in the definition of "purpose" in Clause 1; and that the sum of the unspent funds under a classification in a main division within a vote thus approved for use, may only exceed eight percent of the amount appropriated for the classification with the approval of the Minister of Finance.

The amounts appropriated for each vote are set out in the Schedule to the Bill. The Schedule is divided by vote and by main division within a vote. A purpose is set out for each vote, programme and transfer and subsidy to a national department within a vote. Furthermore, allocations within a vote are categorised in terms of -

- Current payments (compensation of employees, goods and services, interests and rent on land);
- Transfers and subsidies;
- Payments for capital assets; and
- Payments for financial assets.

In the Bill, allocations marked with a single asterisk refer to specifically and exclusively appropriated allocations, including, but not limited to -

- All votes and national departments' compensation of employee appropriations; and
- Conditional grants (also listed in the *Division of Revenue Bill* [B2 – 2023]).

### **3. Summary of appropriated funds for 2023/24 financial year**

Table 1: 2023 Appropriated funds

<b>Summary of 2023/24 Appropriated funds</b>	
2023/24	R' 000
<b>Total Appropriated</b>	<b>1 077 437 771</b>
<i>Of which</i>	
<b>Current payments</b>	<b>261 404 266</b>
<i>Compensation of employees</i>	178 781 881
<i>Goods and services</i>	82 388 900
<i>Interest and Rent on Land</i>	233 485
<b>Transfers and subsidies</b>	<b>793 318 501</b>
<b>Payments for capital assets</b>	<b>17 374 398</b>
<b>Payments for financial assets</b>	<b>1 917 120</b>

The total funds (excluding direct charges) available to be appropriated per vote for the 2023/24 financial year is R1.08 trillion. This is a decrease of R26.60 billion or 24 percent from the R1.10 trillion appropriated in the 2022/23 financial year. The total available funding, including direct charges to be appropriated, amount to R2.03 trillion. In terms of economic classification, the largest proportion, at R793.9 billion of the available funds, is allocated for transfers and subsidies in the form of social grants, conditional grants, transfers to public entities and post-school student subsidies. The second largest component, at R179.7 billion, is allocated for compensation of employees, which is directed towards labour-intensive departments in the Peace and Security Cluster (Police, Correctional Services, Defence and Justice and Constitutional Development) and Higher Education and Training, for salaries of lecturers at Technical and Vocational Education and Training (TVET) and Community Education and Training colleges.

Payments for capital assets, which are mainly for school infrastructure backlogs, Health and Police infrastructure construction, rehabilitation and maintenance and bulk regional water and sanitation infrastructure, amount to R18.4 billion for the 2023/24 financial year. Payments for

financial assets amount to R1.97 billion and provides for the recapitalisation of the Land and Agricultural Development Bank of South Africa (R1 billion), as well as the World Bank (R278.3 million), African Development Bank and African Development Fund (R638.9 million).

#### **4. Stakeholder submissions**

##### **4.1 Financial and Fiscal Commission (FFC)**

The Financial and Fiscal Commission (FFC) noted that the largest appropriation at the national sphere was for the Social Development Vote, which would receive R263 billion in 2023/24 (growth of 8.8 percent); driven by the extension of the Social Relief of Distress (SRD) Grant and adjustments to the value of social security grants. The FFC indicated that there was still no clarity on sustainable and permanent support for unemployed individuals between the ages of 18 and 59, creating uncertainty for beneficiaries. The FFC also indicated that while the value of other social security grants had been adjusted, the value of SRD Grant remained unchanged since inception.

The FFC further noted that the allocation to the Cooperative Governance Vote was projected to increase by 11 percent in 2023/24. The additional funding was directed at the Local Government Equitable Share (LGES), which was welcomed as it served to protect the funding for basic services that is an integral part of the social wage package.

The FFC submitted that the Higher Education and Training Vote was projected to grow by 1.1 percent in 2023/24. However, an assessment of national spending by economic classification shows that transfers and subsidies to higher education institutions (HEIs) will decline by 3.7 percent in 2023/24. The decline affects current and capital transfers to HEIs. The FFC further submitted that, while a drive towards support for the development of a new, sustainable funding framework for fee-free higher education was carried through from the 2022 Budget to the 2022 Medium Term Budget Policy Statement (MTBPS) and the 2023 State of the Nation Address (SONA), the 2023 Budget was silent on this.

The FFC indicated that the Health Vote was projected to decline from R62.1 billion in 2022/23 to R60.1 billion in 2023/24. This included a reduction in the health allocation contained in the social wage package, implying that free healthcare will be affected. The FFC advised Parliament to request an explanation of how this reduction would impact the poor who rely on the public healthcare system.

The FFC further noted that the Transport Vote would dominate in respect of infrastructure spending over the next three years (R47.2 billion in 2023/24, R51.5 billion in 2024/25 and R56 billion in 2025/26), with the focus on the rehabilitation of provincial roads and reducing the rehabilitation backlog on national roads. However, notwithstanding increased infrastructure spending, the budget allocated to Transport declines from R94.9 billion in 2022/23 to R79.6 billion in 2023/24. The reductions are to the Aviation Oversight sub-programme (responsible for monitoring the performance of the Airports Company of SA, the Air Traffic and Navigation Services Company and the SA Civil Aviation Authority) and the Rural and Scholar Transport sub-programme. As these programmes are critical in ensuring safety in the sector, the FFC recommended that cuts should be focussed on non-essential spending items. In light of the high levels of crime in South Africa, the FFC welcomed the additional resources and recruitment drive being implemented under the Police Vote.

The FFC indicated that it was cognisant of government's efforts to balance the protection of the social wage package with growth-inducing allocations to public infrastructure investment and additions to fight crime and corruption. However, it recommended that, in performing its oversight, Parliament should enquire how strategic departments will absorb reductions in their budgets and how the reductions are likely to affect service delivery; with particular focus on Health, Transport and Higher Education and Training. The departments with reduced allocations should, as far as possible, ensure that reductions are applied to non-essential spending items. The FFC further recommended that timelines needed to be devised for the finalisation of a new funding framework for the Higher Education sector.

#### **4.2 Parliamentary Budget Office (PBO)**

The Parliamentary Budget Office (PBO) identified compensation of employees (COE) and contingent liabilities as possible risks to the 2023 appropriations. The PBO expressed concern over unfunded COE budgets in national departments and indicated that both the departments of Correctional Services and Defence showed an increase in personnel numbers but a decrease in expenditure between 2022/23 and 2023/24; and the Police showed an increase of 5 000 police trainees, but a reduction in the expenditure.

The PBO indicated that, while contingent liabilities were set to decline from R1.07 trillion (16.1 percent of GDP) in 2022/23 to R904.1 billion (11.4 percent of GDP) in 2025/26, mainly due to the debt relief to Eskom; it was concerned that many state-owned entities (SOEs) remained unable to adequately fund their operations and debt obligations and were even less

able to optimally invest in infrastructure. Risks from independent power producers presented a low risk to public finances and exposure was expected to decrease from R187.1 billion in 2022/23 to R134 billion in 2025/26. Contingent liability exposure from public-private partnerships arose mainly from the early termination of contracts; and was expected to decline from R7.1 billion in 2022/23 to R2.9 billion in 2025/26; while the Road Accident Fund guarantee was set to increase to R371.7 billion by 2025/26 from R99.2 billion in 2015/16.

The PBO was of the view that it was critical for government to monitor and update contingent liabilities; and to improve the management of SOEs to profitability and self-sufficiency as listed under Schedule 2 of the Public Finance Management Act (1999) and Presidential interventions.

### **4.3 Equal Education (EE)**

Equal Education (EE) submitted that the education sector was plagued by learning, infrastructure, spending, and governance challenges which could lead to an education blackout. EE listed the national critical infrastructure backlogs, as follows:

- 3 677 inappropriate schools with an estimated cost of R4.48 billion;
- 13 655 schools with no sanitation facilities, projected to cost R17.95 billion to construct;
- 8 265 schools needing additional classrooms which could cost R44.50 billion; and
- 6 310 schools with no water supply, with an estimated R6,67 billion needed for the installation.

EE emphasised that funding to the sector must address rising inflation and increasing learner enrolment, noting that the 2023/24 allocation did not meet this criterion, despite nearly R1 billion being added to the 2022/23 Medium Term Expenditure Framework (MTEF) projections.

EE welcomed the additional R1.5 billion for the Education Infrastructure Grant over three years to address overcrowding in schools and the R283 million added in 2023/24 to repair flood damaged schools in the Eastern Cape and KwaZulu-Natal. However, EE pointed out that the whole sector, from the national Department of Basic Education to school level, suffered from endemic spending issues such as under-spending and irregular, fruitless and wasteful expenditure. The state of schools would be drastically improved if education departments were to spend judiciously. EE emphasised the importance of acknowledging the looming education

blackout and ensuring that schools get the money they needed to tackle the challenges they experienced. To this end, EE called on Parliament to –

- Reject the 2023/24 Budget and call for a budget for schooling that grows in line with inflation and learner enrollment;
- Take its oversight responsibilities seriously, by actively engaging the Department on how it spends monies, and apply proper consequence management; and
- Ensure that proper oversight is provided if and when the norms and standards get brought to Parliament for amendment.

#### **4.4 Public Service Accountability Monitor (PSAM)**

The Public Service Accountability Monitor (PSAM) submitted that nearly three decades into South Africa’s democratic era, much had been achieved in alignment with one of the most progressive Bill of Rights in the world. However, many black people in particular are still without adequate housing or sanitation and access to quality healthcare or education. In addition to weak governance and public administration, misuse of public funds constitutes a serious threat to the progressive realisation of human rights and optimal service delivery. Fighting corruption and enhancing governance and accountability should therefore be the core to realising sustainable and inclusive development and building a capable and developmental state. PSAM indicated that, while they were encouraged by the increased resource allocation to institutions established to prevent and eradicate corruption, provide oversight over procurement, manage the country's finances and support constitutional development, significant funding challenges still existed.

PSAM reported that several challenges existed within the Department of Justice and Constitutional Development, where several crime and corruption fighting entities were located. These included poor internal controls, slow recruitment leading to persistent vacancies, and poor contract and supply chain management, leading to delays in the procurement of goods and services and under-spending. PSAM further reported that, while increased allocations to the National Prosecuting Authority (NPA) had enabled it to fill vacancies and take important steps to rebuild capacity; its performance had not improved significantly and coordination with other departments remained an issue, resulting in outstanding cases and low conviction rates. PSAM noted that performance targets appeared to have been reduced over the MTEF, which it found concerning, given the increased budget allocation.

PSAM argued that the funding model of the Special Investigating Unit (SIU) and growing debt from departments and entities under investigation, was a threat to the sustainability of the SIU, which had, to date, performed relatively well on its mandate. In addition, PSAM highlighted that the National Anti-Corruption Advisory Council (NACAC) appeared to be funded from the Criminal Assets Recovery Account (CARA) and it was unclear how funds were allocated or spent, and it appeared that some allocated funds had not yet been spent. NACAC played an important role in supporting further development of the National Anti-Corruption Strategy (NACS) and establishment of a permanent body. The funding arrangements should be transparent and funds allocated should be used to ensure coordination and implementation of the NACS.

PSAM indicated that, given that numerous stakeholders were involved in anti-corruption efforts and weaknesses or performance challenges in one entity could impact overall outcomes, it was critical that these entities worked collaboratively to improve the efficient use of resources and secure better outcomes.

#### **4.5 Organisation Undoing Tax Abuse (OUTA)**

The Organisation Undoing Tax Abuse (OUTA) confined its comments to Vote 5: Home Affairs, submitting that its research and investigations over the course of years, together with very recent developments, had raised some concerns over the funding provisions for the Independent Electoral Commission (IEC) and the Represented Political Parties' Fund (RPPF). OUTA was concerned over the appropriation of R350 million to the RPPF under transfers and subsidies; submitting that National Treasury's contribution to the RPPF had increased significantly over the past few years: from R149 million in 2018/19, R158 million in 2019/20, R163 million in 2020/21 and R167 million in 2021/22, to a massive R342 million in 2022/23, which was more than double that of the previous year; with the additional R350 million taking it to nearly R700 million for this financial year.

OUTA was particularly concerned about this additional increase, as the RPPF was run by the IEC which, according to its Annual Reports, had experienced budget cuts amounting to R769.7 million recently (R278.5 million for 2022/23; R240,2 million for 2023/24; and R251 million for 2024/25). These figures were supported by the IEC's presentations to the Portfolio Committee on Home Affairs on 22 May 2022 and 28 February 2023. OUTA emphasised that the IEC was integral to ensuring free and fair elections, safeguarding the principles of security



and safety within the electoral lifecycle, as well as promoting voter awareness and encouraging the public to register and vote; and that the IEC should be getting more funding, not political parties.

#### **4.6 Congress of South African Trade Unions (COSATU)**

The Congress of South African Trade Unions (COSATU) indicated that it had hoped for a bold Bill that would protect workers from inflation, rebuild the State, decisively tackle corruption, provide relief to the unemployed and put measures in place to stimulate the economy. However, while acknowledging that there were positive interventions in the Bill at a macro level, it submitted that overall, the Bill failed to address the biggest challenge of economic stagnation. COSATU did welcome the additional allocations of R37 billion to key frontline service departments, state-owned-entities (SOEs) and social security; but expressed concern over continual under-spending in a climate of scarce resources. It further welcomed the funding increase of 6.1 percent to the National Student Financial Aid Scheme (NSFAS); the 7.7 percent increase in funding for Agriculture and Land Reform; and the 11.4 percent increase in funding for roads. However, COSATU found the following below-inflation increases, amounting to cuts in real terms, deeply offensive: Basic Education (3.1 percent), Health (2.7 percent), Industrial Financing and Exports (2.4 percent), South African Police Service (SAPS) (3.7 percent), Courts and Correctional Services (2.9 percent), and Home Affairs (-0.8 percent). COSATU was of the view that the austerity approach to key public services was reckless and would further weaken the capacity of the State to provide quality public services, upon which society and the economy depended.

COSATU submitted that additional funding to fill critical vacancies at the National Prosecuting Authority (NPA) and the South African Revenue Service (SARS) would boost the fight against corruption and tax evasion.

### **5. Findings and observations**

Having deliberated and considered all the submissions made by the above stakeholders on the *Appropriation Bill* [B3 - 2023], the Select Committee on Appropriations made the following findings and observations:

- 5.1 The Committee welcomed the Bill, which proposes the overall allocation (excluding direct charges) of R1.08 trillion for the 2023/24 financial year; and further noted that this was a decrease of at least 24 percent from the R1.10 trillion appropriated in the 2022/23 financial year.
- 5.2 The Committee noted that the Bill did not contain any allocation for the construction of the uMoloto Rail Project between Limpopo, Mpumalanga and Gauteng and further noted the decision that had been taken that economic development issues for the residents of Mpumalanga should be prioritised within their own provincial budgets and that the matter of the uMoloto Development Corridor had been handed over to the Mpumalanga Provincial Government.
- 5.3 Whilst the Committee welcomed all measures taken by government to deal with matters related to gender-based violence (GBV) and femicide, which included funding for an additional 40 sexual offences courts; an increase in the number of Thuthuzela Care Centres; and victim-friendly rooms in all police stations, the Committee was concerned that there was no clear funding earmarked for the implementation of the National Strategic Plan to ensure that all gender issues, including those of the LGBTQIA+ community, were progressively mainstreamed.
- 5.4 The Committee welcomed the fact that the Department of Health had taken steps to address the issue of medico-legal claims through improved case management systems, including forensic investigations through the Special Investigations Unit (SIU). The Committee further noted the urgent need for government to re-introduce the State Liability Amendment Bill, providing for periodic, rather than once-off payments for claims; and the fact that far-reaching reforms were needed for medico-legal cases, including a new model for handling claims.
- 5.5 Whilst the Committee noted the fact that the tertiary training of engineers and doctors was much more costly, it was concerned over the fact that the amount allocated to the Department of Higher Education and Training was three times more than the allocation to the Department of Basic Education; especially in light of the reports that the majority of Grade 4 learners could not read for meaning; the fact that only about 7 percent of the country's population would obtain a university

degree; and the fact that the culture of teaching, learning and inappropriate structures remained a challenge.

- 5.6 The Committee was concerned that the larger portion of the funds allocated in the Bill was earmarked for social support and the public sector wage bill, instead of ensuring that resources were allocated in a more sustainable manner over the long term to infrastructure development and growing the economy to create much-needed jobs.
- 5.7 The Committee welcomed the fact that the Bill included an additional allocation of R1.3 billion to the National Prosecuting Authority (NPA), of which R750 million was earmarked for section 38 appointments, which allowed for the incorporation of specialist expertise from the private sector to deal with complex cases, including those emanating from the Zondo Commission's Report.
- 5.8 The Committee noted that the existing disaster funding system had been carried through to the 2023 Budget; with emergency housing grants being shifted to the national Department of Human Settlements to enable a more rapid response in case of floods; including immediate response relief and recovery grants, which was included in the budget of the Department of Cooperative Governance; and that historic disasters had been provided for in the adjustments budget. Furthermore, the Committee also noted that there was a dedicated fund to support the agriculture sector in the case of disasters, to which the Bill allocated R1 billion over three years to assist all farmers.
- 5.9 The Committee remained concerned that the strict conditions attached to the Social Relief of Distress (SRD) Grant, meant to address corruption and maladministration in the social grants space, might have caused the Grant not to reach most of the intended beneficiaries and therefore it might not be making the desired impact on the poverty and unemployment experienced by many people. The Committee shared the FFC's concern around the lack of permanent and sustainable intervention for unemployed individuals between the ages of 18 and 59. Moreover, the Committee noted that a permanent intervention in the form of a basic income grant might end up costing about R130 billion in 2030.

- 5.10 The Committee agreed with the FFC's concern around the reduction in allocations to the Health and Transport sectors and the fact that these departments needed to indicate how they planned to absorb such reductions in their 2023 budgets. The move towards allocating more resources for the rehabilitation of provincial roads was also noted; however, the Committee was of the view that a balanced approach was needed between maintaining provincial and national roads, without disadvantaging either sphere.
- 5.11 The Committee was concerned about the impact that the worsening Rand/US Dollar exchange rate would have on ordinary citizens, and further noted that, apart from the value of the currency decreasing, there was also a lack of value for money spent, with productivity decreasing and causing further economic decline. The Committee agreed with the Parliamentary Budget Office's (PBO) view that the worsening exchange rate would lead to higher cost of living, and that the situation was exacerbated by the costs related to load shedding; and that interest rate hikes had a limited impact on inflation and high unemployment.
- 5.12 The Committee was concerned over the fact that some sectors, such as the South African National Defence Force (SANDF), continued to be under-funded and that the majority of its equipment was ageing and no longer serviceable. However, the Committee was of the view that equally, no amount of funding would solve the problems if government did not implement consequence management for non-performance and failure to spend according to plans.
- 5.13 The Committee was concerned over the fact that many state-owned entities (SOEs) remained unable to adequately fund their operations and debt obligations, and were even less able to optimally invest in infrastructure; and it was further concerned that South African Airways (SAA) had not submitted financial statements at a time when a Strategic Equity Partner was most needed.
- 5.14 The Committee agreed with COSATU's assertion that unemployment was dangerously high at 42.4 percent, and that government needed to create an environment that was conducive to investment. The Committee was of the view that part of the solution was to grow the economy, and that government needed to

address the obstacles to growth, such as load shedding; crime and the decimation of Metrorail and Transnet.

- 5.15 The Committee agreed with Equal Education that the historical failure of the education system had impacted negatively on post-matriculants wanting to apply for jobs and other opportunities; and that more resources needed to be earmarked for Early Childhood Development (ECD) as a foundation for the entire education system. However, the Committee noted, based on its in-year monitoring process, that the allocated ECD funding had not been spent as required.
- 5.16 The Committee remained concerned about the slow progress with regards to the process of public service rationalisation across all three spheres of government, which had been initiated two decades ago; as this would have assisted government to partly address some of the capacity challenges, by placing skilled and qualified public servants where they were most needed.
- 5.17 The Committee agreed with OUTA's concern over some unjustifiable cost escalations that had been reportedly identified in the Prestige Accommodation and State Functions Programme in the Department of Public Works and Infrastructure, with specific reference to an article reporting that government had paid R93 million to upgrade the homes of Ministers and Members of Parliament.
- 5.18 The Committee was seriously concerned over the 175 out of 259 municipalities that were reportedly in financial distress, and agreed with COSATU about the importance of implementing consequence management for non-performance, given the large amounts of funding, earmarked for infrastructure, reportedly being returned to the National Revenue Fund (NRF) because of a lack of capacity to spend, while municipal infrastructure was falling apart.

## **6. Recommendations**

The Select Committee on Appropriations, having considered submissions from various stakeholders on the *Appropriation Bill* [B3 - 2023], recommends as follows:

- 6.1 The Minister of Finance should gazette the *Appropriation Bill* [B3 – 2023], which proposes the overall allocation (excluding direct charges) of R1.08 trillion for the 2023/24 financial year across the national departments; and ensure that specific measures are taken to make sure that these funds are utilised for their intended purpose and according to the approved departmental plans; as any spending deviation resulting from poor planning is unacceptable.
- 6.2 The National Treasury and the Department of Planning, Monitoring and Evaluation should, within 60 days of the adoption of this Report by the House, ensure that measures to prevent irregular and fruitless expenditure are established across government departments to safeguard the 2023 Budget, as required by section 38(1)(c)(ii) of the Public Finance Management Act No.01 of 1999. This includes developing a clear irregular expenditure register, which should be updated regularly as part of the necessary control measures.
- 6.3 The National Treasury, the Department of Public Service and Administration and the Department of Planning, Monitoring and Evaluation should, within 60 days of the adoption of this Report by the House, come up with a plan to ensure that officials who violate supply chain management and other public finance management prescripts are held accountable and even prosecuted, where necessary. When the executive authority discovers any irregular expenditure, section 38(h) together with section 81 of the Public Finance Management Act No.01 of 1999, should be implemented immediately to address the irregularities. These provisions set out clear steps for consequence management, including disciplinary processes.
- 6.4 The National Treasury, the Department of Public Service and Administration and the Department of Planning, Monitoring and Evaluation should, within 60 days of the adoption of this Report by the House, develop a clear plan to ensure that the internal audit personnel across departments are adequately capacitated by recruiting properly qualified people; and that independent audit committees are established to ensure that effective and efficient internal controls and risk management systems are well maintained to address non-compliance.

- 6.5 The Department of Transport, together with the Mpumalanga Provincial Department of Public Works, Roads and Transport should, within 90 days of the adoption of this Report by the House, develop a plan to ensure that the construction of the uMoloto Rail Project between Limpopo, Mpumalanga and Gauteng is prioritised and fast-tracked, given the amount of fatalities on the uMoloto Road. This should include all other strategic road infrastructure projects that could assist government to address road accidents, as well as improving transportation of goods and services.
- 6.6 The National Treasury, together with the Department of Women, Children and People with Disabilities (DWCPD) should, within 60 days of the adoption of this Report by the House, put measures in place to ensure that adequate resources are allocated for the implementation of the National Strategic Plan to ensure that gender issues, including those of the LGBTQIA+ community are progressively mainstreamed. The Committee supports gender budgeting and urges the DWCPD to ensure that approved plans are aligned to the allocations in order to realise gender mainstreaming.
- 6.7 The Department of Health should, within 60 days of the adoption of this Report by the House, urgently fast-track the re-introduction of the State Liability Amendment Bill, in order to make provision for periodic, rather than once-off payments for claims, while also ensuring that the necessary reforms are implemented for medico-legal cases, including a new model for processing claims.
- 6.8 The Department of Basic Education should, within 60 days of the adoption of this Report by the House, develop a clear plan to ensure that value for money earmarked for education is being realised, given that education is one of the largest budget items. The Committee is of the view that a balance between adequate resources and the quality of teaching is needed in order to address the issue of the majority of Grade 4 learners reportedly not being able to read for meaning; and that more resources are required for the Early Childhood Development Programme as a foundation for the entire system. Furthermore, the Department of Basic Education must develop a clear plan to fast-track the eradication of inappropriate structures, including ablution and sanitation facilities, and overcrowding in schools.

- 6.9 The National Treasury, together with the Department of Public Enterprises and the Board of the South African Airways (SAA) should, within 60 days of the adoption of this Report by the House, develop measures to ensure that no public funds are used to bail out the SAA; having secured a Strategic Equity Partner (SEP) which owns 51 percent shares of the entity. Parliament should continue to intensify its oversight work to ensure that public funds are not utilised for endless bailouts to state-owned entities (SOEs) due to mismanagement.
- 6.10 The National Treasury, together with the South African Revenue Service (SARS) should, within 60 days of the adoption of this Report by the House, develop clear measures to stimulate economic growth through investing in systems to improve the tax compliance rate, currently at about 64 percent, as well as collection; including improved customs in order to protect local manufacturers against counterfeit goods.
- 6.11 The National Treasury together with the South African National Defence Force (SANDF) should, within 60 days of the adoption of this Report by the House, ensure that a clear plan is put in place to allocate adequate resources for the SANDF and to ensure that proper plans are developed to fix its ailing infrastructure, while making sure that funds are not absorbed by the compensation of employees. The National Treasury should assist the SANDF to address the excessive spending on compensation of employees, which impacts negatively on other economic classifications such as maintenance of its facilities and capital assets.
- 6.12 The National Treasury together with the Department of Public Works and Infrastructure (DPWI) and the Department of Cooperative Governance should, within 60 days of the adoption of this Report by the House, ensure that there is a plan for the Expanded Public Works Programme (EPWP) and the Community Works Programme (CWP) to improve the skills transfer process and further position these programmes to support small, medium and micro enterprises (SMMEs), while ensuring the expansion of new economic sectors; such as recycling. The Committee is of the view that these measures will benefit the poor and vulnerable and the economy at large.



- 6.13 The Department of Public Works and Infrastructure (DPWI) must, within 60 days of the adoption of this Report by the House, investigate the allegations of tender corruption reportedly leading to unjustifiable cost inflation in the Prestige Accommodation and State Functions Programme of the DPWI, where the cost of upgrading the homes of Ministers and Members of Parliament was escalated to R93 million. The Committee believes that consequence management must be enforced for the transgressors, including prosecutions.
- 6.14 The National Treasury and the Department of Planning, Monitoring and Evaluation should ensure that funds are allocated in a more sustainable manner over the long term by ensuring that more funding is earmarked for infrastructure development and in a way that seeks to grow the economy in an inclusive manner to resolve the triple challenge of poverty, unemployment and inequality in society.
- 6.15 The National Treasury together with the Department of Justice and Constitutional Development and the National Prosecuting Authority (NPA) should, within 60 days of the adoption of this Report by the House, come up with a clear plan to fast-track the section 38 appointments of specialist expertise to assist with complex cases, including the implementation of the Zondo Commission's recommendations.
- 6.16 In light of the call from various stakeholders and provinces, the National Treasury together with the Department of Cooperative Governance and the South African Local Government Association (SALGA) should, within 90 days of the adoption of this Report by the House, work together to revisit the shifting of the emergency housing grants to the national Department of Human Settlements. The Committee is of the view that a balanced approach is needed, while ensuring a prompt response when disasters take place.
- 6.17 The National Treasury and the Department of Social Development should work together to expedite the review of the current social grant system; and to find a solution to develop and implement a permanent intervention in the form of a basic income grant (BIG) to cushion unemployed individuals against the poor economic climate. The Committee is mindful of the current slow growth of the economy,

however, it believes that there are still other tax options that can be explored to fund this in the long term. An update on this matter should be provided to the Committee during the 2023 Medium Term Budget Policy Statement (MTBPS).

- 6.18 The Department of Cooperative Governance and the South African Local Government Association (SALGA) should, within 60 days of the adoption of this Report by the House, develop a plan to support the 175 municipalities reportedly in financial distress, and ensure that consequence management is implemented for non-performance, to avoid infrastructure funds being returned to the National Revenue Fund (NRF) due to a lack of capacity to spend.

### **7. Committee decision**

The Select Committee on Appropriations, having considered the *Appropriation Bill [B3 – 2023]*, referred to it for concurrence, and classified by the Joint Tagging Mechanism as a section 77 Bill, reports that it has agreed to the Bill without any proposed amendments.

The Democratic Alliance (DA)) and the Freedom Front Plus (FF+) rejected the Report and the Economic Freedom Fighters (EFF) reserved its position on the Report.

Report to be considered.

## **5. Report of the Select Committee on Education and Technology, Sports, Arts and Culture on Budget Vote 35: Science and Innovation, dated 14 June 2023**

The Select Committee on Education and Technology, Sports, Arts and Culture, having considered Budget Vote 35: Science and Innovation, reports as follows:

### **1. Introduction**

The Department of Science and Innovation (the Department) derives its mandate from Sustainable Development Goal Number Four, National Development Plan, Action Plan to 2024 for Schooling 2030, and the Medium-Term Strategic Framework, to shape its plans such as the Strategic Plan and the Annual Performance Plans.

The Select Committee on Education and Technology, Sports, Arts and Culture (the Committee) considered the Budget and the 2023/24 Annual Performance Plan (APP) of the Department of Science and Innovation (the Department) on Wednesday, 21 May 2023. The budget review briefing served to acquaint the 6<sup>th</sup> Parliament Select Committee with the mandate, programmes and priorities of the Department.

This report gives a summary of the presentation made by the Department to the Committee, focusing mainly on the 2023/24 Annual Performance Plan and the 2020 Medium Term Expenditure Framework (MTEF) allocations. The report also provides the Committee's key deliberations and recommendations relating to Vote 35.

### **2. Summary of the 2023/24 Annual Performance Plan**

The Department, in the five years (2019 to 2024) had planned to implement the following set of priorities, which are expressed as Medium-Term Strategic Framework Outcomes:

- Outcome 1: A transformed, inclusive, responsive, and coherent NSI.
- Outcome 2: Human capabilities and skills for the economy and for development.
- Outcome 3: Increased knowledge generation and innovation outputs
- Outcome 4: Knowledge utilisation for economic development in (a) revitalising existing traditional industries and (b) stimulating R&D-led industrial development.

- Outcome 5: Knowledge utilisation for inclusive development
- Outcome 6: Innovation in support of a capable and developmental state

The 2023/24 Annual Performance Plan (APP) represents the fifth year towards the achievements of objectives contained in the Department's 2020 – 2025 revised Strategic Plan. The presentation by the Department to the Committee outlined the Department's approach to the government-wide National Development Plan (NDP) and science and innovation sector priorities. The intention was to ensure programme activities in the sector were aligned with medium and long-term goals. The annual performance plan (APP) set out what the Department intended doing in the 2023/24 financial year and during the medium-term expenditure framework (MTEF) period, to implement its strategic plan. Table 1 below is the summary of Programme Performance Indicators for the 2023/24 financial year.

**Table 1: Summary of DSI Programme Performance Indicators for the 2023/24 financial year**

<b>Programme</b>	<b>No. of Annual indicators per programme</b>	<b>Annual Targets</b>	<b>Quarterly Targets</b>	<b>Bi-Annual Targets</b>	<b>Biennially/ Targets</b>
1. Administration	7	2	3	2	-
2. Technology Innovation	18	11	4	3	-
3. International cooperation and resources	9	-	9	-	-
4. Research, Development, and Support	17	2	11	4	-
5. Socioeconomic Innovation Partnerships	22	1	16	5	-
<b>Total distribution</b>	<b>73</b>	<b>16</b>	<b>43</b>	<b>14</b>	<b>-</b>
<b>Percentage distribution</b>	<b>100%</b>	<b>22%</b>	<b>59%</b>	<b>19%</b>	<b>0%</b>

The table above presents a summary of indicators per programme for the DSI. The DSI has a total of 73 indicators; distributed as follows: 16/73 indicators have annual targets (i.e., 22 per cent); 43/73 indicators have quarterly targets (59 per cent); 14/73 indicators have biannual targets (19 per cent); and 0/73 indicators have biennial targets (0 per cent). The purpose and components per programme as noted in the 2023/34 APP are presented next.

### 3. Budget of the Department

#### 3.1. Programmes Allocations over the 2023 MTEF

The table below reflects the budget allocation for 2023/24 and over the medium term.

**Table 2: Summary of the overall Budget allocation and medium-term estimates 2022/23 – 2025/26**

R million		2022/23	2023/24	2024/25	2025/26
		Total	Total	Total	Total
<b>MTEF allocation</b>					
1. Administration	Purpose: To provide strategic policy and planning alignment; ensure effective governance, risk management, and monitoring and evaluation (M&E) within the DSI and among entities; and provide strategic science communication and branding of the activities of the DSI, its entities and the NSI.	352,0	344,0	359,3	375,2
2. Technology Innovation	Purpose: To promote technology development and the protection and utilisation of publicly funded IP for innovation with socio-economic impact.	1 907,0	2 568,4	2 307,8	1 957,7
3. International cooperation and resources	Purpose: To develop, promote and manage international partnerships that strengthen the NSI and enable the exchange of knowledge, capacity, innovation and resources between South Africa and its international partners, particularly in Africa, in support of South African foreign policy through science, knowledge and innovation diplomacy.	149,4	149,9	156,5	163,5

4. Research, Development, and Support	Purpose: To provide an enabling environment for research and knowledge production that promotes the strategic development of basic sciences and priority science areas, through science promotion, human capital development, and the provision of research infrastructure and relevant research support, in pursuit of South Africa's transition to a knowledge economy.	4 979,1	6 046,0	5 854,5	5 680,5
5. Socioeconomic Innovation Partnerships	Purpose: To enhance the growth and development priorities of government through targeted STI-based interventions and the development of strategic partnerships with other government departments, industries, research institutions and communities, as well as the provision of statistics and analyses for system-level monitoring and evaluation.	1 757,6	1 765,9	1 845,3	1 927,9
<b>Total expenditure estimates</b>		<b>9 145,2</b>	<b>10 874,2</b>	<b>10 523,7</b>	<b>10 105,0</b>

Source: National Treasury ENE (2023)

Table 2 shows an overview of the 2023/24 Budget and Medium-Term Expenditure Framework (MTEF) Estimates. The department's expenditure is expected to increase at an average annual rate of 3.4 per cent, from R9.1 billion in 2022/23 to R10.1 billion in 2025/26. Transfers and subsidies account for an estimated 94 per cent (R29.7 billion) of total expenditure over the MTEF period. The second-largest cost driver is compensation of employees, spending on which increases from R357.7 million in 2022/23 to R403.8 million in 2025/26 at an average annual rate of 4.1 per cent.

### 3.2. Economic Classifications Allocations over the 2023 MTEF

**Table 3: Budget Estimates under Economic Classification**

Economic Classification	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2022/23	2023/24	2022/23 – 2023/24		2022/23 – 2023/24	
R million						

Compensation of Employees	357,6	370,5	12,9	- 4,4	3,61 per cent	-1,23 per cent
Goods and Services	222,2	207,4	- 14,8	- 24,5	-6,66 per cent	-11,02 per cent
Transfers and subsidies	8 554,1	10 285,8	1 731,7	1 251,2	20,24 per cent	14,63 per cent
Payments for capital assets	11,2	10,4	- 0,8	- 1,3	-7,14 per cent	-11,48 per cent
Payments for financial assets	0	0	0	0	0	0
<b>Total</b>	<b>9 145,1</b>	<b>10 874,1</b>	<b>1 729,0</b>	<b>1 221,1</b>	<b>18,91 per cent</b>	<b>13,35 per cent</b>

Table 3 shows the Departments overall budget allocation per economic classification. The 2023/24 budget increases in Transfers and Subsidies at approximately 14.6 per cent above inflation. There highest reduction in budget is under Goods and Services with reduction from R222.2 million to R207.4 million. Payments of capital assets decreased from R11.2 million to R10.4 million.

#### 4. Budgetary allocations per programme

##### 4.1. Programme 1: Administration

This programme plays an important role in giving effect to first priority of the NDP, that is, to build a capable, ethical and developmental state. This priority is also expressed in the MTSF for the five-year term 2019-2024, as a crucial mode that is required to achieve Vision 2030. This includes capacity-building programmes for the financial year 2023/24 that will target officials who have identified training programmes for their professional development as well as officials who have identified programmes to assist them in addressing skills needs and competencies required to deliver the outcomes of the Department.

**Table 4: Programme 1 Budget Allocation 2022/23 – 2023/24.**

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2022/23	2023/24	2022/23 – 2023/24		2022/23 – 2023/24	
R million						
1. Ministry	5,8	5,7	- 0,1	- 0,4	-1,72 per cent	-6,31 per cent

2. Institutional Planning and Support	162,7	169,5	6,8	- 1,1	4,18 per cent	-0,69 per cent
3. Corporate Services	177,8	163,1	- 14,7	- 22,3	-8,27 per cent	-12,55 per cent
4. Office Accommodation	5,7	5,7	0,0	- 0,3	0,00 per cent	-4,67 per cent
<b>TOTAL</b>	<b>352,0</b>	<b>344,0</b>	<b>- 8,0</b>	<b>- 24,1</b>	<b>-2,27 per cent</b>	<b>-6,84 per cent</b>

Table 4 shows the budget allocation in programme one. There is an overall decrease in the budget from R352 million in 2022/23 to R344 million in 2023/24, which is a nominal decrease of 2.2 per cent and a 6.8 per cent decrease when inflation adjusted. Majority of the budget allocation in the programme was to sub-programme two of Institutional planning and support, which received R169.5 million. The highest decrease in budget was in subprogramme three of Corporate Services, decreasing from R177.8 million to R163.1 million.

#### 4.2. Programme 2: Technology Innovation

Programme Objectives:

- Facilitate and make strategic investments in space science and technology, energy, the bioeconomy, nanotechnology, robotics, photonics, indigenous knowledge systems, intellectual property management, technology transfer and technology commercialisation over the medium term by:
  - Funding and/or maintaining 60 instruments to support the use of knowledge.
  - generating 366 knowledge products (including published peer-reviewed scientific articles and the filing of applications for, or the registration or granting of, intellectual property rights)
  - developing and approving 14 science, technology, and innovation strategic policy directives to enhance understanding and analyses that support the implementation of relevant interventions.
  - developing and/or maintaining 12 decision support interventions to improve the delivery of government services or functions.

**Table 5: Programme 2 Budget Allocation 2022/23 – 2023/24.**



Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2022/23	2023/24	2022/23 – 2023/24		2022/23 – 2023/24	
R million						
1. Space Science	286,0	986,5	700,5	654,4	244,93 per cent	228,82 per cent
2. Hydrogen and Energy	253,4	198,0	- 55,4	- 64,6	-21,86 per cent	-25,51 per cent
3. Bio-innovation	248,9	210,3	- 38,6	- 48,4	-15,51 per cent	-19,45 per cent
4. Innovation Priorities and Instruments	1 058,6	1 112,4	53,8	1,8	5,08 per cent	0,17 per cent
5. National Intellectual Property Management Office	56,3	56,3	0,0	- 2,6	0,00 per cent	-4,67 per cent
6. Office of the Deputy Director-General: Technology Innovation	3,9	4,9	1,0	0,8	25,64 per cent	19,77 per cent
<b>TOTAL</b>	1 907,1	2 568,4	661,3	541,3	34,68 per cent	28,38 per cent

Table 5 shows the budget allocation for programme two. There is an overall increase in the budget from R1.9 billion in 2022/23 to R2.56 billion in 2023/24, which is a nominal increase of 34.6 per cent and 28.4 per cent when inflation adjusted. The main contributor to the significant increase in the overall budget is from sub-programme one of space science which had an increase from R286 million to 986.5 million (228 per cent real increase). Subprogramme one of Space Science supports the creation of an environment conducive to the implementation of the national space strategy and the South African Earth observation strategy, and one that addresses the development of innovative applications and human capital to respond to national priorities and support socioeconomic development.

#### 4.3. Programme 3: International Cooperation and Resources

Programme Objectives:

- Maximise South Africa's strategic interests in science, technology and innovation through international cooperation and promote a transformed, inclusive, responsive and

coherent national system of innovation by leveraging resources through 129 projects with donor funders by March 2025.

- Develop human capabilities and skills for the economy by securing opportunities for 1 270 South African students to participate in international programmes over the medium term.
- Use knowledge for economic development in revitalising existing industries and stimulating research and development-led industrials by supporting 51 initiatives targeting the objectives of Agenda 63 and 51 initiatives focused on the Southern African Development Community’s regional indicative strategic development plan by March 2025.
- Support innovation within a capable state by engaging with 36 science, technology, and innovation leaders in multilateral forums by March 2025.

**Table 6: Programme 3 Budget Allocation 2022/23 – 2023/24.**

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2022/23	2023/24	2022/23 – 2023/24		2022/23 – 2023/24	
R million						
1. Multilateral Cooperation and Africa	33,4	33,1	- 0,3	- 1,8	-0,90 per cent	-5,53 per cent
2. International Resources	69,0	68,9	- 0,1	- 3,3	-0,14 per cent	-4,81 per cent
3. Overseas Bilateral Cooperation	44,3	42,7	- 1,6	- 3,6	-3,61 per cent	-8,11 per cent
4. Office of the Deputy Director-General: International Cooperation and Resources	2,8	5,1	2,3	2,1	82,14 per cent	73,63 per cent
<b>TOTAL</b>	149,5	149,8	0,3	- 6,7	0,20 per cent	-4,48 per cent

Table 6 shows the budget allocation for programme three. There is an no change in the overall budget allocation from 2022/23 to 2023/24, reflecting a decrease in spending power when inflation is factored in. Majority of the budget in the programme is allocated to sub-programme two of International Resources a total of R68.9 million, which is no difference from the previous financial year.

#### **4.4. Programme 4: Research, Development and Support**

Programme objectives:

- Contribute to the development of representative, high-level human capital that can pursue locally relevant, globally competitive research and innovation activities over the medium term by:
  - awarding 9 600 bursaries to doctoral students
  - awarding 12 000 bursaries to pipeline postgraduate (BTech, honours and masters) students.
  - placing 2 250 graduates and students in department-funded work preparation programmes in science, engineering and technology institutions.
- Contribute to a transformed, inclusive, responsive and coherent national system of innovation by:
  - maintaining the number of research infrastructure grants at 30 over the medium term
  - increasing the total available broadband capacity provided by the South African National Research Network from 6 500 Gbps in 2023/24 to 7 100 Gbps in 2025/26.
- Increase knowledge generation and innovation output by:
  - maintaining the total number of researchers awarded grants through programmes managed by the National Research Foundation at more than 10 500 over the medium-term.
  - maintaining the number of research articles published by researchers funded by the National Research Foundation and cited in the Web of Science database at more than 23 400 over the medium-term.
  - completing the production of the L-band receivers for the additional MeerKAT antennae by 2023/24 and installing the receivers by 2024/25.

- installing 4 MeerKAT extension antennae by 2023/24 and 9 MeerKAT extension antennae by 2024/25, and fully commissioning and integrating 13 MeerKAT antennae with the 64-dish MeerKAT telescope by 2025/26
- conducting 45 initiatives promoting public awareness of and engagement with science over the medium term.
- publishing the South African public relationship with science survey report by 2023/24 and conducting a country comparison study by 2025/26.

**Table 7: Programme 4 Budget Allocation 2022/23 – 2023/24.**

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2022/23	2023/24	2022/23 – 2023/24		2022/23 – 2023/24	
R million						
1. Human Capital and Science Promotions	2 756,2	2 780,4	24,2	- 105,7	0,88 per cent	-3,83 per cent
2. Science Missions	112,6	257,0	144,4	132,4	128,24 per cent	117,58 per cent
3. Basic Science and Infrastructure	958,8	1 241,5	282,7	224,7	29,48 per cent	23,44 per cent
4. Astronomy	1 147,4	1 763,1	615,7	533,3	53,66 per cent	46,48 per cent
5. Office of the Deputy Director-General: Research, Development and Support	4,1	4,1	0,0	- 0,2	0,00 per cent	-4,67 per cent
<b>TOTAL</b>	<b>4 979,1</b>	<b>6 046,1</b>	<b>1 067,0</b>	<b>784,6</b>	<b>21,43 per cent</b>	<b>15,76 per cent</b>

Table 7 shows the budget allocation for programme four. There is an overall increase in the budget from R4.98 billion in 2022/23 to R6 billion in 2023/24, reflecting a nominal increase of 21.4 per cent or 15.7 per cent when inflation adjusted. Most of the budget in this programme is to sub-programme one of Human Capital and Science Promotions receiving an allocation of R2.78 billion in 2023/24. Human Capital and Science Promotions formulates and implements policies and strategies that address the availability of human capital for science, technology and innovation;

provides fundamental support for research activities; and contributes to the development of a society that is scientifically literate and knowledgeable about science. Subprogrammes two, three, and four were allocated budgets that are significantly above inflation, with subprogramme two of space missions receiving a 117.6 real increase in budget.

#### **4.5. Programme 5: Socioeconomic Innovation Partnerships**

Programme Objectives:

- Inform and influence how science and technology can be used to achieve inclusive development through knowledge, evidence and learning over the medium term by:
  - publishing 30 knowledge products on innovation for inclusive development
  - maintaining and improving 14 decision support systems generating 46 learning interventions.
- Identify, grow and sustain niche, high-potential science, technology and innovation capabilities for sustainable development and the greening of society and the economy by fully funding and co-funding 384 honours, masters and doctoral students, and adding 30 knowledge and innovation products to the intellectual property portfolio over the medium term.
- Identify, grow and sustain niche, high-potential science, technology and innovation capabilities that improve the competitiveness of existing industries with growth potential in aerospace, advanced manufacturing, chemicals, advanced metals, mining, ICT and sector innovation funds; and facilitate the development of new targeted industries led by research and development over the medium term by:
  - fully funding or co-funding 1 465 masters and doctoral students, and 600 interns
  - adding 145 knowledge and innovation products to South Africa's intellectual property portfolio funding 15 instruments in support of increased localisation, competitiveness and industrial development led by research and development.
- Introduce and manage interventions and incentive programmes that increase the level of private-sector investment in scientific or technological research and development by providing pre-approval decisions within 90 days of the date of receipt of applications for the research and development tax incentive on an ongoing basis.

**Table 8: Programme 5 Budget Allocation 2022/23 – 2023/24.**

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2022/23	2023/24	2022/23 – 2023/24		2022/23 – 2023/24	
R million						
1. Sector Innovation and Green Economy	1 092,3	1 096,0	3,7	- 47,5	0,34 per cent	-4,35 per cent
2. Innovation for Inclusive Development	381,7	384,7	3,0	- 15,0	0,79 per cent	-3,92 per cent
3. Science and Technology Investment	25,4	25,3	- 0,1	- 1,3	-0,39 per cent	-5,05 per cent
4. Technology Localisation, Beneficiation and Advanced Manufacturing	256,1	256,4	0,3	- 11,7	0,12 per cent	-4,56 per cent
5. Office of the Deputy Director-General: Socioeconomic Innovation Partnership	2,2	3,4	1,2	1,0	54,55 per cent	47,33 per cent
<b>TOTAL</b>	<b>1 757,7</b>	<b>1 765,8</b>	<b>8,1</b>	<b>- 74,4</b>	<b>0,46 per cent</b>	<b>-4,23 per cent</b>

Table 8 shows the budget allocation for programme five. There is an overall slight increase of R8.1 million in the budget from R1.75 billion in 2022/23 to R1.76 billion in 2023/24, which is a nominal increase of 0.4 per cent, but a 4.2 per cent decrease when inflation adjusted. Majority of the budget in 2023/24 is allocated to sub-programme one of Sector innovation and Green Economy which was allocated R1.09 billion, showing is a real decrease of 4.4 per cent from the previous year. The budget allocation is below inflation in all sub-programmes except sub-programme five. This shows that the department will have less spending power than the previous year in this sub programme.

## 6. Transfers to Entities

**Table 10: Transfers to the DHET Entities 2022/23 – 2023/24**

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2022/23	2023/24	2022/23 – 2023/24		2022/23 – 2023/24	
R million						
1. Academy of Performance South Africa	35,5	35,6	0,1	- 1,6	0,28 per cent	-4,40 per cent
2. Council for Scientific and Industrial Research	3 089,9	3 385,7	295,8	137,7	9,57 per cent	4,45 per cent
3. Human Sciences Research Council	833,9	570,8	- 263,1	- 289,8	-31,55 per cent	-34,75 per cent
4. National Research Foundation	4 300,2	4 871,7	571,5	343,9	13,29 per cent	8,00 per cent
<b>TOTAL</b>	<b>8 259,5</b>	<b>8 863,8</b>	<b>604,3</b>	<b>190,3</b>	<b>7,32 per cent</b>	<b>2,30 per cent</b>

Table 10 shows the budget to the Departmental entities. The table shows a significant reduction in the budget of the Human Sciences research council (HSRC), dropping from R833.9 million in 2022/23 to R570.8 million in 2023/24, reflecting a decrease of 34.8 per cent in real terms. This shows a significant reduction on spending power for the entity. The entity with the highest increase in budget is to National Research Foundation (NRF) with an allocation of R4.87 billion in 2023/24, or 8 per cent real increase.

## **8. Committee Deliberations on DSI APP and Budget**

### **8.1. Committee Observations on National Department of Science and Innovation (DSI)**

The Committee, having considered and deliberated on the Annual Performance Plans 2023/24 of the Department of Science and Innovation made the following key observations and requests:

- For the DSI to provide an update on the challenges and progress made whilst working alongside the Department of Tourism and the Northern Cape Provincial Government; What were the details of the appointed service providers in terms of expectations and

responsibilities, and why could such not be fulfilled by one of the public partners; the DSI to highlight an oversight method linked to the mentioned National Astro-tourism Strategy, and to say how the Committee could assist the DSI to achieve its intended outcomes. If the Department could elaborate on the identified gaps in the DSI legislation and policy which were the potential cause for the underfunding; the DSI to clarify who the ‘large private sector funded’ was; the DSI to list the potential risk factors which might cause the country to lose the mentioned advantages provided for by the Northern Cape; and the Department to highlight an oversight needed for the geographical advantage which the Committee might assist in achieving the intended outcome.

- How the Department was improving the spatial footprint of innovation to address rural and township exclusion; How were the public entities (which fell under the DSI) assisting in improving the spatial footprint of innovation to address rural and township exclusion; how the DSI was ensuring that the public understood and appreciated the work done in the previous financial year by highlighting achievement in each province; if the DSI could elaborate on the work done in the first month of 2023/2024 link in the National Science Engagement co-ordinating role; if the DSI could elaborate on its partnership with the South African Agency for Science and Technology Advancement (SAASTA) and non-traditional National System of Innovation (NSI) players. The committee also requested the DSI to elaborate on the successes and challenges experienced when monitoring those entities during the experimental training. Related to the recent outbreak of Cholera, how was the Department intervening to lessen the impact of Cholera in different communities such as Tshwane.
- The plans to roll out infrastructure and connectivity to rural areas. In the Northern Cape, which was mostly rural and had vast open lands, there was a huge problem with reaching the police or the ambulance due to lack of connectivity (loadshedding), and that created a lot of issues for those communities. What was the DSI doing to mitigate that? What partnerships did it have with the South African Police Services (SAPS) and the Health Department which could aid in such situations.
- The impact of the global pandemic on African medicine practitioners and their participation. Could the DSI share what was concluded in that regard. Were those



practitioners adding any value to research on epidemiology? When and how had the DSI been involving the said practitioners?

## 9. Response by DSI

The Department of science and innovation, in response to the committees' observations, responded as follows:

- In response to the Astro-tourism strategy, the Department reported that this was a joint project between DSI and the Department of Tourism. It required a lot of data and information of potential services which were needed to identify the potential facilities which could be used for the project. The DSI would be willing to provide information on the costs, etc., that was valuable. The intention of the strategy was to use the facilities in the Northern Cape region, and other tourist regions in the country. That strategy was a medium-long term strategy. The DSI thought about how to make the country more attractive to tourists and was willing to provide more feedback on that. It identified investments which it made strategies on. He said he had to engage a lot with local role-players.
- Regarding the question around risk, the Department reported that there was the passing of legislation which protected the astronomy areas as geographic advantage areas. There were procedures which had to be followed with the Act. Mining, cell phone reception, all impacted the astronomy geographic advantage areas, but measures had been put in place there to mitigate that. The entity was adopting a very developmental approach to the challenges. It was working with other role-players on its risk register.
- Regarding SAASTA, the entity made a major amendment last year to an Act to empower the SAASTA to play a larger role in terms of science engagement. The SAASTA was building capacity to do science engagement; that area was very important. The entity had the National Science Week, there were science centres, and the entity had traditional and non-traditional partners. Non-Governmental Organisations (NGOs) were set up by young people who were going out to mentor other young people. The DSI put out a call asking where it could assist with providing funding support to assist with materials for workshops. In the upcoming years, the DSI would enhance its budget for science

engagement to assist various persons. It wanted to accelerate the implementation of science engagement across all types of sectors.

- On building capability for African traditional medicine, enablers were required. An active indigenous knowledge systems programme ensured the protection of indigenous knowledge(s). They were also engaging in training with the African medical practitioners, which was a vital principle of democracy, to give credence to prior learning. Many efforts were made to ensure that the DSI reached out to all nine provinces regarding spatial footprints. It had initiatives such as the M-LAB facilities in the Northern Cape and Gauteng. It had recently set up ‘living labs’ which were in close contact with local players; those were spaces where young people could go in and try new technologies. There were research agencies which the DSI had which were community-based projects. That was all to ensure that science and technology reached as far as possible. Colleagues in Project 5 were working on a database system which would allow the Committee to get a picture of what existed, that was being developed in the current year.
- Regarding the critical skills of TVET graduates, the DSI did not focus on general skills but on the areas which were defined as crucial skills and had identified capabilities through its internship programmes. An example was hydrogen in the fuel cell space. The entity had been deepening its partnership with higher education to be able to enhance its skills.
- It was reported that the DSI needed to develop the Astro-strategy based on scientific astronomy facilities in the country, such as the big telescope in Sutherland. The International Council intended to increase the satellite dishes in the next seven or eight years, to increase them to about 100 dishes. The DSI wondered if it could take advantage of posting such facilities to link tourists who visit the country without interfering with the research being done.
- The concept was like that of Maboneng and Krugersdorp, where people were permitted to visit the sites with fossils. The DSI approached the Department of Tourism and the provincial government who both agreed that that would be a good idea. A consultant was then appointed who advised how to proceed, including the benchmark costs. A proposition was made to establish a science visitors’ centre, which was complete, and funds were being raised.

- Regarding the NSI underfunding, each year, a research and development study survey was conducted on how much money was spent by the universities. And the said studies have shown a decline in investment in the private sector's contribution since the global pandemic. The DSI was trying to develop a strategy on how to re-engage the private sector, there was progress made in that regard. The DSI was concerned for the large companies that did not do research. The entity was hopeful of getting more private sector funding. It was successful in working with the private sector companies (and he proceeded to list said companies). There was investment in the private sector, but not enough, unfortunately. They also encouraged the government to continue with research and development tax incentives.
- Regarding the improvement of spatial footprint in rural areas, there were two main programmes over and above what was already mentioned. The DSI had a range of technology stations located in almost every province. It tried to create awareness for grassroots innovators and worked closely with municipalities to innovate within the provinces and municipal levels. The DSI was doing nothing regarding Cholera because it would only do research if there was an unknown strain of Cholera for which the treatment did not exist. The entity did not think it was necessary to intervene in the challenges.
- The DSI was not under the mandate to roll out broadband for society in general, only for post-school education and training institutions. Institutions needed broadband to do work. The DSI was, however, working with the Department of Communication and Digital Technologies on how they could contribute to universal access to broadband. The communication satellite would enable communication anywhere, provided a device to pick up the signal. This would be vital in cases of emergencies.
- In response to the impact of the global pandemic on African medicine practitioners and their participation, the DSI had an indigenous knowledge system strategy which tried to develop indigenous knowledge as a knowledge system. The DSI was working with traditional leaders and houses to help identify knowledge holders in all provinces. Those who contributed to the knowledge creation would be respectively accredited for their contribution. At various universities, Bachelors' degrees were developed, and traditional African Medicines institutes were developed. Here they showcased knowledge and tried

to look at ingredients responsible for treatment. During the global pandemic, the DSI reached out to the communities of traditional leaders' knowledge holders and asked if any had ideas on how to treat the disease. Several came forward with their ideas. The DSI escalated those ideas for approval. The DSI was close to taking it to market. The Council for Scientific and Industrial Research (CSIR) was supported through the biomanufacturing industry development centre.

#### **10. Committee recommendations**

Upon Deliberations with DSI, the committee provided the following recommendations to be actioned by the Department:

- The Department is to submit a comprehensive detailed document explaining the Astro-tourism project between DSI and the Department of Tourism to the committee by the end of July 2023.

#### **11. Conclusion**

Having satisfied itself in its engagement with the Department of Science and Innovation on their Annual Performance Plan and Budget, the Select Committee on Education and Technology, Sports, Arts and Culture recommends that Budget Vote 35: Science and Innovation be adopted and that the House approves Budget.

**Report to be considered.**

## **6. Report of the Select Committee on Education and Technology, Sports, Arts and Culture on Budget Vote 37: Sport, Arts and Culture, dated 14 June 2023**

The Select Committee on Education and Technology, Sports, Arts and Culture, having considered Budget Vote 37: Sport, Arts and Culture, reports as follows:

### **1. INTRODUCTION**

The Department of Sport, Arts, and Culture (the Department) derives its mandate from the United Nations Sustainable Development Goals, National Development Plan, and the Medium-Term Strategic Framework, to shape its plans such as the Strategic Plan and the Annual Performance Plans.

The Select Committee on Education and Technology, Sports, Arts and Culture (the Committee) considered the Budget and the 2023/24 Annual Performance Plan (APP) of the Department of Sport, Arts, and Culture (the Department) on Wednesday, 31 May 2023. The budget review briefing served to acquaint the 6th Parliament Select Committee with the mandate, programmes and priorities of the Department.

This report gives a summary of the presentation made by the Department to the Committee, focusing mainly on the 2023/24 Annual Performance Plan and the 2020 Medium Term Expenditure Framework (MTEF) allocations. The report also provides the Committee's key deliberations and recommendations relating to Vote 37.

#### **1.1. Purpose of the Budget Vote 37**

The purpose of the Vote is to provide an enabling environment for the sport, arts and culture sector by developing, transforming, preserving, protecting and promoting sport, arts and culture at all levels of participation to foster an active, winning, creative and socially cohesive nation.

### **2. METHOD**

The Committee considered the 2020 – 25 Strategic Plans and 2023/24 APPs and budgets of the Department. This was considered against the background of key Government policy documents, including, amongst others, the National Development Plan (NDP), the 2019 – 2024 Medium Term Strategic Framework (MTSF), and the 2023 State of the Nation Address (SONA). The Committee also engaged the Office of Auditor-General of South Africa (AGSA) who provided a briefing on

the status of records of review, material irregularities and a review of the DSAC APP. Committee meetings continue to be hosted virtually because of the impact of the 2022 fire.

### **3. STRATEGIC OVERVIEW OF THE DEPARTMENT OF SPORT, ARTS AND CULTURE**

The DSAC APP outlines how the Department's strategic outcomes align with the policy priorities of the National Development Plan: Vision 2030 (NDP), the Economic Reconstruction and Recovery Plan (ERRP) and the State of the Nation Address (SONA) over the Medium Term Strategic Framework (MTSF).

For the 2023/2024 financial year, the Department has committed to focus on core projects which align with Government priorities. In its effort to translate the broad policy statements into implementable programmes, the Department's outcomes will be realised through the implementation of various projects and interventions. These projects focus on the economic contribution of the sector; the DSAC's lead role in building a diverse, socially cohesive society; transforming the sector through capacity building; providing integrated and accessible Sport, Arts and Culture (SAC) infrastructure and information; and the ongoing strive for compliant and responsive governance.

#### **3.1. DSAC Outcomes**

- *DSAC Outcome: Increased Market Share of and Job Opportunities Created in Sport, Cultural and Creative Industries*

The prioritisation of the Cultural and Creative Industries (CCIs) sector as one of the seven focus areas in the country's revised industrial policy is encouraging. Especially as the creative economy accounts for 6% of all employment in South Africa (an estimated 1 million jobs). The Mzansi Golden Economy (MGE) strategy seeks to create economic and job opportunities in the arts, culture, and heritage sector. This is achieved by supporting programmes designed to develop audiences, stimulate demand, increase market access, and develop skills. In 2023/24, the Department aims to create 12 000 job opportunities across the workstreams and cultural development programmes of the Mzansi golden economy strategy and 40 000 job opportunities through the presidential employment initiative.

- *DSAC Outcome: A Diverse, Socially Cohesive Society with a Common National Identity*

The Department with its various partners and stakeholders are reviewing the Social Cohesion Strategy. This is to refocus efforts and improve the response to what the NDP calls for. To this end, it is worthy to note that the Department is fiercely advocating for all relevant parties to sign the Social Cohesion and Nation Building Compact. While all sectors have been mobilised, the compact has as yet not been signed and requires serious intervention at a national government level.

- *DSAC Outcome: Transformed, Capable and Professional Sport, Arts and Culture Sector*  
 In 2023/24, the Department will continue with its efforts to transform the sector through capacity building. This is done through, among other interventions, the provision of bursaries in heritage and language practice; support to national sporting federations; incubators and other capacity building initiatives. It is encouraging to note that the face of the creative economy is changing with younger workers being more representative of the demographics of the country. Given the Creative Industry's changing skills requirements as the sector pivots to digital platforms in the Fourth Industrial Revolution (4IR), education and skills development must remain a priority.
- *DSAC Outcome: Integrated and Accessible SAC Infrastructure and Information*  
 Infrastructure development is critical to attaining South Africa's long-term economic and social goals. The construction of infrastructure generates employment and broad-based black economic empowerment opportunities, further contributing to the goals of the National Development Plan (NDP). The ERRP highlights infrastructure investment as one of the key initiatives that are intended to ensure employment opportunities, skills transfer and development, and much-needed economic growth. With the ongoing challenges in the implementation of certain infrastructure projects, DSAC has identified, as a priority, the resuscitation of the internal Infrastructure Committee to monitor projects and finalise implementation of the norms and standards framework. This is however dependent on the availability of funding.
- *DSAC Outcome: Compliant and Responsive Governance*  
 Towards achieving compliant and responsive governance the Department capacitates human resources through the internship programme, whilst service delivery is enhanced by timeously paying invoices; by modernising manual Information Technology (IT) services

and by holding at least nine (9) focused engagements (izimbizo) with small groups of people on an annual basis.

The Department has devised a range of high impact projects to respond to the outcomes and focus areas. These include, among others, the amalgamation of entities; the provision of Government support to anti-doping agencies; support high-performance athletes to achieve success at international events; and support to practitioners through the SAC academies, centres of excellence and incubators.

### **3.2. Legislative and Policy Environment 2023/24**

Over the MTSF, the Department's policy and legislative programme is be guided by two White Papers. The White Paper for Arts and Culture needs to be implemented so that it can contribute to the transformation of the sector. The White Paper for Sport and Recreation will co-exist with that of Arts and Culture. The 2023/24 APP notes that the Department is in the process of developing and/or reviewing legislation, policies and framework documents. The following, amongst others, will be focused on in the 2023/24 financial year:

#### **3.2.1. Legislation**

The Department will focus on tabling three bills, namely: the National Sport and Recreation Amendment Bill, 2021; the South African Geographical Names Council Amendment Bill, 2021 and the Heraldry Bill, 2023.

#### **3.2.2. Plans and Policies**

- The Department will review the **National Sport and Recreation Plan** that was approved by Cabinet in 2012.
- The **Athlete Support Policy**, developed in 2016 and updated in 2022/23 will be implemented in 2023/24 to assist, through direct funding, emerging athletes who can compete for senior provincial and national sports teams.
- The review of the **South African Sport Academies Strategic Framework and Policy Guideline** will be completed.
- The **Safeguarding in Sport Policy** will be completed.
- The **Prioritisation of Sport and Recreation Bodies Policy** was drafted and circulated to National Federations for comment and inputs and will be completed by March 2024.



- **Recognition of Excellence Policy** which seeks to define and guide categories, processes, procedures, and incentives for the recognition and honouring of sport persons planned for completion in early 2023 for the implementation in the current financial year.

The mandate of the Department is wide and inclusive of interventions that are central to the holistic advancement of the nation. However, the budget allocation remains virtually unchanged as the following section of the report shows.

#### 4. SUMMARY OF BUDGET EXPENDITURE (2023/24)

The total budget allocation for the 2023/24 financial year is R6.29 billion. The Department organises its expenditure under four programmes, these are:

- Programme 1: Administration (R453.2 million);
- Programme 2: Recreation Development and Sport Promotion (R1.46 billion);
- Programme 3: Arts and Culture Promotion and Development (R1.75 billion); and
- Programme 4: Heritage Promotion and Preservation (R2.63 billion).

The table below reflects the budget allocation for 2023/24 and over the medium term.

**Table 1: Overall Budget Allocation 2022/23 – 2025/26**

R million		2022/23	2023/24	2024/25	2025/26
		Total	Total	Total	Total
<b>MTEF allocation</b>					
1: Administration	Purpose: Provide strategic leadership, management and support services to the Department.	457,9	<b>454,7</b>	427,0	490,3
2: Recreation Development and Sport Promotion	Purpose: Support the provision of mass participation opportunities, the development of elite athletes, and the regulation and maintenance of facilities.	1 427,0	<b>1 448,9</b>	1 514,4	1 586,5
3: Arts and Culture Promotion and Development	Purpose: Promote and develop arts, culture and languages, and implement the national social cohesion strategy.	1 752,1	<b>1 791,2</b>	1 391,4	1 453,9
4: Heritage Promotion and Preservation	Purpose: Preserve and promote South African heritage, including archival and heraldic heritage. Oversee and transfer funds to libraries.	2 668,6	<b>2 662,9</b>	2 782,3	2 905,1
<b>Total expenditure estimates</b>		<b>6 305,5</b>	<b>6 357,7</b>	6 160,1	6 435,8

Source: National Treasury ENE (2023)

The following points are for noting when considering the budget over the medium term:

- Total expenditure is expected to increase at an average annual rate of 0.7%, from R6.30 billion in 2022/23 to R6.43 billion in 2025/26. Transfers and subsidies account for an estimated 80.4% (R15.22 billion) of the Department's spending over the medium term.
- The Department's total budget over the medium term is R18.95 billion which includes a baseline increase of R26.40 million for salary adjustments. Annual budget allocations fluctuate across the MTEF with the allocation projected to decrease to R6.12 billion in 2024/25 and increase thereafter to R6.44 billion in 2025/26. When the projected inflation rates are (2023/24: 4.9%; 2024/25: 4.8%; and 2025/26: 4.7%) taken into consideration, the cumulative growth rate between 2022/23 and 2025/26 is -3.9%.

For the 2023/24 financial year:

- The total budget allocation is R6.35 billion.
- The total national appropriation by vote is R1.08 trillion, and thus the Department's allocation is approximately 0.8% of this total.
- Transfers and Subsidies decreases by R19.8 million, from R5.09 billion in 2022/23 to R5.07 billion, and represents 79.8%, of the budget allocation.
- Payments for Capital Assets increases by R127.3 million from R158.7 million in 2022/23 to R286.0 million (or 4.5%) of the total budget allocation.
- Current Payments, comprised of Compensation of Employees and Good and Services, decreases by R55.3 million, from R1.05 billion in 2022/23 to R999.0 million (or 15.7%) of the budget allocation.
  - Compensation of Employees remains almost unchanged and decreases slightly from R385.8 million in 2022/23 to R385.3 million.
  - Good and Services decreases by R54.8 million, from R668.5 million in 2022/23 to R613.7 million.

The line items for the economic classification Goods and Services are tabled below:

**Table 2: Good and Services: sub-categories**

Economic Classification	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2022/23	2023/24	2022/23 – 2023/24		2022/23 – 2023/24	
R million						
Goods and Services,	668,5	613,7	-54,8	-83,5	-8,2%	-12,5%

<i>of which:</i>						
<i>Advertising</i>	28,6	28,5	-0,1	-1,4	-0,35%	-5,0%
<i>Consultants: Business and advisory services</i>	67,8	41,7	-26,1	-28,0	-38,5%	-41,4%
<i>Contractors</i>	109,4	170,9	61,5	53,5	56,2%	48,9%
<i>Operating leases</i>	110,0	110,5	0,5	-4,7	0,4%	-4,2%
<i>Property payments</i>	37,5	34,8	-2,7	-4,3	-7,2%	-11,5%
<i>Travel and subsistence</i>	80,0	79,2	-0,8	-4,5	-1,0%	-12,5%

Source: National Treasury (2023), own calculations

Taking the total budget allocation into consideration, Programme 4: Heritage Promotion and Preservation receives the largest allocation at R2.66 billion, followed by Programme 3: Arts and Culture Promotion and Development with R1.79 billion. The lowest allocation is directed towards Programme 1: Administration, which receives R454.7 million in the 2023/24 financial year. Allocations for Programmes 1 and 4 are slightly lower compared to 2022/23, while for Programmes 2 and 3 allocations are slightly higher. When the projected inflation rate is applied, budget allocations across all programmes are lower than the 2022/23 allocations.

The report now considers budgetary allocations per programme.

#### 4.1. Budgetary allocations per programme

##### *Programme 1: Administration*

Purpose: Provide strategic leadership, management and support services to the Department.

This programme plays an important role in giving effect to first priority of the NDP, that is, to build a capable, ethical and developmental state. This priority is also expressed in the MTSF for the five-year term 2019-2024, as a crucial mode that is required to achieve Vision 2030. The outputs delivered in Programme 1 contribute predominately to DSAC Outcome 3: Transformed, capable and professional sport, arts and culture sector and Outcome 5: Compliant and responsive governance.

**Table 3: Programme 1 Budget Allocation 2022/23 – 2023/24.**

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2022/23	2023/24	2022/23 – 2023/24		2022/23 – 2023/24	
R million						
1: Ministry	4.6	4.7	0.1	-0.1	2.2%	-2.6%
2: Management	73.0	69.7	-3.3	-6.6	-4.5%	-9.0%

3: Strategic Management and Planning	22.1	20.1	-2.0	-2.9	-9.1%	-13.3%
4: Corporate Services	163.7	169.5	5.8	-2.1	3.5%	-1.3%
5: Office of the Chief Financial Officer	69.1	64.5	-4.6	-7.6	-6.7%	-11.0%
6: Office Accommodation	125.4	126.1	0.7	-5.2	0.6%	-4.1%
<b>TOTAL</b>	<b>457.9</b>	<b>454.7</b>	<b>-3.2</b>	<b>-24.4</b>	<b>-0.7%</b>	<b>-5.3%</b>

Source: National Treasury ENE (2023).

For the 2023/24 financial year, the budget allocation for this programme is R454.7 million. Compared to the previous financial year, this represents a nominal decrease of R3.2 million, or 0.7%. When considering the projected inflation rate of 4.9%, the allocation has decreased by R24.4 million, or 5.3%. The budget allocated to Programme 1 shows a cumulative growth rate of 2.3% over the MTEF, but decreases by 2.4% when the allocations are adjusted for the projected inflation rates over the medium term. Should inflation rates remain unchanged, this indicates that the Department will have less buying power over the medium term.

### ***Programme 2: Recreation Development and Sport Promotion***

Purpose: Support the provision of mass participation opportunities, the development of elite athletes, and the regulation and maintenance of facilities.

The outputs delivered in Programme 2 contribute predominately to DSAC Outcome 2: A diverse, socially cohesive society with a common national identity; Outcome 3: Transformed, capable and professional sport, arts and culture sector; and Outcome 4: Integrated and accessible SAC infrastructure and information.

Some the objectives of this programme will ensure:

- financial and non-financial support is provided to 60 sport and recreation bodies to improve service delivery over the medium term;
- transformation within the sport and recreation sector by helping sport federations reach their transformation targets by March 2024;
- assistance is provided to 50 municipalities over the medium term to comply with facility norms and standards by providing technical and/or management support during the construction phase of sport and recreation facilities;
- school sport is supported at district and national level;

- increased opportunities for mass participation in sport and recreation in all provinces by providing management and financial support on an ongoing basis; and
- the construction, development, maintenance, and upgrading of sport, heritage and library infrastructure.

Selected performance indicators for the 2023/24 financial year includes:

- 295 000 people actively participating in organised sport and active recreation events;
- 2 500 schools, hubs and clubs provided with equipment and/or attire as per established norms and standards;
- 3 700 athletes supported by sports academies; and
- 80 athletes supported through the scientific support programme.

**Table 4: Programme 2 Budget Allocation 2022/23 – 2023/24.**

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2022/23	2023/24	2022/23 – 2023/24		2022/23 – 2023/24	
R million						
1: Wining Nation	279.2	261.5	-17.7	-29.9	-6.3%	-10.7%
2: Active Nation	728.2	731.4	3.2	-31.0	0.4%	-4.2%
3: Infrastructure Support	419.5	456.0	36.5	15.2	8.7%	3.6%
<b>TOTAL</b>	<b>1 427.0</b>	<b>1 448.9</b>	<b>21.9</b>	<b>-45.8</b>	<b>1.5%</b>	<b>-3.2%</b>

Source: National Treasury ENE (2023)

When compared to the 2022/23 financial year, this programme's budget allocation has increased by R21.9 million or 1.5% in nominal terms. Over the medium term, the estimated cumulative growth rate for Programme 2 is 3.6% in nominal terms, but in fact decreases by 1.1% when considering the impact of inflation.

Sub-programme 2: Active Nation receives the highest portion of the budget, i.e. R731.4 million (or 50.5%), with sub-programme 1: Winning Nation receiving the smallest allocation of R261.5 million (or 18.0%). The highest increase in allocation is seen in sub-programme 3: Infrastructure Support, with an increase from R419.5 million in 2022/23 to R456.0 million in 2023/24. This represents a nominal increase of R36.5 million (or 8.7%) and a real increase R15.2 million (or 3.6%). Sub-programme 1: Winning Nation sees a nominal budget allocation reduction of R17.7 million (or 6.3%), with a real decrease of R29.9 million (or -10.7%).

About R9.0 million of the allocation to the mass participation and sport development grant in 2023/24 in the Active Nation sub-programme is earmarked for supporting South Africa's hosting of the 2023 Netball World Cup and to mobilise more than 6 000 people to participate in public viewing programmes to support the South African team. The Department invested R136.3 million between 2018/19 and 2023/24 to enable the hosting of the tournament.

### ***Programme 3: Arts and Culture Promotion and Development***

Purpose: Promote and develop arts culture and languages and implement the national social cohesion strategy.

The outputs delivered in Programme 3 contribute to all five departmental outcomes. These outputs will ensure:

- the promotion and development of official languages, and the support to efforts to increase qualified language practitioners through language bursaries;
- the development of the Cultural and Creative Industries (CCIs) through supporting practitioners and their enterprises in various cultural and creative sectors to gain access to both local and international markets;
- capacity-building projects are financially supported to enhance the ability of practitioners and enterprises to participate effectively in various stages of the value chain of their sector;
- provincial community arts development programmes have implemented that position and organise, community arts development to align with the overarching Government objectives of access and participation in the arts by South Africans; and
- the coordination of international engagements on the continent and globally and through its international relations work, the Programme further contributes to the Government priority on 'Better Africa and World';
- the promotion and support of programmes and partnership that foster nation-building and social cohesion, including Gender-Based Violence (GBV) and anti-femicide programmes;
- the increase in support to the creative industry, including placement of artists in schools to promote and support arts education through the MGE Strategy and the implementation of the PESP.

Selected performance indicators for the 2023/24 financial year include:

- the implementation of 20 community conversations or dialogues to foster social interaction;
- place 340 artists in schools;

- award 250 bursaries for the development of qualified language practitioners; and
- support 90 projects in the creative industry through the MGE programme.

**Table 5: Programme 3 Budget Allocation 2022/23 – 2023/24.**

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2022/23	2023/24	2022/23 – 2023/24	2022/23 – 2023/24	2022/23 – 2023/24	2022/23 – 2023/24
R million						
1: National Language Services	55.7	61.8	6.1	3.2	10.9%	5.8%
2: Pan South African Language Board	123.1	122.9	-0.2	-5.9	-0.2%	-4.8%
3: Cultural and Creative Industries Development	160.9	130.0	-30.9	-37.0	-19.2%	-23.0%
4: International Cooperation	43.0	41.6	-1.4	-3.3	-3.3%	-7.8%
5: Social Cohesion and Nation Building	69.5	68.4	-1.1	-4.3	-1.6%	-6.2%
6: Mzansi Golden Economy	694.3	744.8	50.5	15.7	7.3%	2.3%
7: Performing Arts Institutions	318.6	332.9	14.3	-1.3	4.5%	-0.4%
8: National Film and Video Foundation	155.9	156.8	0.9	-6.4	0.6%	-4.1%
9: National Arts Council	131.0	131.9	0.9	-5.3	0.7%	-4.0%
<b>TOTAL</b>	<b>1 752.1</b>	<b>1 791.2</b>	<b>39.1</b>	<b>-44.6</b>	<b>2.2%</b>	<b>-2.5%</b>

Source: National Treasury ENE (2023).

The budget allocation for this Programme is R1.79 billion for the 2023/24 financial year, which is a nominal increase of R39.1 million from 2022/23. Over the medium term, the estimated allocation will decrease by 6.0%, but when considering the projected inflation rates, the real decrease is 10.3%.

The highest allocation within Programme 3 is to sub-programme 6: Mzansi Golden Economy (MGE) which receives R744.8 million (or 41.6%) of the total budget for the programme. This is a nominal increase of R50.5 million from the R694.3 million allocated in the last financial year. This sub-programme also shows the highest percentage change in allocation, i.e. 1.9%. The lowest allocation in the programme is directed towards sub-programme 4: International Cooperation which receives R41.6 million (or 2.3%) of the programme budget.

The PESP was launched in October 2020 to mitigate the economic impact of the COVID-19 pandemic across all sectors. The initiative's reach into the creative industry is realised through the

creative industries stimulus, which is allocated R462 million in 2023/24 to create a targeted 40 000 jobs.

***Programme 4: Heritage Promotion and Preservation***

Purpose: Preserve and promote South African heritage, including archival and heraldic heritage. Oversee and transfer funds to libraries.

The outputs delivered in Programme 4 contribute predominately to DSAC Outcome 2: A diverse, socially cohesive society with a common national identity; Outcome 3: Transformed, capable and professional sport, arts and culture sector; and Outcome 4: Integrated and accessible SAC infrastructure and information.

Through its sub-programmes, this Programme will:

- support and implement a range of projects including awarding heritage bursaries; books documenting Living Human Treasures; development of heritage policies, as well as the promotion of national identity utilising the flag at national days, major cultural and sporting events in schools, the Monument Flag Project and “I am the Flag” Campaign;
- operationalises heritage legacy projects; conceptualises and installs statues, monuments and memorials and develops the Resistance and Liberation Heritage Route as well as the implementation of alternative forms of memorialisation such as repatriation of human remains and objects;
- financially support newly built and/or modular libraries; and
- transform and standardise of geographical names.

Selected performance indicators for the 2023/24 financial year include:

- financially support 32 libraries; and
- award 45 students with heritage bursaries.

**Table 6: Programme 4 Budget Allocation 2022/23 – 2023/24.**

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2022/23	2023/24	2022/23 – 2023/24		2022/23 – 2023/24	
R million						
1: Heritage Promotion	66.1	54.1	-12.0	-14.5	-18.1%	-22.0%
2: National Archive Services	80.6	64.4	-16.2	-19.2	-20.1%	-23.8%
3: Heritage Institutions	632.2	649.8	17.6	-12.8	2.8%	-2.0%



4: National Library Services	146.6	153.6	7.0	-0.2	4.8%	-0.1%
5: Public Library Services	1 601.4	1 599.5	-1.9	-76.6	-0.1%	-4.8%
6: South African Heritage Resources Agency	62.8	62.2	-0.6	-3.5	-1.0%	-5.6%
7: South African Geographical Names Council	5.3	5.3	0.0	-0.2	0.0%	-4.7%
8: National Heritage Council	73.6	74.0	0.4	-3.1	0.5%	-4.1%
<b>TOTAL</b>	<b>2 668.6</b>	<b>2 662.9</b>	<b>-5.7</b>	<b>-130.1</b>	<b>-0.2%</b>	<b>-4.9%</b>

Source: National Treasury ENE (2023).

For the 2023/24 financial year, Programme 4 receives the bulk of the departmental budget, R2.66 billion or 41.9%. The total programme budget remains virtually unchanged, with a slight nominal decrease of R5.7 million, or 0.2%, compared to the previous financial year. Adjusted for inflation, the programme sees a real decrease of R130.1 million or 4.9%.

The highest increase in allocation is seen in sub-programme 3: Heritage Institutions. This sub-programme sees a nominal increase from R632.2 million in 2022/23 to R649.8 million in 2023/24, representing a nominal increase of R17.6 million, or 2.8%. Sub-programme 2: National Archives Services sees the biggest decrease in budget allocation in the programme. The allocation for this sub-programme decreases from R80.6 million in 2022/23 to R64.4 million in 2023/24. This is a nominal decrease of R16.2 million, or 20.1%. Adjusting this to the projected inflation rate results in a real decrease of R19.2 million, or 23.8%. A similar downward adjustment of budget allocation is seen in sub-programme 1: Heritage Promotion. The allocation for this sub-programme decreases from R66.1 million in 2022/23 to R54.1 million in 2023/24, representing a nominal decrease of R12.0 million, or 18.1%. In real terms, the decrease from the last financial year is R14.5 million, or 22.0%.

It should be noted that the Department has reprioritised an additional R44.8 million over the medium term to seven museums, including Ditsong Museums of South Africa, to address operational funding shortfalls arising from the devolution of municipal charges; and R8 million in 2023/24 to Freedom Park for the operationalisation of the Liliesleaf Farm Museum. These funds are reprioritised from the devolution of the municipal services function from the department to entities.

Of the 2023/24 allocation for this programme, R2.55 billion, or 95.7%, is classified as Transfers and Subsidies. Through this programme, the Department funds a significant number of entities

including, but not limited to, national museums, the National Heritage Council (NHC), SAHRA, and public library services. The latter (sub-programme 5 in the budget structure), transfers funds to Provincial Departments for conditional allocations towards community library services for constructing and upgrading libraries, hiring personnel and purchasing library materials, i.e. the Community Library Service Grant (CLSG). The budget allocation to this sub-programme is R1.599 billion, or 60.1% of the total programme budget.

The main aim of the CLSG is to transform urban and rural library infrastructure and services through targeting previously disadvantaged communities. In respect of the CLSG, this grant is allocated to the relevant provincial department and administered by that department or through a service-level agreement with municipalities. In collaboration with provincial Departments of Basic Education (DBE), the grant also funds libraries that serve both schools and the general public. Funds from this grant may also be used to enable the shift of the libraries function between provinces and municipalities. This Grant primarily contributes to Government Priority 6: Social cohesion and safe communities. The grant is allocated R4.9 billion over the next three years.

The Department plans to finance 32 newly built and/or modular libraries by the end of the 2023/24 financial year. A budget of R1.33 billion (current) and R239.7 million (capital) is being directed towards provincial revenue funds for the implementation of this project. The outputs, as outlined in the Division of Revenue Bill [B2 – 2023] for the CLSG for the 2023/24 financial year includes, among others:

- 27 new library structures completed;
- five new dual-purpose library structures completed;
- 310 000 library materials purchased;
- 11 upgraded library structures completed;
- 2 500 existing contract library staff maintained in all provinces; and
- 33 new staff appointed at public libraries to support the shifting of the function to provinces.

## **5. COMMITTEE OBSERVATIONS**

### **5.1. Observations in relation to the Department of Sport, Arts and Culture**

Having considered and examined the Departmental 2020 – 2025 Strategic Plan and 2023/24 Annual Performance Plan with associated budgets, the Committee made the following observations:

- There was a need to digitise all archival material.
- The Sports Ambassador programme currently has 21 sports ambassadors, members enquired on the gender, sport discipline and provinces of these ambassadors, as well as what school sports structures are being set up at a community level with the help of these sports ambassadors.
- The committee referred to the social cohesion programme that facilitates community dialogue. DSAC states in the presentation that they intend to teach capacity building and leave communities with tools to sustain dialogue so that there is continued impact after DSAC has left. They were requested to elaborate on how they will facilitate this development of capacity for dialogue in communities.
- The committee noted the National Youth Service programme which aims to increase civic participation of youth and for gaining employment skills. The committee wanted to know the provincial footprint of this programme and available job opportunities for the youth participating in this programme.
- The committee referred to the project for building more libraries and extending current libraries. They enquired whether the Department would ensure connectivity in these libraries for students and other patrons, especially in rural areas, and what was the timeline for this.
- The committee requested the Department to elaborate on the social cohesion programme and how will the programme be carried out across the country.
- The committee requested the Department to elaborate on the success stories of their bursary programme, including how many students have thus far received this bursary and how many have completed their course. They also enquired whether these students later received employment after graduation.
- The committee referred to a media report that claimed that the Gauteng Department of Sports, Arts, Culture and Recreation has failed to outline the type of equipment purchased for over R70 million in the past three financial years. The requested clarity on how it provides oversight on the procurement of equipment for sports, arts and culture in provinces.
- The committee stated that the reason that primary schools do not have sufficient sports and arts development programmes is due to a lack of resources, coaching and curriculum. They

enquired whether there was a working collaboration between the DSAC and DBE to ensure successful realisation of sports activities within primary education.

- There was a request on an update on the development of the Sports and Recreation Policy and as to whether it will reach finalisation by March 2024.
- The committee enquired about the library programme which aims to extend libraries to include measures for those that are visually impaired, or those who read differently. The Department was asked to outline on how the mini library will support those that are differently abled and who is determining the needs of those who are visually impaired or read differently to ensure libraries suitably provide this.
- The committee expressed the department's commitment to beautifying public spaces, involving youth, and increasing international engagement and cultural diplomacy within sports, arts, and culture. The Department was then requested to provide a progress update on the development of an International Relations Strategy for sports, arts and culture and the benefits achieved through such a strategy, and as to why this strategy was not developed in 2023/24.
- The committee referred to the development of a music policy and design policy for implementation in 2024/25, as well as a book and publishing policy. There was an inquiry on the process being followed in the planning, development and implementation of these three policies, and the reasons that have delayed these policies from being developed and implemented sooner.
- The committee noted that the Department intends to expand the sector for emerging artists, including through the Art Bank project. The committee enquired on how DSAC and the Art Bank SA ensures that emerging artists, especially those in rural areas, access skills training and nurturing from it.
- The committee spoke to the incubator and training programmes for artists that DSAC intends to facilitate. There is a budget allocation for companies that have achieved a reputation for the training of emerging artists. This is to ensure access to such programmes and allows artists to receive national accreditations. The committee enquired on what training programmes have been developed thus far, and why these are not being developed and implemented by the Department of Higher Education and DBE.

## **5.2. Responses by the Department of Sport, Arts, and Culture regarding members observations**

- In response to the strengthening of community dialogue, the DSAC reported that the Community Conversation programme will work twofold. Firstly, it will answer the call of communities dealing with problems and facilitate appropriate dialogues. Secondly, the Department will go into communities proactively to understand the issues that exist within these communities. Part of this programme is looking at working with community leaders, and traditional leaders. This programme intends to equip others within communities to continue to facilitate dialogue, and this project is in partnership with the UNDP.
- In response to the scope of the social cohesion programme. The DSAC reported that it will be facilitated by representatives from communities within provinces, and resources are given to these representatives. Engagement between this community representative and the Department will guide the Department as to what tools that community may need, and there is an exchange of information and knowledge. These representatives are also put into contact with facilitators in other provinces to ensure cohesion. Not all provinces have facilitators, but an analysis is being conducted in order to identify new facilitators in these provinces.
- In response to the Sports Ambassadors programme, the DSAC clarified that the Sports Ambassadors Programme consists of seven female ambassadors and 14 male ambassadors. As a pilot programme it was confined to Limpopo, Mpumalanga, and Gauteng. It is now being developed into other provinces and the number of ambassadors is intending to grow. The sports are confined to football, netball, athletics, rugby and boxing - those offered within the school curriculum. They are also offered life skills training and motivational talks.
- There are school sports structures at national and provincial levels and this is being implemented with the Department of Basic Education. This is established in the existing Memorandum of Understanding with DBE. However, the new memorandum intends to see how DBE can further ensure these sports structures are being implemented in schools. Challenges the Department faces are that educators in schools are not resourced to implement these structures, they cannot be properly remunerated, and the overtime they will have to provide to the school. The new Memorandum of Understanding includes all areas of sports, arts and culture, and heritage, not just limited to sports. A review is being done by the Minister, especially on sports. This is the reason the Memorandum has not yet

been signed. Once this review is done, and any changes made, the memorandum will be signed off by both parties.

- The Department spoke to the progress and finalisation of the Sports and Recreation policy. Sports codes are being revised and prioritised, considering that DSAC must prioritise those sports that will bring international competitiveness and participation in prestigious events. As consultations with various federations is taking place, the policy is slowly being developed. This roadmap will be followed before it is taken to the Cabinet. The Department reaffirmed its commitment to working closely with DBE. The Memorandum of Understanding serves to better outline the role of each department in this partnership.
- On the status of the Heraldry Bill and South Africa National Geographical Names Bill. The DSAC indicated that public comments have been received by the state advisor and these are currently being incorporated into the Heraldry Bill. Similarly, the South African National Geographical Names Bill has received comments, and is currently undergoing a socio-economic impact assessment, after which it will go through the cabinet cluster process in the third quarter.
- The DSAC noted the importance of the Chairperson's comments on the digitisation of archival material. They reported that this process has been upscaled, with the French Audiovisual Institute, through attainment of PESP funding, and further funding has been received to digitise archival records.
- The connectivity of libraries is a priority of the Department within library extension and building programme. Connectivity is a priority when establishing the locations of libraries.
- On the bursary programme, the DSAC responded that many students are new in the programme, but there are ten returning students completing Masters and PhD. The process of placing graduates within employment is currently underway. Twelve students have been placed within the department.
- On the mini library project for the visually impaired and those that have different reading abilities, this project has thus far established 290 mini libraries which aim to provide resources including braille and other audio-visual materials.
- On the National Youth Service programme, the DSAC indicated that the programme will be implemented through NYDA under the National Young Footprint programme. There will be 250 artists who will be placed in art centres across the country, including in rural areas. They will be placed in workplaces in order to increase job opportunities.
- The DSAC clarified that the music policy was a part of the revised White Paper. It is in consultation processes with the advisory team and should be finalised by 2024. The theatre

and dance policy must go through the cabinet committee. The book and publishing policy has not gone out for public comment yet but is currently in consultation with stakeholders from the sector.

- The Art Bank is a project driven by the National Museum in Bloemfontein. Calls for submissions are sent out by the National Museum, after which the Art Bank purchases items and artists get fully remunerated. These artworks are then used for diplomatic ventures, gifting, and display within various government projects.
- The DSAC works with the Department of Higher Education on the training and incubator programmes.

## **6. RECOMMENDATIONS**

It is requested that the Minister of Sport, Arts and Culture considers the following recommendations and reports back to the Committee by no later than the end of the 2023/24 financial year, i.e, 31 March 2024.

- The implementation of the new MOU on school sport between DBE and DSAC is to be reported back to the committee by the end of November 2023.
- The Department is to provide written feedback on the state of the Heraldry Bill, South Africa National Geographical Names Bill, as well as the National Sport and Recreation Amendment Bill by the 30<sup>th</sup> of January 2024.
- The Department is to provide feedback on the percentage of libraries that have internet connection by the end of January 2024.
- The DSAC is to investigate and provide feedback to the committee in the R70 million spent by the Gauteng Department of Sport, Arts, and Culture for the sport equipment bought in the past three years. Written feedback to be provided to the committee by 30 September 2023.

## **7. CONCLUSION**

Having satisfied itself in its engagement with the Department of Sport, Arts, and Culture on its Annual Performance Plans and the Budget, the Select Committee on Education, Technology, Sport, Arts, and Culture recommends that the House approves Budget Vote 37,

**Report to be considered.**