No.109 - 2022: Fourth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

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**ANNOUNCEMENTS,**

**TABLINGS AND**

**COMMITTEE REPORTS**

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Wednesday, 23 March 2022

# **ANNOUNCEMENTS**

none

# **TABLINGS**

none

**COMMITTEE REPORTS**

**1. The Chairperson of the Sport, Recreation, Arts and Culture Portfolio Committee, Hon. W M Matsheke, tabled the Committee’s Focused Intervention Study (FIS) Report on the investigation on whether the COVID-19 Relief Fund provided relief among the Arts and Culture as well as the Sports and Recreation practitioners – an exploratory study of the Gauteng Relief Fund, as attached:**



**Sport, Recreation, Arts and Culture Portfolio Committee**

**Focus Intervention study report on the investigation on whether the COVID-19 Relief Fund provided relief among the Arts and Culture as well as the Sports and Recreation practitioners – an exploratory study of the Gauteng Relief Fund**

**ACRONYMS/ABBREVIATIONS**

BASA - Business and Arts South Africa

DSAC - Department of Sport, Arts and Culture

FIS - Focused Intervention Study

FY - Financial Year

GSC - Gauteng Sports Confederation

HOD - Head of Department

MEC - Member of Executive Council

MOU - Memorandum of Understanding

PEBA - Programme Evaluation and Budget Analysis

PSOM - Public Service Oversight Model

PTP - Priority Township Projects

GDSACR - Gauteng Department of Sport, Arts, Culture and

 Recreation

SLA - Service Level Agreement

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**Sport, Recreation, Arts and Culture Portfolio Committee**

**Focus Intervention study report on the** **investigation on whether the COVID-19 Relief Fund provided relief among the Arts and Culture as well as the Sports and Recreation practitioners – an exploratory study of the Gauteng Relief Fund**

**24 March 2022**,

The Chairperson of the Sport, Recreation, Arts and Culture Portfolio Committee, Hon. W M Matsheke, tables the Portfolio Committee Focused Intervention Study Report on the investigation to ascertain if the COVID-19 relief fund provided relief among the Arts and Culture as well as the Sports and Recreation practitioners as follows:

**1. Introduction and Background**

The COVID-19 pandemic has had a devastating economic impact, threatening the jobs and livelihoods of many South Africans. The pandemic has exacerbated South Africa’s pre-existing crises of poverty and unemployment. The South African government availed relief packages to those who were impacted directly by the pandemic and ensuing lockdowns which meant they were unable to work or ply their trade.

In the Arts and Culture as well and Sports and Recreation space an amount of R150 million was availed and there was a process through which artists and athletes would benefit from the fund. The criteria for accessing the support, the identification of beneficiaries and the mechanism through which the relief fund will be managed was in March 2020 in consultation with South African Sports Confederation and Olympic Committee (SASCOC) and the Cultural and Creative Industries Federation of South Africa (CCIFSA) for the different sectors.

Some Criteria set out for sports included the following:

* Under the fund, athletes who were confirmed to participate at events that have now been cancelled or postponed due to Coronavirus, and whose income is generated solely through specific sporting events. “They must provide proof that their events have been cancelled and their taxes must be in order,” said the Department.
* Coaches and technical support personnel must work with athletes, whose sporting events have been cancelled or postponed due to COVID-19, and make their earnings solely from these events, to qualify for relief.
* They too must have their tax matters in order.
* For sports, relief will only be availed to athletes, coaches, or technical support personnel after the date on which the cancelled or postponed event would have been held.
* The Department reserves the right to determine the quantum of relief based on the availability of resources.

**Arts and culture sector relief criteria**

* For DSAC funded projects that have already entered into a Memorandum of Agreement (MOA) with the Department, and the first tranche of payment has been made, where artists, venues and other suppliers of the project have been paid, but the project implementation has been cancelled due to COVID-19, the beneficiaries will be compensated for the expenditure incurred.
* In addition, to benefit from the compensation, the beneficiaries will have to submit a claim that does not deviate from the original MOA and provide supporting documents such as contracts and valid invoices to the Department.
* For DSAC institutions whose productions and events have been cancelled, the playhouses that have had to cancel productions scheduled from March to June will pay the artists and practitioners who were already booked for these productions.
* For cancelled non-DSAC funded projects, the list of 25 productions and 15 live events already submitted by national industry organisations will be compensated.
* To benefit from compensation, producers and organisers are required to submit a spreadsheet of the costs that were due to be incurred from March to June with proof of existing contracts and relevant documentation.
* For the arts, relief will only be availed to producers, organisers, project managers and Department beneficiaries after the cancelled project/event would have been held.
* The Department reserves the right to determine the quantum of relief based on the availability of resources.

It is against the above background that the Committee decided to undertake a Focused Intervention Study to ascertain whether the COVID-19 relief fund provided any relief to the intended beneficiaries and find out how those that were not given the funds were impacted.

**2. Objectives**

* To establish the applicants’ view of the application process,
* To determine how long after the application, did they receive a response (whether positive or negative),
* To find out how much were each of them paid (for those that were paid),
* To establish whether those that received funding found it enough (sufficient),
* To determine how they found the inclusion and exclusion criteria,
* To establish whether they found the whole process fair, and
* To find out what do they thought could have happened differently to improve their experience with the Department.

**3. Process followed**

During the 2020/21 FY annual report process, the Committee decided to undertake a focus intervention study aiming at investigating the impact of the Gauteng Social Relief Funding provided to sport, arts and culture sectors who were hit by covid-19.

The Committee received the FIS research proposal on the identified FIS topics on the 15 February 2022.

On the 1 March 2022, the committee convened a roundtable discussion with the department and stakeholders that benefitted from the Gauteng Social Relief Funding with an intention to understand the support provided by the department to the Sport and Arts and Culture sectors and the impact thereof.

On Thursday, 17 March 2022, the Committee deliberated and adopted its Focus Intervention Study report.

1. **Presentation by the Gauteng Department of Sport, Arts, Culture and Recreation**

The Committee received a presentation from the department on the funding model used to support the Gauteng Sport Athletes and Arts practitioners who were hit by covid-19 mainly because there was an outcry from artists in Gauteng about how the relief funding was administered and disbursement of finds and some approached the committee to intervene as they felt that the process was not transparent. They had also previously marched to the Department to demand answers.

After the covid-19 outbreak the National Minister of Sport, Arts and Culture announced measures and a relief fund of **R150 000 000** towards assisting artists, athletes, technical personnel, and the core ecosystem that supports them, to soften the economic impact of the coronavirus pandemic on their livelihood. This was then followed by the MINMEC session with all provinces to develop Provincial Relief Funds to assist Sport and Arts practitioners in their respective Provinces. The department developed plans for the Gauteng Relief fund for Sport, Arts, Culture sectors that was approved by EXCO.

Subsequently, an amount of **R28 000 000** was secured of which **R19 714 000** was from the equitable share and **R8 286 000** from Sport Conditional Grant. These funds were divided as follows: **R26 400 000** for the payment to successful applicants and 10% administration fees to the payment entities, **R1 600 000** for Audit fees and payment of transport costs for panels members. The Department appointed two adjudication committees to adjudicate over the distribution of funds to 2 sectors namely sport and recreation and arts and culture. The Appeals Committee was also constituted comprising of members from the Arts and Sport sectors. The department appointed two distribution modalities namely the Gauteng Sport Confederation and Business and Arts South Africa who were responsible for the payments to the successful applicants.

The key deliverables for the Gauteng Social Relief Funding included the following:

* Secure Social Relief Funding
* Finalise the internal administration team
* Finalise the advertisement and the application form and distribute to stakeholders
* Approval of the Adjudication Panel members by the HOD
* Approval for the payment entities
* Compile the list of applications received
* Commencement of the adjudication process
* Gauteng Audit Services reviewed/audited the recommended recipients received from the Panels
* Receive approval for the recommended recipients
* Receive approval to transfer funds to the two payment entities for the approved recipients.
* Receive Proof of payments made to the approved recipients.
* Appeals Committee was approved by the MEC

The application process comprised of two phases. Phase 1 Closed on 26 June 2020; However due to a low number of applications received the closing date was extended to the 24 July 2020. Phase 2 closed on the 30 October 2020 which was accompanied by roadshows in 5 Corridors where the criteria was presented to stakeholders.

Phase 1 approved recipients started receiving their funds from November 2020 while phase 2 approved recipients started receiving their funds from December 2020. Unsuccessful applicants were given the opportunity to appeal, and approved appeals recipients started receiving their funds from March 2021. A total of 6 175 applications were received, of this 1 747 were from the sport sector and 4 428 were from the arts and culture sector and only 2 984 applicants were supported which is less than half of the applications received.

1. **Conclusion**

The purpose of this study was to establish whether the COVID-19 relief fund that was offered by the department provided any relief to the intended beneficiaries and determined how those that were declined were impacted by this.

The Committee concluded that the support provided by the department through the Gauteng Social Relief Funding was not sufficient and did not achieve the desired outcomes of providing relief to affected stakeholders. This is because less than half of the applicants were provided with support because of capacity and compliance issues such as submitted application forms that were not signed especially the online applications, ID copies and bank confirmation not certified, in some instances proof of residence was not attached to the application, the affidavit not explicit on the loss of income. The other issues reported was that some applicants were declined due to double-dipping after receiving funding from the National Department and applications received from other provinces such as Limpopo and the Western Cape province who applied from Gauteng.

Though the committee was not able to establish how much each beneficiary received, it was clear that the support received was less than the damage caused by covid-19 in these sectors as some stakeholders made recommendations that the department should look at designing starer packs for them post covid-19 so they can start afresh and create suistainable businesses and income for themselves. This is because of the loss experienced since the arrival of covid-19.

The committee is therefore of the view that the department should have dedicated resources especially human resources to assist applicants that qualified but lacked resources to submit all required documents to receive this much need financial support. The lack of support from the department left many applicants disrungled and unsatisfied with the department’s processes and lack of transparency. This resulted in a number protests by stakeholders demanding answers from the department that they believed was not transparent.

Furthermore, the Committee noted that out of the **R28 000 000** allocated for the Gauteng Relief Fund, the department managed to spend **R18 956 500**, of which the Sports and Recreation programme spent **R7 423 000** (1 098 sport practitioners) whereas the Cultural Affairs programme spent **R11 914 200** (1 801 beneficiaries). This shows an undespending of **R9 042 500** which is highly unacceptable considering the huge impact covid-19 had on the sport and arts and culture fields which required the department to step up and assist its stakeholders immensely.

1. **Committee Concerns**

The Committee concerns are as follows:

6.1. An amount of **R28 000 000** was allocated for the Gauteng Social Relief Funding. However, **R18 956 500** was spent with an undespending of **R9 042 500**.

6.2. The department’s failure to provide capacity support to qualifying beneficiaries which led to qualifying beneficiaries being declined due to non-compliance.

6.3. Poor communication channels and lack of transparency that led to relationship breakdown between the department and its stakeholders resulting in protests.

1. **Proposed Committee Recommendations**

7.1. Conduct a covid-19 Gauteng Relief Funding impact assessment study to ascertain the impact of the service provided to sectors affected by covid-19. A report should be sent to the committee by **31 May 2022**.

7.2. Formalise the sport and recreation and arts and culture sector stakeholders to deal with their issues in formalised structures. A status report be sent by **31 May 2022**.

1. **Acknowledgements**

The Chairperson Honourable W M Matsheke would like to thank members of the Sport, Recreation, Arts and Culture Portfolio Committee, and Honourable Members, E B Letsoalo, T Ndlovu, M Modise, M S Chabalala, W Peach, A Tshitangano, R B Mnisi, D N Radebe and D K Adams for their participation in the FIS process.

The Committee would like to thank the Department of Sport, Arts, Culture and Recreation MEC, Honorable M Hlophe; Acting Head of Department, Mr Vuyani Mpofu, and the officials for their dedication during the process. The Committee extends its gratitude to stakeholders who participated in the process.

The Committee also appreciates the following staff of the Legislature: Group Committee Coordinator, Ms Z Pantshwa-Mbalo; Committee Coordinator, Ms P Sigubudu; The Committee Researcher, Ms M Shikwane; Committee Administrator, Mr L Dabula; Senior Information Officer, Ms J Kiewitz; Hansard Recorder, Ms R Moremi; and Service Officer, Ms J Mamabolo and all support staff for the assistance given during this process.

1. **Adoption of the report**

In accordance with Rule 117(2)(c) read together with Rule 165, the Portfolio Committee on Sport, Recreation, Arts and Culture recommends that the focused intervention study report on the investigation of whether the COVID-19 relief fund provided relief among the Arts and Culture as well as the Sports and Recreation practitioners – an exploratory study of the Gauteng Relief Fund be adopted by the house considering committee concerns and proposed recommendations made in this report.