

# GAUTENG PROVINCIAL LEGISLATURE

## ECONOMIC DEVELOPMENT, ENVIRONMENT, AGRICULTURE AND RURAL DEVELOPMENT PORTFOLIO COMMITTEE

### MINUTES

Thursday, 02 March 2023 Microsoft Team Meeting

#### 1. Opening and Welcome

The Chairperson opened the meeting, in line with the GPL rules she declared at Birchwood Hotel, Ekurhuleni Municipality as a Legislature Precinct in line with 52 (1) (2). She further welcomed the MEC and Hon Members, Committee support staff and officials from the Department. The Chairperson further extended a warm welcome to Member Makhene as a new Member of the Committee. The Chairperson furthermore acknowledged all Stakeholders from different regions who attended the meeting.

The Chairperson explained the purpose of the meeting, which was to consider presentations by GDARDE on the 3<sup>rd</sup> Quarterly Performance Report for the 2022/23 FY, and comprehensive presentation on the ***“Extent and Impact of Commercialisation Programme for Smallholder Farmers and Agro-processors”*** FIS Topic Emanating from the Annual Report emanating for the 21/22 FY. Moreover, the Department will respond to questions emanating from the from the Committee’s Roadshow that took place in December 2022.

#### Members Attendance

1. Chairperson Kekana
2. Member Kanyane
3. Member Ndlovu
4. Member Engelbrecht
5. Member Miller
6. Member Dos Santos
7. Member Makhene

#### 2. Apologies.

- Member Radebe who was running late due to other commitments.
- Member DOS Santos who requested to leave at 02h00 for other engagements.

#### 3. Confirmation of the Agenda

The Chairperson tabled the agenda for confirmation.

**MOTION:** That the agenda be confirmed.

**Agreed.**

#### **4. Presentation by the Department of Environment, Agriculture and Rural Development on the 3<sup>rd</sup> Quarterly Performance Report for the 2022/23 FY.**

The Senior Official, **Ms Samu**, made a presentation to the Committee on the **3<sup>rd</sup> Quarterly Performance Report for the 2022/23 FY.**

This presentation reflected on the performance of the Department for the quarter under review against predetermined annual and quarterly targets outlined in the 2022/23 Annual Performance Plan (APP). The presentation further outlined key priority programmes and projects that have been implemented through the Annual Performance Plan (APP) across all budget programmes and expands on key successes and achievements including challenges experienced in the quarter under review.

After the presentation, the Chairperson allowed Members and stakeholders to make inputs and ask clarity-seeking questions.

##### **The following inputs were made by the Members.**

- Members were concerned about several reasons related to the Supply Chain Management processes, which seem to delay the Department's overall performance. Members noted that during the Roadshows, the DBSA was underperforming on capital funded projects. Members further mentioned that the Department should resolve the backlog as this is disservice to the beneficiaries.

##### **Stakeholder's Inputs and Questions.**

- The stakeholders from Orange Farm requested trees and to be involved in the planting of those trees.
- Stakeholders from the Sedibeng region were grateful for receiving trees, however they are requesting fruit trees for Agro - processing.
- Farmers from Region G requested information on whether small farmers are involved in the Supply Chain Management Tendering processes, and which processes are used to appoint service providers.

#### **Presentation of Financial Budget Expenditure by GDARDE**

##### **Member's Inputs, Questions and Recommendations**

- Members noted that the Department is on the 3<sup>rd</sup> Quarter of the year, however the Conditional grants spend at 19% of the allocated budget and what are the plans in place to ensure that the budget is utilized for the remainder of the year.
- Members requested to know the plans for the rollover of conditional grants for the quarter under review as well the previous years.
- Members noted that there is a problem with the Infrastructure Development Management system, which is resulting in a huge underperformance of the Department. What is the Department plans to remedy the situation.
- The Department was commended on the cancellation of tenders that do not include subcontractors. Members further mentioned that those tenders who are not performing should be cancelled and be given competent service providers.
- Members apologised for not having a sign language interpreter for people Living with Disability.

### **Stakeholders Inputs, Questions and Recommendations.**

- Stakeholders thanked the MEC Hlophe for attending the matter of EPWP people who are at working at Orlando West but not residing there. .
- Stakeholders feedback as to why the appointed service provider is not back dating payments of EPWP'S beneficiaries.
- Farmers are concerned that they are applying to be service providers however their applications are not considered.
- Farmers mentioned that they need a basic salary because they are tired of stipends.
- Famers need to be assisted with the Municipality letters so that they can get a land to farm.

### **Department's Responses.**

- The Department did agree that the are challenges within the SCM and the CFO and the Finance Team are dealing with that.
- The HOD mentioned that Mr Rhulani Phelembe is a new CFO, he started with the Department on the 1<sup>st</sup> February 2023.
- The Department mentioned that they appointed DBSA hoping that they would fast track the implementation of their infrastructure, however they have challenges regarding DBSA themselves.
- The Department mentioned that the CFO and HOD will be meeting with DBSA, to make sure that the infrastructure projects that are been implemented are concluded.
- The Department was pleased to see that the Community wants to be assisted with the planting of trees.
- The Department mentioned that the process of EIA's is not simple, because among other things they look at zoning and if is not correct or Bi – laws don't allow you to have poultry structures in your farm, even if the farmer can apply many times for EIA, the Department has nothing to do because the Bi – laws are not their competence.
- The Department mentioned that they have created a market for farmers, they have already gone to Thokoza Park and called farmers to bring their produce and sell them to public servants on the 15<sup>th</sup> of each month.
- The Department mentioned that they are using the central database to appoint suppliers, and the Department conduct training on how to apply, every Wednesday.
- The Department mentioned that farmers who needs to be assisted they need to register and apply because it is not automatic, and the Department have more than 200 Extension Officers for assisting them.
- The Department mentioned that conditional grants are coming from the National Treasury through the Department of Agriculture and Rural Development Land Reform, and their own process regarding the conditional grant are slow, as the results in terms of conditional grants the Department received their first batch in August 2022 and they received another one on the 1<sup>st</sup> November 2022, and the Department is down with respect of the their spending, because the Department preference would have been for them to have receive their conditional grant by 1 April 2023 so that they begin with the expenditure,
- The Department also mentioned that regarding rollovers, what they have done instead of going through tenders because they are big challenge themselves, they have decided to go through the request for proposal or request for quotation, and in that way the Department was able to spend between R500000,00 – R1Million.
- The Department mentioned that what was presented by Mr Berry to the Committee is their expenditure as at the end of December 2022, however if Members were to look at the Department as at the end of the 28<sup>th</sup> February 2023, the department think regarding the conditional grants they are at 71% if they are not mistaken.

- The Department mentioned that they were instructed to employ 6000 EPWP beneficiaries and the MEC is consulting intensively about it, so that no person will come and work in an area that he or she does not reside in.
- The Department noted that Members are requesting them to pull their socks regarding spending, and they mentioned that they need to assure Members that is what they are doing. and where the service providers don't want to subcontract, they don't even negotiate with them.
- The Department mentioned that the service provider who pays the EPWP's who volunteers from the 1<sup>st</sup> March to the 31 March 2023 will not be backdated, and they are monitored by the Department. Their minimum wage is R1925.00 which is 55% of minimum wage.
- The Department mentioned that for cleaning the community areas they are working with the Councillors, to identify the poorest people and appoint them for EPWP programme.

### **MEC Responses.**

- The MEC mentioned that the are engagements with the DBSA because the Department is not happy with their performance is very slow, and they need to finalise the infrastructure projects, and the Department need to explore who may become the implementation agency for the remaining work.
- The MEC mentioned that the Agriculture and Rural Development and Environment and Social Development Departments they are combine, because Social Development has been seen as the Department of handling and giving away grants, that is why it was critical to combine it with Agriculture, because Agriculture gives away food parcels and teaches people how to plant, so it's either you feed a person for a month through food parcels or you teaches people how to plant.
- The MEC mentioned that as everyone knows that Covid – 19 has affected a lot of sectors now the is a large unemployed people, hunger, and we need to ensure that people can be self-sufficient, and the best way to do that is by teaching them through Agriculture on how to be self-sustainable.
- She mentioned that the Department is engaging the Municipalities about land and Infrastructure Development Department because are the ones who have land parcels.
- The MEC mentioned that the Department will teach people how to do their own backyard farming, because we are living in a modernised world where you don't need a big land for farming, you can grow several crops using technology, pyramids, structures like hydroponics and vertical farming.
- She mentioned that the Premier requested the Department to focus on "TISH "Township Informal Settlements and Hostels, to show hostel and shacks - dwellers, how they can be able to plant even in their small backyard.
- The MEC was happy to hear that people are speaking about the need of fruit trees, because it's very critical as we know the world is going through climate change. The department has a 1Million tree campaign, and at Orange Farm the Department has planted 540 trees and in the City of Johannesburg has planted 36189 trees.
- She also mentioned that the Premier has spoken lengthly about cleaning, the Department is finalising the process of employing 6000 individuals who will be assisting the Department to clean our communities.
- The MEC also mentioned that what we consider as litter or waste, is wealth and can be recycled, the waste pickers they make between R2000.00 – R7000.00 a month, the Department is going to open this sector and teaching people different opportunities on waste economy.
- The MEC mentioned that the Department will be working with Ward Councillors and different organisations so that once they are sure that the is food security for individuals, we live in an environment that is green, clean and we can all make sure that we are able to prosper.

## Chairperson Response

- The Chairperson mentioned that the MEC spoke about what the Premier mentioned on his SOPA address, that speak of mitigating issues regarding of climate change and its effects and nature disasters that we experience.
- She also mentioned that the MEC mentioned the issue of green technology, planting tree. Furthermore, the Premier emphasised and hoped that the will be an improvement in that regard.
- The Chairperson mentioned that the issue of EPWP is a Poverty Alleviation Strategy Programme, that is why the Department refer it to poor people, and it mainly addresses environment issues where we reside in.

## 5. Presentation by the Department of Environment, Agriculture and Rural Development on Adjustment Appropriation Bill [ G004 2022]

The Chairperson Kekana, welcomed, Mr Rhulani Hlelembe as the new CFO of the Department of Environment, Agriculture and Rural Development.

The CFO, Mr Rhulani Hlelembe, made a presentation to the Committee on Adjustment Appropriation Bill [ G004 2022]

The objective of this presentation was to present on the acceleration and the implementation of the key priorities for the remainder of the 6<sup>th</sup> Administration which include the elation of the following 5 priorities.

1. Targeted interventions directed at townships, informal settlements.
2. Strengthen the capacity of the state to deliver quality services and in doing so, the Office of the Premier will review all State entities to ensure fit for purpose.
3. Develop a GPG Communication Framework- The centralisation of the Communications Strategy in the OoP and capacitated with communication technical experts is critical to the success of the strategy.
4. Reposition Gauteng as the preferred investment destination through Special Economic Zones - Reclaim Gauteng as the economic hub of the country.
5. Fight crime lawlessness and vandalism.
6. Ensure the funding of the five elevated priorities.

After the presentation, the Chairperson afforded Members an opportunity to make inputs and comments or ask questions.

### **Members inputs questions and recommendations.**

- Members commended the Department on the revenue collection efforts where they surpass their target.
- Members mentioned that the Department touched on year-to-date expenditure as 78% currently, but they noticed that the is R258.5Million that is available in their funds. Members need to check with the Department whether do they have a plan on how they will avoid underspending.
- Members need to understand whether these funds are committed, if they are, what are they committed for. The Department must give assurance that by the end of the 4<sup>th</sup> Quarter, they would be at least spent 98% of the allocated budget.

### **Stakeholders Inputs, Questions and Recommendations.**

- Stakeholders need to acknowledge what the Department has done for them as Zuurbekom Secondary Co-operative, they have received a tractor and trucks.

- Stakeholders mentioned that as Graduates they feel like the Department has no budget for them.
- Stakeholders from Mkariso Women in Water thanked the Department for delivering 48 gloves, 6 brooms, 50 waste bags and 25 working suits.
- Stakeholders mentioned that they would appreciate if people who are in Finance in the Department may have training in Financial Management, to alleviate what they are currently facing.
- Stakeholders mentioned that the Department should give small farmers from the Region a tender, to supply Government institutions like Hospitals, Correctional Services and Schools.
- Stakeholders from Vlakfontein farm need the Department to assist them with planting on a plot, because they have identified a plot in Walkerville.
- Stakeholders in Sedibeng mentioned that they are experiencing an erosion in their farm, they need know how to mitigate it.
- Stakeholders requested that the Department should stop giving people structures, who do not know how to use them and not even being serious about Agriculture.
- Stakeholders mentioned that Graduates they don't want to work as farmers they sit the whole day doing nothing on a farm, and they request the Department to check on that.

#### **HOD's responses.**

- The HOD mentioned that it is worrying that at this point they are at 78% in spending, and the CFO did not mention that they do have commitments.
- The HOD mentioned that they are assisting farmers with Agro – processing, for example they have farmers in Vosloorus that are planting peanuts and they convert them to peanut butter, and you can plant your crops in a small space you don't need a big land to plant.
- She pleaded with famers that if they use a tractor and is broken, they don't need to wait for the Department because it doesn't have enough resources.
- The HOD mentioned that the EPWP is assisting townships, informal settlements, and hostels dwellers to clean, but as the community we also have a responsibility to clean our areas.
- The HOD mentioned that for graduates, the Department have a GCRA "Gauteng City Region Academy "is part of Education Department and that is where bursaries come from, and they issue application forms, and if you are in Agriculture sector you can apply to the Department, but this programme is for all the Departments.
- The HOD thanked Mkariso Cooperative for mentioning that they do get the assistance from the Department.
- The HOD mentioned that the Department do have a Financial Management Strategy, and their financial people are trained through all sorts of training and the Department spent R10 million per year for that.
- The HOD mentioned that the Department do have a permanent solution for issues of accessing the market.
- The HOD mentioned that the MEC has spoken to the Department of Education, Health, and Correctional Services that they must start buying from farmers, and she is working on that.

#### **CFO's Responses.**

- The CFO mentioned that on whether the Department does have commitments which would lead them to spend the budget which was allocated to them. He makes a breakdown as follows:

- He mentioned that they have programme 1 under compensation of employees, the amount of R46.4Million which would then push that expenditure under that programme to around 94%.
- He mentioned that under goods and services which includes the conditional grant, item of programmes as well as equitable share, the is a commitment, an amount that is sitting in the Department commitment register is about R194Million.
- The CFO explained regarding what they had reported in their infrastructure spending for the current year was R11Million, and when they meet with DBSA, what they presented to them was the additional expenditure of about R11- R12Million which then push that year to date to about R23 – R24Million. He mentioned that they won't be able to spend what they have projected at year end, but they will be able to spend around R23 – R24Million. During this financial year for infrastructure.
- In terms of projecting of what to spend at year end the CFO put a caution that its obviously that they are depending on their dependencies, the Department would be expecting various service providers that have provided services to the Department to submit their invoices by the 15<sup>th</sup> March 2023.
- He further mentioned that they have communicated with different end users in the Department that the cut-off date for submissions of invoices, so that the finance unit can process them, because the last payment is the 24<sup>th</sup> March 2023, therefore every invoice claim should have been submitted.
- The CFO mentioned that if Members can take in to consideration what is currently sitting in the Department commitment register they should be spending their allocation including what has been added during the budget adjustment of R83.1Million, and they should be sitting around 99%, but that would depend on is whether the service providers that have already rendered services would load their invoices on the EIS system to processing them.
- He also mentioned that the Department was expected to plant about 100 000 trees, the report that was given for the quarter that ended by the 31<sup>st</sup> December 2022 indicated that they have planted 2700 00 trees, the number that was reported it was from October to December 2022, but year to date the Department have planted 31000 trees, so obviously the is expenditure that is linked to 31000 trees that the Department will report at the end of the quarter which is the overall accumulating the 31000 number.
- He mentioned that the Department was requested to do BKB clean-up programme in 5 corridors, which he may not have a total expenditure for that programme.
- The CFO mentioned that they have appointed 6000 EPWP's beneficiaries, the overall projected expenditure for the EPWP's programme is about R176 – R179Million, and is obviously that they won't be able to spend that amount this financial year because the recruitment has started by the 15<sup>th</sup> March 2023 maybe by 31<sup>st</sup> March 2023 the Department should have spent some money on that R176- Million that has been allocated for the programme.
- He mentioned that they would report when the expenditure has happened in terms of paying the stipends to the 6000 EPWP's beneficiaries.

#### **Member's responses.**

- The Committee is going to invite small group of Stakeholders when they have meetings and Bills with the Department quarterly.

**MOTION:** That the Annual Performance Report on the Department Environment and Rural Development responses should be send to the Committee before the business day

**Agreed.**

**5. Presentation by the Department of Agriculture and Rural Development on the “Extent and Impact of Commercialisation Programme for Smallholder Farmers and Agro-processors FIS Topic Emanating from the Annual Report Process.**

An official, Mr Madolo made a presentation to the Committee on the “Extent and Impact of Commercialisation Programme for Smallholder Farmers and Agro-processors” FIS Topic

**Commercialization**

The presentation focused on the commercialization of smallholder farmers, which stems from the fact that current government farmer support programmes have not sufficiently focused on commercializing producers as well as that, black producers have challenges in accessing markets. Furthermore, black producers have challenges in accessing finance and technical support to link with integrated value chains as well as the lack of skill and capacity to be competitive. The presentation further highlighted that the Department committed to the Commercialization Programme and has afforded support to 50 farmers and 20 agro-processors over a period of 5 years. The Department further provided the names of all 70 beneficiaries, their location and commodities that they are involved in as well as the estimated capital that will be provided over the duration of the roll out of the programme.

**Agro-processing**

The presentation also mentioned that the Province aims to be the agro-processing hub of the country to increase the economic benefits derived from raw materials. The Province further aims to increase job opportunities to ensure economic transformation and creating opportunities for new entrants in the processing sector and particularly for young black entrepreneurs as well as those entrepreneurs in peri-urban and rural areas of Gauteng.

After the presentation, the Chairperson afforded Members an opportunity to make inputs and Comments or ask questions.

**Members Responses.**

- Members confirmed that some of these questions comes are from Members and Stakeholders engagement that the Committee had with stakeholders, they are posted to the Department so that they give responsive answers.
- Members commended stakeholders for asking some of these difficult questions, and response are quite comprehensive and cover a lot.
- Members mentioned that some of the stakeholders that the Committee visited during the Roadshow are present, and they will be given a chance to confirm what the HOD has presented is the true reflection of what had happened to the farms, because the Committee did not go back to farmers to ascertain whether the is any progress.

**Stakeholders Responses.**

- Ms Dorah from Soshanguve Agri – Parks requested the Department to assists them with proper and affordable lease agreement because they can’t get a market without it.
- Ms Mnisi from Brakpan Farm mentioned that in 2015 they were approved that they are going to get a borehole, fence and solar, which they were not delivered until up to date, she also mentioned that the service provider did call them to say he will be coming on the 3<sup>rd</sup> March 2023 to do testing on the borehole. She further mentioned that they even lose a spinach contract.
- Ms Nomsa from Olifansvlei Primary School Farm, she mentioned that their farm which is 3 ½ hectares was on a farming cycle, and it was removed from 2015 up to date, and they have requested the Department to come and visit them, but they keep on promising. They



were to meet the MEC and HOD on the 09 March 2023 and it did not happen because of the rainy weather.

- Mr Mpye mentioned that they were approved to have a fence, borehole, and solar from 2017, and the Engineer called them to say he is coming without making an appointment with them. They reschedule the appointment and on the day of the appointment the service provider could not come. The fence is not galvanised is already rusting.

### **Members Response**

- Members reminded the stakeholders that the Department has shared the numbers of extension officers so that they should work with them, they can phone them directly to come to their farms and tell them their challenges.
- Members requested the stakeholders to give the Department advises and way forward.

### **Stakeholders Responses.**

- The Stakeholders from Eikenhof farm requested the Department to come and show them where they can make a Bio-gas Dam, and they need support with Agro – processing. They also mentioned that they were promised a cannabis workshop, and they have a dry land and lease agreement problem, they need the Department to assist them.
- The Stakeholders from Mkariso they requested stipends for their young farmers.
- The Stakeholders need the Department to assist them with hydroponics and fish farming which is not popular in the townships.
- The stakeholders mentioned that they have a plot, they need the Department to assist them to be become commercialised farmers.

### **HOD Response.**

- The Department mentioned that all farmers are expected to be on their farms to look after their piggery, poultry, livestock, and infrastructure because people are stealing them, and they are utilising government fundings to make sure that they support farming business.
- The Department mentioned that commercialised farmers are assessed through the commercial farming programme, and they should comply to the requirements.
- The Department mentioned that they have appointed the company to make sure that the 29 commercialised farmers are audited, and financial statement are produced.
- The Department mentioned that it is important that farmers also recognise that they themselves as officials they must make sure that government money is utilised as of the PFMA direct them, efficiently, effectively and they must be transparency on how they use government funds.
- The Department mentioned that for these boreholes, solar panels, and poultry structures that farmers are talking about, the service providers have been appointed by the DBSA, In terms of boreholes assessment on terms of how much water is on the ground, how deep can the pump go and the procurement of that material has been done, and what is left now is for the farmer to be on his farm all the time.
- The Department requested that farmers should bear with them about glitches that they have with DBSA and service providers, but they are determined that the farmers in this province work and are supported effectively in partnership with private sector because the Department is not doing this work alone.
- The Department mentioned that they just bought a farmer piggery feed, poultry feed and officials saw a clip from Facebook whereby a farmer in Vereeniging was advertising sale of the piggery feed that the Department bought for him, and they have evidence to make a follow - up.
- The Department brief the Portfolio Committee on Bio – security that is important to prevent any bacteria or diseases that comes from outside of the farm that you are visiting, they mentioned that when ever the are diseases is because something has moved from one

farm to another, especially when visiting poultry and piggery farm which they are the most sensitive ,but it can happen with other farms.

- Firstly, you must have a 72 hour -window period if you are visiting poultry farm and is advisable that if you have poultry don't visit another poultry farm.
- Secondly, make sure that you have protective clothing because diseases are carried by anything and in other farms you may need to take a shower before going to another farm. They mentioned that the veterinary clothes have a special laundry, their protective clothing are not washed at home, which includes overalls, hats and boots and everything must be disinfected.

#### **Chairperson responses**

- The Chairperson mentioned that the Committee Researcher has farms that the Committee intend to visit, and he will communicate with the Department on how many Members would need protective clothing because Members don't want to contaminate any farms.
- The Chairperson mentioned that it will be wise to limit the number for going inside the farms.

#### **MEC closing remarks.**

- The MEC mentioned that all the comments and individual comments farmers are noted, she also mentioned that the Department will make a follow up on those individual farmers hopefully, because they don't want to see the same faces continuously.
- The MEC further mentioned that the Department must make sure that there is a progress on their cases.
- She thanked the Chairperson and mentioned that her job is to play the oversight to the Department on behalf of the society and make sure that the Department is delivering accordingly.

#### **Chairperson responses.**

- The Chairperson thanked the MEC and the officials from the Department for honouring the invitation because she understands that it has not been easy for the MEC as she was preparing for the State of address and many activities that are taking place in government.
- The Chairperson mentioned that the Portfolio Committee appreciated that the MEC though she has a lot of work on her shoulders, but she was able to be in the meeting until the meeting concluded.
- The Chairperson also thanked Members of the Portfolio Committee for attending the meeting attentively and making valuable questions that they manage to post to the Department and adequate responses that the Committee received.
- The Chairperson further thanked the Committee support staff from Legislature for doing the excellent job.
- The Chairperson furthermore thanked Stakeholders whom the Committee rely on them in holding the Department to account, playing oversight role over them.
- She mentioned that stakeholders are the key contributors to the work that the Members do and were commended for coming in numbers when they are invited by the Committee.
- The Chairperson mention that the Committee is hoping that there would have everlasting relationship with Stakeholders which would be able to resolve some of the issues they have, and to support the Department in doing its work and encourage them to do more, and the Committee is not panelising them, but they want them to do more.
- She mentioned that the Premier concluded his State of address by saying if everyone in government can do their work including the political principals, we can have a better place to leave on and they will be service delivery
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- The Chairperson encourage Stakeholders to be responsible by being those activist community members when they see somebody littering, they must talk to them.

**6. Date of the next Committee meeting.**

The date of the next Committee Meeting is on the 7<sup>th</sup> March 2023 a via virtual platform.