No.0420 - 2023: Fifth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

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**ANNOUNCEMENTS,**

**TABLINGS AND**

**COMMITTEE REPORTS**

**========================**

Friday, 01 December 2023

# ANNOUNCEMENTS

none

# TABLINGS

none

**COMMITTEE REPORTS**

**1. The Chairperson of the Environment, Agriculture and Rural Development Portfolio Committee, Hon. R J Kekana, tabled the Committee’s Oversight Report on the Annual Report of the Department of Agriculture, Rural Development and Environment for the 2022/2023 financial year, as attached:**

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**ENVIRONMENT, AGRICULTURE AND RURAL DEVELOPMENT PORTFOLIO COMMITTEE**

**OVERSIGHT REPORT ON DEPARTMENTAL ANNUAL REPORT FOR**

**2022/23 FINANCIAL YEAR**

| **Committee Details** | | **Department Details** | |
| --- | --- | --- | --- |
| **Name of Committee** | **Environment, Agriculture and Rural Development** | **Name of Department** | **Department of Agriculture, Rural Development and Environment** |
| **Which Financial Year** | **2022/23 FY** | **Dept. Budget Vote Nr.** | **Vote 11** |
|  |  | **Hon. MEC** | **MEC Mbali Hlophe** |
| **Committee Approvals** | | | |
|  | **Name** | **Signed** | **Date** |
| **Hon. Chairperson** | **Hon. Refiloe Kekana** |  | **21st November 2022** |
| **Adoption and Tabling** | | | |
| **Date of Final Adoption by Committee** | | **Scheduled date of House Tabling** | |
|  | |  | |
| **Monday, 21st November 2022** | | **Monday, 4th December 2023** | |

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1. **ABBREVIATIONS**

|  |  |
| --- | --- |
| **Abbreviation** | **Full Wording** |
| AEL | Atmospheric Emissions Licence |
| AGSA | Auditor General of South Africa |
| APP | Annual Performance Plan |
| BEC | Bid Evaluation Committee |
| CASP | Comprehensive Agricultural Support Programme |
| CBO | Community Based Organisations |
| CRDP | Comprehensive Rural Development Programme |
| EMI | Environmental Management Inspector |
| EPWP | Expanded Public Works Programme |
| FBO | Faith Based Organisations |
| FY | Financial Year |
| FIS | Focussed Intervention Study |
| DID | Department of Infrastructure Development |
| DAFF | Department of Agriculture, Forestry and Fisheries |
| DALRRD | Department of Agriculture, Land Reform and Rural Development |
| GDARD | Gauteng Department of Agriculture and Rural Development |
| GPG | Gauteng Provincial Government |
| IDPs | Integrated Development Plans |
| IDMS | Infrastructure Development Management System. |
| MEC | Member of the Executive Council |
| MDG | Millennium Development Goals |
| MTSF | Medium-Term Strategic Framework |
| NAEIS | National Atmospheric Emission Inventory Systems |
| NPA | National Prosecuting Authority |
| MIG | Municipal Infrastructure Grant |
| NGO | Non-Governmental Organisations |
| EIA | Environmental Impact Assessment |
| MOU | Memorandum of Understanding |
| PFMA | Public Financial Management Act |
| PwD | People with Disabilities |
| PIR | Project Initiation Report (PIR) |
| PPECB | Perishable Products Export Control Board |
| PPR | Preferential Procurement Regulation |
| PSR | Public Service Regulations |
| RFQ | Request for Quotation |
| SAP | Systems Applications and Products |
| S24G | Section 24 Gazette |
| RSA | Republic of South Africa |
| R-FSAPP | Framework for Strategic and Annual Performance Plans |
| SCM | Supply Chain Management |
| SOM | Sector Oversight Model |
| SMME | Small, Medium and Micro Enterprises |
| SMS | Senior Management Services |
| TID | Technical Indicator Description |
| TMR | Transformation, Modernization and Reindustrialization |
| TT | Transversal Term |

# EXECUTIVE SUMMARY

The Portfolio Committee on Environment, Agriculture and Rural Development presents its Annual Oversight Report on the performance of the Gauteng Department of Agriculture and Rural Development for the 2022/23 financial year (FY).

The Department adjusted its main appropriation budget to R1,125 billion in the financial year, utilized 89,8% of its 2022/23 budget (R1 011 036 000 of a total budget of R1 125 506 000) and spent 60,339,7% of its conditional grant (R100 654 000 of a total budget of R166 981 000) in the financial year under review. The Administration programme utilised 97,8% of its budget which falls within the accepted range of ±3% of budget use. Both the Agriculture and Rural Development as well as Environmental Affairs programmes underspent and utilised 81,0% and 93,7% of their budgets respectively which meant that money in excess of a R100 million that was unutilised, had to be returned to treasury.

The Department continued with its programme to keep the Province clean and provided support to waste enterprises, buy-back centres and cooperatives with recycling equipment. The Department has furthermore equipped the various agri-parks they manage with solar panels, batteries as well as generators in order to mitigate the impact of load shedding and ensure security of power to continue with various farming operations and were able to support 13 farmers towards commercialisation level.

The Committee continues to note with concern that the Department still battles with getting suitable contractors for infrastructure projects that need to be put up and as a result, continues to return large sums of unutilised equitable shares and grant budget funds to treasury and thus deprive residents of the province with much needed service delivery.

The Committee further noted that the Department’s audit outcome has remained unchanged in the current year by sustaining an unqualified audit report with findings. Furthermore, there were review comments/recommendations from the Office of the Premier and the Department of Planning, Monitoring and Evaluation that were not incorporated in the plan. The matters identified will have an impact on the department achieving on its mandate if some of the indicators are not included and prioritised. The committee will continue to follow up with Department to ensure timely and effective implementation of the audit action plans by requesting regular feedback on specific matters–the progress made on the support and spending of the budget on the main programme of supporting agricultural producers**.**

The Committee also commends the Department for having aggregated 688,5 tons of agricultural produce from the various Agri-parks across the province against a target of 350 tons for the year under review. The Department was further commended for creating 4 262 job opportunities against a target of 1 900, given the economic climate prevalent with unemployment figures reported to have reached 32,9% in the first quarter of 2023 (StatsSA, 2023).

The Committee continued to note with concern that the Infrastructure Development Management System (IDMS) and its associated Supply Chain Management (SCM) processes still posed challenges to the Department and has led to delays in the delivery of infrastructure projects. The Development Bank of South Africa (DBSA) also reported delays due to tenders being non-responsive, thus some of the projects could not be finalised at financial year-end. The delay in the infrastructure projects through DBSA has led to the delay in realization of expenditure of the allocated budget.

1. **INTRODUCTION**

The Environment, Agriculture and Rural Development Portfolio Committee exercises oversight and scrutiny over the Gauteng Department of Environment, Agriculture, Rural Development, herein referred to as the Department. This includes planning, budgeting, financial management and reporting by the Provincial Department of Agriculture and Rural Development. In line with the provisions of the Constitution of the Republic of South Africa (1996), the Public Finance Management Act (1999) creates the basis on which oversight by Legislatures should be exercised. It clearly outlines areas of service delivery that should be reported on, including the responsibilities of officials and the role of the Gauteng Provincial Legislature (GPL) in cases where reports have to be tabled.

This report seeks to outline the Department’s outlay regarding rendering services to the citizens of Gauteng. The Sector Oversight Model (SOM) prescribes that inputs and outputs/outcome must be considered in relation to each other, as they contribute to the attainment of the priorities set by national government. The report highlights the determination and assessment of the Department of Environment, Agriculture and Rural Development performance against the pre-determined objectives as set in the Annual Performance Plan for the 2022/23 FY budget allocation.

# PROCESS FOLLOWED

* The Speaker formally referred the Annual Performance Report of the Gauteng Department of Environment, Agriculture and Rural Development for the 2022/23 financial year to the Environment, Agriculture and Rural Development Portfolio Committee for consideration and reporting.
* In line with its public participation mandate and the Constitution of the Republic of South Africa, the Portfolio Committee invited stakeholders to their meetings mainly to observe Committee proceedings and later make verbal or written submissions.
* In a Committee meeting scheduled on Thursday, 26th October 2023, the Committee Researcher tabled an analysis of the performance report. In a meeting held on Tuesday, 14th November 2023, the Gauteng Department of Environment, Agriculture, Rural Development presented its Annual Performance Report 2022/23 financial year to the Portfolio Committee focusing on the financial and non-financial performance.
* On Tuesday, 21st November 2023, the Portfolio Committee deliberated and adopted the draft oversight report on the Annual Performance Report 2022/23 FY. The report was submitted to the Proceedings Unit for tabling and consideration by the House.

# COMPLIANCE AND QUALITY

In line with the GPL Standing Rules the Department timeously submitted its Annual Performance Report for the 2022/23 FY. The Department reported on their financial and non-financial performance in line with the requirements of the Public Finance Management Act (PFMA) 1999.

# OVERSIGHT ON STRATEGIC PRIORITIES

The Department’s strategic objectives are aligned with the Sustainable Development Goals (SDGs), National Development Plan (NDP 2030), Transformation, Modernisation and Revitalisation (TMR) and Agenda 2063. The SDGs are a universal call to end poverty, protect the planet and ensure that all people enjoy peace and prosperity, the NDP is a plan for the country that aims to eliminate poverty and reduce inequality by 2030, the TMR is the Gauteng Provincial Government’s strategic direction aimed at transforming the economy of the province and the Agenda 2063 is the African Union’s strategic framework for the socio-economic transformation of the continent over the next 50 years.

**National Priorities**

The Department’s strategic objectives are aligned with the Sustainable Development Goals (SDGs), National Development Plan (NDP 2030), Transformation, Modernisation and Revitalisation (TMR) and Agenda 2063. The SDGs are a universal call to end poverty, protect the planet and ensure that all people enjoy peace and prosperity., The NDP is a plan for the country that aims to eliminate poverty as well as reduce inequality by 2030 and the TMR is the Gauteng Provincial Government’s strategic direction aimed at transforming the economy of the province. The Agenda 2063 is the African Union’s strategic framework for the socio-economic transformation of the continent over the next 50 years

**Provincial Priorities**

The Department’s strategic objectives are aligned with the Sustainable Development Goals (SDGs), National Development Plan (NDP 2030), Transformation, Modernisation and Revitalisation (TMR) and Agenda 2063. The SDGs are a universal call to end poverty, protect the planet and ensure that all people enjoy peace and prosperity, the NDP is a plan for the country that aims to eliminate poverty and reduce inequality by 2030, the TMR is the Gauteng Provincial Government’s strategic direction aimed at transforming the economy of the province and the Agenda 2063 is the African Union’s strategic framework for the socio-economic transformation of the continent over the next 50 years. The Executive Council (Exco) of the economic cluster committee identified the Department as paramount in the execution of functions to contribute to the socio-economic development of the province through making contributions to 6 of the 10 Provincial Pillars deemed important by the Gauteng Provincial Government for economic growth.

The Gauteng City Region Overarching Agriculture and Agro-processing Strategy aims to improve socio-economic development in the province. The Department in addressing this strategy - has identified important programmes that will serve as vehicles for the attainment of the Provincial Government’s mandate. These are Agro processing, Agri-Parks, urban agriculture, mobile veterinary services and abattoirs and the turnaround strategy of Nature Reserves for eco-tourism. The attainment of this broad strategy involved *inter alia* the maintenance of the existing Agri-parks, infrastructure development, market access, skills development and mechanisation.

## Measurement of service delivery impact / Achievement

It is noted that partnerships for collaborative implementation of key departmental programmes or game changers remained the priority of the Department. Mobilisation of strategic partners continued. In the year under review, the Department entered partnerships with various other institutions. These strategic partnerships sought to attend to matters relating to skills development, development funding and market access for the produce of various primary producers as well as the Agri-parks. The Committee commends the Department for entering these partnerships in order to create and strengthen the institutional capacity of the Department in order for it to perform optimally.

**Transversal Mainstreaming**

The Committee continues to acknowledge that the Department is making efforts to promote the development of youth, people with disability and women. The procurement from Historically Disadvantaged Individuals (HDI), women and youth has also significantly improved.

# OVERSIGHT ON TECHNICAL PERFORMANCE

The Department funds 3 programmes name Administration, Agriculture and Rural Development as well as Environmental Affairs.

**Programme 1: ADMINISTRATION**

The purpose of this programme is to provide all the corporate support services required by the Department’s Programmes. It responds directly to Strategic Outcome-Oriented Goal 3 on enhanced capacity of the Department to implement effectively and indirectly to Strategic Outcome-Oriented Goal 1 and 2, which are a modernised and transformed agricultural sector increasing food security, economic inclusion and equality, sustainable natural resource management. The Programme’s objective is to lead strategically and to manage and oversee all operations and support services required for effective and efficient implementation of the Department’s core functions.

The programme had 35 performance indicators planned for the 2022/23 financial year. A total of 24 indicators were achieved, and 11 not achieved thus, leading to an achievement rate of 69%.

**Financial Management**

* The Committee commends the Department l on its performance indicator relating to the payment of supplier’s invoices within the 10, 15 and 30 days. The Department managed to pay 93% of Invoices within 10 days in comparison to the 60% the for the previous year and 99% of invoices within 15 working days in comparison to 94% the previous financial year. The following are some of the main challenges experienced by the Department with paying service providers invoices within 10 days and 15 working days.
* The Department did not realise the planned targets on the designated groups (women, youth, persons with disabilities, military veterans and township spend target). The Department ‘s biggest expenditure was on the current contracts secured through competitive bidding and the Department relied on the Request for Quotation (RFQ) which was less than R1 million to advance the designated groups. Most of the Department ‘s planned tenders were cancelled and the Preferential Procurement Report (PPR) regulation that was used in bids to advance designated groups was declared invalid by the Constitutional Court.
* The Department also did not achieve the targets on all designated groups due to non-responsiveness of tenders for targeted businesses owned by designated groups when requests for procurement for </= R 1 million were made. The Department will ensure that tenders are re-advertised, and quotations are sourced from the targeted designated groups. The Department could not achieve its set target on spend in township as there was inadequate response on tenders </= 1 million. Preference will be given to Township owned businesses in the next financial year. The commencement of Preferential Procurement Regulation (PPR) posed a challenge due to specific goals, which led to the underachievement on procurement that targets Co-operative businesses. Department has since reviewed the SCM policy and the SOP in line with the PPR 2022.
* The Department did not achieve the annual target set for department spend in townships. The planned tenders are reportedly still in the process and the Preferential Procurement Regulation (PPR) that was used in their bids to advance designated groups was declared invalid by the Constitutional Court. However, the Department reported that they will continue to give preference to the designated groups using RFQ with the threshold increased to R1 million.

**Special Projects**

Work opportunities created through Tshepo 1 million totalled to 6 321, exceeding the annual target of 3 000. More jobs were created than anticipated due to the implementation of TISH priorities which led to an increased number of EPWP jobs being created. Furthermore, 100% Ntirhisano enquiries were received and resolved on land availability, farmer support, grant funding and AgriBEE Fund in the financial year.

**Programme 2: AGRICULTURE AND RURAL DEVELOPMENT**

This programme is responsible for the two major mandate areas of the Department, that is, agriculture and rural development. The purpose of this programme is to consolidate and enhance the role of the agricultural sector in radically transforming, modernising, and re-industrialising Gauteng, support viable and sustainable agricultural enterprises, increase access to food security for all and ensure comprehensive rural development.

The Committee noted Programme 2 (Agriculture and Rural Development), 73 performance indicators were planned for the 2022/23 financial year. A total of 62 indicators were achieved, and 11 not achieved thus, leading to an achievement rate of 85%.

**Sustainable Resource** **Management**

The Department established 12 agricultural infrastructures. The target was not achieved due to infrastructure projects under construction phase, pending final completion. The Department will closely monitor the contractors to ensure completion of infrastructure projects under construction and timely payment of service providers. The late approval of business plans for the 2022/23 Land Care Conditional Grant resulted in the underachievement for hectares of agricultural land rehabilitated and green jobs created.

Infrastructure projects could not be completed as the Department had to change service providers due to non-delivery as per the contract. However, to date projects are at various stages of completion. The following projects are being implemented by the new service providers:

* 37 Boreholes are presently under construction; 01 reached practical completion. All the 37 boreholes are pending practical completion by the 31st July 2023;
* 23 Shade nets, 08 are under construction; 03 are on practical completion and 12 reached final completion.
* 09 Fences, 03 under construction; 01 at practical completion and five (5) reached final completion.
* 08 piggery structures are under design development stage and
* 03 poultry structures are under design development stage.

The late approval of business plans for the 2022/23 Land Care Conditional Grant resulted in the under-achievement of targets for hectares of agricultural land rehabilitated and green jobs created. The process for approving business plans is facilitated by the Department of Agriculture Rural Development and Land Reform, which is beyond the capacity and control of the Department.

**Agricultural Producer Support Development**

The Department supported 6 producers in the Red Meat commodity which was an underperformance due to the inability of service providers to deliver breeding stock for small stock, citing reasons of under quoting. The tender for the supply and delivery of grains production inputs was non – responsive, as a result, only 6 producers in the grain commodity were supported. Smallholder producers were not commercialised in the 2022/23 financial year, this is due to non-submission of audited financial statements by the targeted farmers. The Department is in the process of enlisting an auditing firm company to conduct audits for smallholder farmers.

The Committee noted that the availability of production inputs procured through RFQ and the Department’s participation on the Mpumalanga tender enabled the Department to support 5 110 subsistence women producers, 7 848 subsistence producers and 118 school food gardens. One horticulture production hub was established at Marievale Military Base as per the planned annual performance standards.

The targets for producers supported in the grain and red meat commodities were not achieved due to the non-responsive tender for the supply and delivery of grains production inputs. The non-responsiveness of tenders also negatively affected achievement on the hectares planted for food production. The tenders will be re-advertised in the new financial year. Furthermore, the target for producers commercialised was not reached due to failure to submit audited financial statements by farmers. The Department is in the process of enlisting an auditing firm to conduct audits for smallholder farmers.

**Veterinary Services**

The project champion had commenced to work throughout the previous years’ list of approved facilities ensuring that all facilities apply for re-registration and that they do not operate without a PAPA license. This action led to the increased number of inspections and compliant licenses being issued, leading to a total of 72 Performing Animals Protection Act (PAPA) licenses being issued in relation to the Performing Animals Protection Act, 1935 (Act No. 24 of 1935). The inspections were applied to all facilities that exhibit animals, train performance animals and train security animals in the Province.

**Research and Technology Development Services**

There were 82 producers who were trained in water savings technology in the financial year under review. The Mechanisation Programme which allocated departmental tractors to various farmers resulted in 8 444 hectares of land worked on. There were delays in project implementation on Agri-parks established per district by DBSA. An updated Project Initiation Report (PIR) is being prepared by the Infrastructure Development Unit (IDU) for submission to GPT for approval.

The department supported 7 women who have benefited from Agri-parks, and an Agrotropolis Initiative was supported for Sedibeng and West Rand District Municipalities. In addition, a new technology on “Enhancing Participation of SMEs in Gauteng Dried-Food Sector Development of Niche Products from Selected High-Value Crops using DEHYTRAY and other Drying Technologies” was developed for smallholder producers, and 1 research infrastructure was managed. There were delays for project implementation by DBSA. An updated Project Initiation Report (PIR) is being prepared by the Infrastructure Development Unit (IDU), for submission to GPT for approval. As a result, no Agri-parks were established in this financial year.

**Agricultural Economic Services**

The agricultural value chain in Gauteng continues to reflect historic ownership and participation patterns, with dominance of a limited number of large commercial industry players. On the periphery of the mainstream economy, there is still evidence of smallholder farmers mainly involved in primary agricultural activities. Many of these farmers are struggling to operate sustainable and viable businesses. These could be attributed to, among others, insufficient resources, knowledge and skills which are barrier to enter the market and reap the real socio-economic benefits.

The agricultural economic information responses provided to farmers resulted in the Department supporting 408 farmers with various agricultural production economic and technical advisory services to make informed decisions on their farms and produce in the form of family market days, awareness workshops on food safety, study groups and the development of business plans. The Gauteng Cannabis Industrialisation Masterplan was developed in the financial year to assist in growing the cannabis industry to its full potential. The Agro-logistics facilities aggregated 688,5 tons of volume of agricultural produce through various Agri-parks. The Department was able to provide agricultural economic information responses to 594 farmers and compiled 10 economic reports covering various topics in the economic sector for the 2022/23 financial year.

**Rural Development**

The department continues to offer leadership to all councils of stakeholders, monitoring and evaluation training to ensure that they function effectively in the four identified rural nodes. The training sessions that took place focused on designated groups such as women, youth, persons with disabilities and farmworkers. To foster social cohesion, the Department assisted the signatories of the Gauteng Rural Social Compact Plan to implement the projects.

A total of 4 skills opportunities were provided as more participants were responsive. Opportunities include Peer Educator Workshop, Women Transforming our Food System Workshop, Early Development Childhood training and How to Tender training. Moreover, 241 participants attended the Enterprise and Supplier Development Workshop targeting rural enterprises. A total of 13 rural infrastructure projects were provided, the prior approval of Project Initiation Report (PIR) allowed the acceleration of service delivery. Thus, more infrastructure projects were supported, including fencing, water tanks, renovations, and repairs. A total of 49 agricultural production initiatives in communal areas and rural nodes were supported.

Agricultural production initiatives were supported with production tools, due to availability of inputs and timely delivery by the service provider. Due to land parcels that were initially targeted for food production not being available for agricultural production, which was confirmed by the Land Audit Project final report which indicated that there was no GPG land parcels available for agricultural purposes, hectares of agricultural land released for agricultural production and agricultural land allocated to youth and women farmers for agricultural production were not achieved. The Department profiled 1 008 home-based enterprises. Agribusiness workshops held by the Department attracted more home-based enterprises than anticipated. These enterprises include construction and catering companies.

**Programme 3: Environmental Affairs**

This programme sets to promote sustainable development by providing an integrated environmental resource management programme system for a quality of living environment.

Programme 3 – Environmental Affairs spent R331 million of its R354 million adjusted budget that is equivalent to 93% of its budget allocation in the current financial year in this programme. In the previous financial year, the Department spent R298 million which equates to 93%. The underspending is on Compensation of employees due to departmental vacancies not yet filled as well as Payment for Capital assets relating to infrastructure project that needed to be finalised by DBSA.

**Compliance and Enforcement**

A total of 49 criminal investigations were successfully handed to NPA for prosecution. By conducting timeous follow-ups on administrative enforcement notices, 343 compliance inspections were conducted. The planned target (65%) of compliance to legislative obligations in respect of licenced facilities was not achieved, only 53% was met. This was due to 19 facilities that were not fully compliant with their legislative obligations.

**Environmental Policy Planning and Coordination**

Only 1 legislative tool was developed, and 1 environmental research project was completed. A total of 3 functional environmental information management systems were maintained, 1 climate change response intervention was implemented, 1 Gauteng City Region Over-Arching Climate Change Response Strategy Implementation Plan was finalised. Furthermore, 1 Gauteng Industrial Symbiosis Programme (GIS) was implemented, and 1 Gauteng Greenhouse Gas (GHG) Inventory was developed.

**Environmental Quality Management**

**Impact Management**

The Department achieved 100% for complete Atmospheric Emission Licenses issued within legislated timeframe and facilities with Atmospheric Emission licences reporting to the National Atmospheric Emissions Inventory System (NAEIS). The response required that the concept be changed from the Feasibility Study to a Pre-Feasibility Study. A Service Provider was appointed in February 2023 to undertake the Pre-Feasibility Study. The target for EIAs was not achieved (89% against target of 100%). The provincial network was not accessible for processing the applications.

A committee was established to investigate all the unfinalised applications. This will ensure that any application that might be delayed will be prioritised and processed within the legislated times-frames. In relation to complete waste license applications finalised within legislated timeframes, 100% was achieved. Waste Certificates issued totalled 951 and Health Care Waste Approvals issued amounted to 54.

**Air Quality Management**

Compliance with the National Ambient Air Quality Standards is still a challenge in Gauteng Province and it requires more co-ordinated efforts from both GDARDE and the municipalities. This will require that industrial emissions be reduced through Atmospheric Emission Licensing, emission reporting and monitoring of compliance with the conditions of the AELs. The Department continues to issue Atmospheric Emission Licenses (AELs) for municipal-owned facilities to ensure compliance with the Minimum Emission Standards. The Department will also provide continuous support to municipalities in regulating their Section 21 listed activities and the reporting of emissions on the National Atmospheric Emission Inventory System (NAEIS). The Department will continue to work closely with Compliance and Enforcement to address issues of compliance post issuance of AELs to ensure compliance with the set conditions. Ambient air quality monitoring remains crucial in Gauteng Province due to high levels of pollution and diversity of air pollution sources.

The Committee encourages the Department to continue to assist municipalities with the management and maintenance of ambient monitoring networks to ensure that credible data is available to inform policy and intervention strategies. The Department continues to identify alternative, high class, affordable technologies to monitor ambient air quality within the Province. Skills development in ambient air quality monitoring is one of the priorities for the Department in a bid to address the current challenges. Capacity building training will be conducted by both GDARDE and the National Department to ensure that municipal officials have the relevant skills to perform the air quality management mandate.

**Pollution and Waste Management**

In the 2022/23 financial year, the status of the external environment relating to waste management shows that there are growing challenges relating to provision of waste management services by municipalities in the Province. There are budgetary constraints in the waste departments, particularly since revenue collection has reduced. This is also exacerbated by the fact that the waste management tariffs are not cost reflective, Gauteng is experiencing major challenges in operating and decommissioning landfills in a manner that is compliant with licensing conditions. Over the past year, there has been an increase in adverse incidents at the municipal landfills that have in some cases led to deaths. Air pollution and nuisance caused due to lack of adequate soil cover and compaction of waste have led to increased public apathy towards the operation of landfills by nearby communities. There has been increased risk water resources pollution due to unmanaged leachate. The situation has been worsened by growing anarchy at landfills where municipal landfills have been threatened by gangs taking over the operations of landfills.

It is highly critical for municipalities to take to improve compliance and enforcement measures at the landfills. Adequate budgeting and resourcing of landfills is also critical. Post covid, municipalities in Gauteng have been faced with challenges in running effective waste management services due to budgetary constraints and low revenue collection for the waste services provided.

The Extended Producer Responsibility scheme provides an opportunity for the municipalities to collaborate with the producers as well as the Producer Responsibility Organisations (PROs) to increase waste diversion as well as establish infrastructure for waste minimisation in the Province. The PROs are also required to pay a stipend to registered waste pickers as part of the scheme.

**The Committee continues to be concerned with the state of Qir Quality Management in the Province**

**Biodiversity Management**

Although a grand total of 87 430 hectares of land are under the conservation estate, the target set for the period under review could not be achieved within the anticipated timeframes, due to various dependencies, including delayed responses from various stakeholders. There were also no new Stewardship sites assisted to increase land under conservation through the Biodiversity Stewardship Program due to lengthy processes that preceded publication of the declaration notices and various dependencies, including delayed responses from various stakeholders.

The Department has not achieved the indicator on the commercialisation of the Suikerbosrand Nature Reserve due to delays in obtaining the Treasury approval A1 due to shortfalls relating to bulk infrastructure. The project is ongoing, and the Department has completed the implementation of Phase 1 and 2. The Department is in the process of implementing phase 3 of the project which includes soliciting interest from investors.

**Environmental Empowerment Services**

Work opportunities created through environmental public employment programmes were 4 262 for the quarter under review. The target was achieved and exceeded due to budget reprioritisation and more projects reporting on EPWP Reporting System. Moreover, 49 environmental capacity building activities were conducted and 480 EPWP FTE jobs were created. The Department conducted 284 environmental awareness activities against the planned target of two hundred (200). The rollout of the TISH programme contributed to the increase in the number of awareness activities as well as additional clean-ups campaigns that were conducted. Only 2 quality environmental education resources materials were developed. A total of 97 831 trees were planted during the financial year under review. TISH programme contributed in the demand for trees to mitigate the impact of climate change and to green the townships and hostels in the province.

# OVERSIGHT ON BUDGET EXPENDITURE

The Department’s total allocated adjusted budget is R1 125 billion. Overall, the Department has spent R1 011 billion which is equivalent to 90% of its total allocated budget for 2022/23 financial year. Programme 1 - Administration has spent R291 million that is equivalent to 100% of its allocated budget, Programme 2 - Agriculture and Rural Development spent R389 million which is equivalent to 81% of its allocated budget and Programme 3 - Environmental Affairs spent R332 million which is equivalent to 94% of its adjusted budget. The main reason for the underspending can be attributed to delays in the procurement process following the Constitutional Court judgment regarding Preferential Procurement Regulations, 2017.

**Table 1 Programme Expenditure**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Programme** | **2022/23 FY** | **ACTUAL EXPENDITURE** | **VARIENCE** | **% TARGET ATTAINED** |
| Administration | 291,245 | 290,570 | 675 | 100% |
| Agriculture & Rural Development | 479,930 | 388,644 | 91,286 | 81% |
| Environmental Affairs | 354,331 | 331,822 | 22,509 | 94% |
| **TOTAL** | **1,125,506** | **1,011,036** | **114,470** | **90%** |

Source: Annual Report of Agriculture and Rural Development financial performance report of the 2022/23 FY

**Programme 1: Administration**

Table 1 shows that the Administration Programme spent R291 million of its budget which is equivalent to 100% of its allocated budget.

**Programme 2: Agriculture and Rural Development**

Table1 shows that the Agriculture and Rural Development was allocated an adjusted budget of R479 million. Of this, R388 million was spent which is equivalent to 81% of its budget allocation.

**Programme 3: Environmental Affairs**

Table 1 shows that the Environmental Affairs spent R332 million which is equivalent to 94% of its adjusted budget. The main reason for the underspending can be attributed to delays in the procurement process following the Constitutional Court judgment regarding Preferential Procurement Regulations, 2017.

# OVERSIGHT ON PUBLIC INVOLVEMENT

In line with its public participation mandate and *The Constitution of the Republic of South Africa,* the Portfolio Committee invited stakeholders to their meetings mainly to move written make inputs and g submissions and to observe Committee proceedings and no submissions were received.

Through other public engagements held throughout the year under review, the following challenges have been raised by stakeholders;

* Lack of support for farming activities in the Province.
* Drought and water challenges and shortage.
* Poor quality of infrastructure development, especially poultry structures.
* No opportunities for emerging farmers are created to gain access into formal markets
* Lack of accessibility of tractors to farmers.
* Lack of proper housing for farmers
* Lack of Mentorship and development for emerging farmers; Learnerships within the Department
* Lack of access to tools, tractors, inputs and machinery.
* Lack of land ownership as well as delays in the granting of lease agreements for agricultural purposes by Municipalities.

Stakeholders also urged the department to empower extension officers through further training and capacity building workshops on all commodities. The Committee acknowledges that the Department responded to the submissions by acknowledging matters raised and committed to addressing the issues. Furthermore, the Committee, in its continuous role of overseeing the Department’s performance, will ensure that the Department makes progress on issues raised.

# OVERSIGHT ON RESOLUTION MANAGEMENT

The Portfolio Committee, in its endeavours to enhance oversight and comply with the prescripts of SOM, periodically assesses the Department’s responses on resolutions passed by the House. This exercise is aimed at ensuring that House resolutions impact positively on service delivery targets as a way of improving the lives of the people of Gauteng.

| **RESOLUTIONS MANAGEMENT** |
| --- |
| **RESOLUTIONS PASSED DURING ALL 4 QUARTERS LEADING UP TO THIS ANNUAL REPORT** |
| **Total number of Resolutions passed during the Previous Quarters** |
| 32 |
| **Nature of Resolutions** |
| 24 Service Delivery and Governance Resolutions |
| **RESOLUTIONS / ACTIONS NOW DUE (OR PAST DUE)** |
| **Number of Resolution Responses / Action now due** |
| All resolutions emanating from the 2021/21 FY were submitted |
| **RESOLUTIONS CLOSED** |
| **From those now due, how many Resolutions are now satisfactorily closed** |
| 20 Resolutions related to the Annual Report 2017/18 FY were deemed to be satisfactorily responded to by the Department. |
| **REASONS** |
| **Reasons for Resolutions not yet closed** |
| On-going |
| **Measures taken by the Committee to ensure speedy Closure of Resolutions due but still open** |
| *Quarterly reminders are sent to the Department to respond / give quarterly updates on resolutions that are on-going.* |

# OVERSIGHT ON PERFORMANCE VERIFICATION

For the year under review, the Portfolio Committee undertook 2 FIS, emanating from the Budget Report Process and Annual Report. The following focus areas were considered and verified hereafter.

* **“*****Commercialisation of Suikersbosrand Nature Reserve*** emanating from the Budget Report process for 2022/23 FY.
* ***“Extent and Impact of Commercialization Programme for Smallholder Farmers and Agro processors”*** emanating from the Annual Report process for 2021/22 FY.

1. **OVERSIGHT ON ANY OTHER COMMITTEE FOCUS AREA**

**Overview of the Auditor General’s Report**

**Overall**

The department must continue to maintain positive audit outcomes on the financial statements and performance management reporting. compliance with laws and regulations should be improved to the audit outcomes overall.

**Financial Statements**

The annual financial statements to continue to be free from material misstatements. The department should improve and enforce the controls in place to ensure that the applicable financial delegation of authority is adhered to when approving payments. Further, the department should improve on the financial statements review processes to ensure that the disclosed amounts agree to the supporting information and that disclosures are in accordance with the applicable reporting framework (MCS).

**Service Delivery**

The department should ensure that service delivery targets are achieved. As the department has underspent on one of its main programmes and did not achieve its targets, it should improve its expenditure on the programme to support more producers and have a positive impact on the lived realties of the citizens in the province and improve food security.

**Compliance**

Management in the department should develop a checklist that will be used every time procurement takes place to ensure that the applicable prescribed legislation are adhered to before procurement is finalised. Management in the department should ensure, by implementing adequate controls, that the applicable prescribed competitive bidding process are adhered to when the decision of the Bid Adjudication Committee to approve a bid other than the one recommended by the Bid Evaluation Committee is ratified. The Auditor General, relevant Provincial Treasury and National Treasury must be notified of the reasons for deviating from such recommendation within the prescribed period.

**Matters of Emphasis on The Auditor General’s Report**

The Auditor General’s (AG) overall audit outcome of the GDARD indicated that the GDARDE was given an unqualified audit report with findings during the year under review as a result of several issues that were highlighted as areas of concern by the AG. The AG pointed to:

* Underspending by R91 286 00 by Programme 2 – Agriculture and Rural Development,
* Irregular expenditure amounting to R86 million drawn from the 2016/17 and 2017/18 financial years,
* Fruitless and wasteful expenditure amounting to R6,5 million relating to the 2019/20 and 2020/21 financial years,
* Irregular expenditure amounting to R2,4 million for the 2022/23 financial year on the budget,
* Fruitless and wasteful expenditure amounting to R5,5 million in the 2022/23 financial year,
* Lost a court case as they were found to be in breach of contract to the tune R3,5 million.

# FINDINGS, RECOMMENDATIONS AND IMPLICATIONS ON LAW MAKING

**COMMITTEE CONCERNS**

The Committee is concerned about:

* 1. The inability by the Department to implement recommendations by the Auditor General on irregular expenditure.
  2. The Departments continuous failure to align its budget with its planned targets, as under expenditure is observed in Agriculture and Rural Development programme.
  3. The Department continues to underachieve its target for businesses owned by Youth and People with Disabilities (PWDs).
  4. The IDMS system and its associated SCM processes still pose challenges and has led to delays in the delivery of infrastructure projects and non-responsiveness to tenders which affects service delivery.
  5. The lack of spending on the Conditional Grants on the agricultural industry.

**COMMITTEE RECOMMENDATIONS**

**The reports should be submitted to the Committee by the 26th of February 2024**.

**The Committee recommends that the Department should:**

* + 1. Provide the Committee with a report on the corrective measure in place to avoid audit findings. The Department is further requested to report its progress to the Committee quarterly on issues raised by the Auditor General.
    2. The Department should provide monitoring and evaluation quarterly reports on the progress of how planned targets are achieved and the budget is spent on planned projects.
    3. Department to provide a quarterly turnaround strategy on how procurement targets for Women, Youth and People with Disabilities will be achieved in the next quarters.
    4. Provide a progress report on the backlog faced with the establishment of infrastructure projects brought about by the IDMS system and its associated SCM processes.
    5. Provide the Committee with a detailed report on how the allocated funds on the Conditional Grants will be utilised to support the agricultural sector.

**Additional recommendations**

* + 1. Provide the Committee with a comprehensive report that includes a list of identified land for agricultural production, land to be rehabilitated, criteria to be used to assist small holder farmers to gain access to Land.
    2. Provide Committee with evidence of lease agreements drawn up between farmers and Municipalities where applicable.

1. **ACKNOWLEDGEMENTS**

The Portfolio Committee on Environment, Agriculture and Rural Development wishes to thank the MEC for Social Development and Agriculture and Rural Development, Ms Mbali Hlophe, the Head of Department, Ms M Gasela and her team of officials. The Chairperson, Ms Refiloe Kekana further wishes to acknowledge and express her gratitude to the Honourable Members of the Portfolio Committee on Environment, Agriculture and Rural Development Members Mr Mpapa Kanyane, Mr T Ndlovu, Ms F Hassan, Ms A Ndlovana, Ms J Miller, Ms B Engelbrecht, Ms N Radebe and Mr I Mukwevho Further appreciation goes to the alternate Members of the Committee namely Members: Mr K Mazwi, Mr S Dos Sontos. It is an honour to lead such a hard-working team. Furthermore, the Portfolio Committee would like to express appreciation for the contribution of the following support staff members: Group Committee Coordinator Mr T Bodibe, the Committee Researcher Mr B Mabuza, Committee Coordinator Ms L Mampe, Administrative Assistant; Ms N. Mngadi, Hansard Recorder Ms R Moremi, Senior Information officer, Ms Jenny Kiewitz, Communications Officer; Mr S Sibiya, Service Officer Ms Busisiwe Nhlapo and Public Participation Officer: Mr B Dhlomo for their dedication and commitment.

# ADOPTION

After due consideration, the Environment, Agriculture and Rural Development Portfolio Committee adopted the Committee Oversight report on the Gauteng Department of Environment, Agriculture and Rural Development Annual Performance Report for the 2022/2023 Financial Year.

In terms of Rule 117(2)(c) read together with Rule 164, the Environment, Agriculture and Rural Development Portfolio Committee presents the Committee Oversight Report on the Gauteng Department of Environment, Agriculture and Rural Development Annual Report for the 2023/2023 FY for adoption.