

Monday, 22 July 2024]

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PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

**ANNOUNCEMENTS,
TABLINGS AND
COMMITTEE REPORTS**

MONDAY, 22 JULY 2024

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ANNOUNCEMENTS

National Assembly

The Speaker

1. Appointment of whip

- (1) The following member has been appointed as a whip of the Freedom Front Plus in the National Assembly with effect from 15 July 2024:

Denner, H

2. Membership of Committees

- (1) The following changes have been made to the membership of Committees, viz:
- (a) Mr MA Mncwango was elected Chairperson of the Portfolio Committee on Land Reform and Rural Development, with effect from 19 July 2024.
- (b) The following committee membership changes have been made:

1. African National Congress

Portfolio Committee on Science, Technology and Innovation

Discharged: Gigaba, Mr KMN
Appointed: Shiviti, Ms TG

Portfolio Committee on Land Reform and Rural Development

Discharged: Shiviti, Ms TG
Appointed: Gigaba, Mr KMN

2. uMkhonto weSizwe

Standing Committee on Auditor-General

Discharged: Zuma-Sambudla, Ms D
Madlala, Mr K
Appointed: Mogotsi, Ms GA
Motshegoe, Mr CM

3. Action SA

Portfolio Committee on Agriculture

Discharged: Trolip, Mr A [Alternate]
Appointed: Trolip, Mr A

4. United Africans Transformation

Portfolio Committee on Agriculture

Discharged: Mahlatsi, Mr LW
Appointed: Mahlatsi, Mr LW [Alternate]

5. Patriotic Alliance

Portfolio Committee on Social Development

Appointed: De Bruin, Ms K

6. Inkatha Freedom Party

Portfolio Committee on Basic Education

Discharged: Ngcobo, Mr SL [Alternate]
Appointed: Ngcobo, Mr SL

Portfolio Committee on Social Development

Discharged: van der Merwe, Ms LL
Discharged: Machi, Ms BE [Alternate]

7. BOSA

Portfolio Committee on Basic Education

Appointed: Webster, Ms NL [Alternate]

8. African Transformation Movement

Portfolio Committee on Basic Education

Discharged: Zungula, Mr W
Appointed: Zungula, Mr W [Alternate]

COMMITTEE REPORTS

National Council of Provinces

1. REPORT OF THE SELECT COMMITTEE ON PUBLIC INFRASTRUCTURE AND MINISTER IN THE PRESIDENCY ON BUDGET VOTE 13: PUBLIC WORKS AND INFRASTRUCTURE, AND THE ANNUAL PERFORMANCE PLAN OF THE DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE, DATED 19 JULY 2024.

The Select Committee on Public Infrastructure and Minister in the Presidency (“the Select Committee”), having considered the Annual Performance Plan and Budget (Vote 13) of the Department of Public Works and Infrastructure, reports as follows:

1. INTRODUCTION

The Select Committee considered the 2024/25 Annual Performance Plan (APP) of the Department of Public Works and Infrastructure (“the Department”) on 17 July 2024. In preparation for this report, the Department briefed the Committee on its 2024/25 APP and 2024/25 Estimates of National Expenditure as well as that of the Property Management Trading Entity (PMTE).

Amongst the key mandates of the Department is the coordination of the shared competency between National and Provincial Governments in respect of the immovable asset register, construction and property management and the implementation of the Government Immovable Asset Management Act 19 of 2007. The core business of property management is ring-fenced under the PMTE and amongst its key mandates is to plan for project delivery through project implementation planning, procurement of professionals, design development and appointment of contractors and project management of the delivery of construction projects.

Infrastructure South Africa (ISA) serves as the central coordinating body for national priority infrastructure projects and oversees the implementation of officially announced Strategic Integrated Projects (SIPs). ISA has been allocated R600 million over the Medium - Term Expenditure Framework (MTEF) to assist in the preparation of projects to ensure their financial

viability and feasibility. Current SIP projects related to the portfolio of the Select Committee include, amongst other:

- i. Salvokop Precinct Project in the Gauteng Province: The project has a government precinct at its core and is located in the Pretoria inner city. The project is to be integrated into community infrastructure as part of the Tshwane Inner City Regeneration Programme.
- ii. Redevelopment of Ports of Entry Project: The project aims to reduce delays experienced by passengers and vehicles at six inland borders that South Africa shares with its neighbouring countries.

In the Minister's opening remarks, emphasis was placed on the imperative to optimise the use of public assets and social infrastructure, to increase the performance of the construction industry and for the cash generating capacity of the Department to increase. These imperatives were translated into the intention of turning South Africa into a construction site. The intention of turning South Africa into a construction site was subsequently also included the Opening of Parliament address by the President, where it was stated that infrastructure investment will be increased to encourage and enable the involvement of businesses and deliver social infrastructure. The Select Committee fully lends its support to the vision as set out by the Minister and the President.

2. ALIGNING THE 2024/25 BUDGET ALLOCATIONS TO THE ANNUAL PERFORMANCE PLAN INDICATORS

- 2.1. The Department reported that it will reduce its transfers and subsidies budget by R4.8 billion; its goods and services budget by R176.7 million; and its payments for capital assets budget by R3.8 million, to accommodate Cabinet-approved reductions of R5 billion over the MTEF period. To absorb the reductions, the Department has stopped, suspended or delayed certain projects.
- 2.2. In terms of economic classification, 81.8 % (R19.8 billion) of the departmental budget is allocated to transfers, subsidies and the Expanded Public Works Programme (EPWP) transfers. This reflects the fact that the various Public Entities reporting to the Minister of Public Works and Infrastructure and Provincial and

Local Government, play a key role in the attainment of the strategic outcomes of the Department.

- 2.3. The Department generates revenue through the PMTE, by letting properties and official quarters, and the sale of land and buildings. It is projected that the Department will collect revenue to the total value of R17.6 billion for 2024/25.
- 2.4. The PTME's focus over the MTEF period will be on developing precincts to support efficient and integrated government planning by grouping departments that provide similar services and refurbishing and maintaining government buildings in its portfolio. Precinct development in the following precincts have been prioritised in the 2024/25 APP:
 - i. Pietermaritzburg (Umsunduzi Local Municipality, KZN)
 - ii. Stanger Precinct (KwaDukuza Local Municipality, KZN)
 - iii. Kunye Precinct (City of Johannesburg, GP)
 - iv. Kokstad Justice Precinct (Greater Kokstad Municipality, KZN)
 - v. Polokwane Precinct (City of Polokwane Municipality, LP)
 - vi. Carolina Precinct (Chief Albert Luthuli Municipality, MP)
 - vii. Howick Precinct (Umngeni Municipality, KZN)
 - viii. King Williams Town / Qonce (Buffalo City Municipality, EC).

3. OBSERVATIONS AND KEY FINDINGS

- 3.1. The Minister introduced the initiative to declare war on pit latrines in schools. The initiative will be led jointly with the Minister of Basic Education and will be undertaken in cooperation of Provincial Departments.
- 3.2. The PMTE has budgeted an expenditure of R56.3 billion over the medium term, which includes R5.6 billion allocated for ad hoc building maintenance. At a further cost of R12.7 billion over the MTE period, the entity will carry out refurbishment, repair and capital projects for 24 departments, including correctional centers, police stations, courts and office buildings. Due to the nature of the services and mandates of departments such as correctional services and the national defense force, the

maintenance and refurbishment of such facilities cannot be undertaken in partnership with the private sector.

- 3.3. The Department reported that it has a R23 billion maintenance backlog. Given the constrained budget, the Department is making a policy shift towards attracting capacity and skills from the private sector to work in partnership with Government to improve the condition of specific facilities through the Renovate Operate and Transfer Programme (ROTP) and Build Operate and Transfer Programme (BOTP).
- 3.4. In its assessment of the 2022/23 Annual Report, the Auditor General questioned the credibility of EPWP performance information. The Select Committee thus enquired which measures the Department will put in place to address this concern. In addition, concern was also raised about potential corruption and abuse of the programme and that limited skills transfers take place. The Deputy Minister indicated that relevant measures include transparency in recruitment, co-ordination in implementation and an exit strategy for participants which is aimed at upskilling participants.
- 3.5. The delay on the part of Organs of State in paying outstanding debts and service charges to the PMTE affects the financial viability of the entity and is a risk to its revenue optimisation strategy. The Committee and the Department shared the assessment that there is a need to improve the payment rates to the PMTE. The Department was requested to give an indication of the amounts owed to the PMTE. It was informed that Government Departments owe the PMTE in the region of R13 billion, with Department of Correctional Services and the Department of Defence in the region of R4 billion in arrears each.
- 3.6. The Department was requested to indicate to which extent the appointment of contractors is monitored to ensure that the same enterprises do not continually benefit from the award of contracts. The Deputy Minister referred to the legislative reforms that will be introduced through the Public Procurement Bill, including a focus on localisation in the award of contracts.

- 3.7. The Select Committee and Department agreed on the need for co-ordinated social infrastructure planning. An example was made of a school constructed in the Coffee Bay area in the Eastern Cape where children cannot attend during times of heavy rains as there is no bridge to allow them to cross the river en route to school. In response, the Minister stated that there is a need for a nationally co-ordinated infrastructure planning across all spheres of government including local government because often municipalities do not plan to extend the capacity of its bulk infrastructure.

4. RECOMMENDATIONS

The Committee recommends that the Minister should ensure that the Department:

- 4.1. Take concerted steps towards improving low payment rates, including engaging with the Auditor General to include payment of PMTE arrears as an audit focus for Organs of State.
- 4.2. Provide an update report on the provision of suitable provincial accommodation to the Public Service Commission. This is a legacy issue which the PSC had raised during the 6th administration.
- 4.3. Provide an update report on Telkom Towers which was purchased at the cost of R694 million in 2016 whereas in early 2024 only one of the nine buildings forming part of the complex had been occupied. The Department previously reported that the project involved collapsing 15 South African Police Service (SAPS) leases and in the process challenges outside the control of the Department had arisen.
- 4.4. Design a programme with a focus on township infrastructure development, with a strong linkage to economic infrastructure.
- 4.5. In the investigation into fraud, corruption and maladministration that would be undertaken in the Department, that it should not limit its focus to the award of infrastructure contracts. It is recommended that it should be extended to collusion in the prices of material (such as cement and steel) used in the construction industry.

- 4.6. Provide a progress report on the status of the Independent Development Trust (IDT) Business Plan which was to be aimed at ensuring the IDT becomes self-sufficient. In 2024 the Department reported that it had transferred R70.3 million to the IDT as a Schedule 2 entity that is an implementing agency of the Department.
- 4.7. Provide a report on the occupancy rate of state-owned buildings over the past three years, for the Select Committee to determine the level of progress in this regard.
- 4.8. Provide a progress report on the finalisation of the Land Audit.
- 4.9. Provide a progress report on its engagements with the Department of Agriculture and Rural Development's Deeds Office. This was aimed at ensuring that the Deeds Office's records could be reconciled with the Asset Register timeously.

The Committee recommends that the Council approves the Budget of the Department of Public Works and Infrastructure.

Report to be considered.

2. REPORT OF THE SELECT COMMITTEE ON PUBLIC INFRASTRUCTURE AND MINISTER IN THE PRESIDENCY ON BUDGET VOTE 40: TRANSPORT AND THE ANNUAL PERFORMANCE PLAN OF THE DEPARTMENT OF TRANSPORT, DATED 19 JULY 2024.

The Select Committee on Public Infrastructure and Minister in the Presidency (“the Select Committee”), having considered the Annual Performance Plan and Budget (Vote 40) of the Department of Transport, reports as follows:

1. INTRODUCTION

- 1.1. The Select Committee considered the 2024/25 Annual Performance Plan (APP) of the Department of Transport (“the Department”) on 17 July 2024. In preparation for this report, the Department briefed the Committee on its 2024/25 APP and 2024/25 Estimates of National Expenditure.
- 1.2. The Department of Transport (DOT) is responsible for conducting research and formulating legislation and policies to set sector wide strategic direction for pipelines, roads, airports, harbours and the intermodal operations of public transport and freight. The Constitution of the Republic of South Africa, 1996, (“the Constitution”) and transport legislation assign transport responsibilities to other levels of government and DOT regulates through setting norms and standards and monitoring implementation.
- 1.3. In the introductory remarks, the Minister for Transport conveyed to the Select Committee that there is no coherence between the Department APP and the reality of the mobility systems in the Country. This reality is reflected in a rail and freight system that is not functioning properly; roads that are not properly maintained; and a taxi industry that is plagued by violence. The development of the new Five-Year Strategic Management Plan will take such realities into consideration.

2. ALLIGNING THE 2024/25 BUDGET ALLOCATIONS TO THE ANNUAL PERFORMANCE PLAN INDICATORS

- 2.1. The Department's expenditure is expected to increase at an average annual rate of 4.2 %, from R78.3 billion in 2023/24 to R88.6 billion in 2026/27. Following instructions to Departments to reduce budgets, the Department's budget has been reduced by R20.3 billion over the medium term. This will translate into a reduction in the transfers to public entities, including the South African National Roads Agency (SANRAL) and the Passenger Rail Agency of South Africa (PRASA) (R17.4 billion reduction); reduction in transfers to the Provincial Roads Maintenance Grant (R2.7 billion reduction); and a reduction in transfers to the Public Transport Network Grant (R237.9 million reduction).
- 2.2. The Department's APP also reflects on the Consolidated Indicators which are indicators implemented by the Public Entities reporting to the Minister for Transport and which the Department monitors. These include, amongst other, the following indicators:
- i. A target of 5000 direct jobs and 23 800 indirect jobs created through the PRASA infrastructure Programme;
 - ii. A target of 50 stations revitalised;
 - iii. A target of 25 PRASA lines in operation;
 - iv. A target of 90.07 million rails passenger trips; and
 - v. A target of 238 rolling stock units reconfigured or refurbished through the General Overhaul Programme.
- 2.3. Transfers and subsidies account for 97.9 per cent (R250.37 billion) of the Department's expenditure over the next three years. These transfers and subsidies are to transport public entities and agencies to carry out their mandated functions, and to other spheres of government with concurrent transport functions through the Provincial Roads Maintenance Grant (PRMG), the Public Transport Operations Grant (PTOG), the Public Transport Network Grant (PTNG) and the Rural Roads Asset Management Systems Grant (RRAMSG). The Minister has appealed to the Select Committee to focus oversight efforts on monitoring the expenditure of

conditional grants in Provinces as the reality is that provinces that have poor road conditions, return unspent grant funds to the fiscus.

- 2.4. A budget of R86.8 billion has been allocated to the SANRAL over the MTEF. The Agency will utilise this allocation to maintain the national non-toll network, and R4.1 billion will be spent on the N2 Road Wild Coast project; R3 billion is allocated to the R573 (Moloto Road) development corridor; and R2.3 billion is allocated to the Gauteng Freeway Improvement Project.

3. OBSERVATIONS AND KEY FINDINGS

- 3.1. During the consideration of the 2022/23 Annual Report, the Department reported that a business plan and project plan had been developed for the transfer of the card production function from the Driver's License Card Account (DLCA) to the Road Traffic Management Corporation (RTMC). National Treasury had been requested to support the dissolution of the DLCA and the transfer of all assets and liabilities thereof into the RTMC. The Department reported that at present National Treasury is still considering the request for the decommissioning of the DCLA trading account.
- 3.2. In response to an enquiry by the Select Committee, the Department reported that the procurement of a new license – card production machine is still underway. During the consideration of the Department's 2022/23 Annual Report, it was reported that the machine is obsolete, prone to breakdowns and poses a risk to the targeted production of 6 500 000 license cards over the MTEF period.
- 3.3. In response to a question on collaboration, the Department responded that it does collaborate with the Department of Tourism. The Department is responsible for issues licenses to tourism rail operators and have over the past two years been able to eradicate the licensing backlog.
- 3.4. The Select Committee requested the Department to elaborate on the 69% increase in the allocation to the Civil Aviation Programme between the 2023/24 financial year and the 2024/25 financial year. The response was provided that approval had

been obtained for investment into Air Traffic Navigation Services equipment which had become obsolete.

- 3.5. The Select Committee requested the Department to indicate which measures are in place to increase safety for transport users, including people with disabilities. The Department responded that it has hosted a Universal Access Conference where the conference theme was the progressive improve access to transport.

4. RECOMMENDATIONS

The Committee recommends that the Minister ensure that the Department:

- 4.1. Provide a progress report on the finalisation of the Service Level Agreement between the Department and external stakeholders such as National Treasury and Law Enforcement Agencies required in the finalisation of investigations into potential corruption.
- 4.2. Provide the following assessment reports completed for the previous financial year:
- i. Provincial and Municipal Road Asset Management (RAMS) Assessment Report.
 - ii. Annual Status Report on the development and implementation of ‘one-plans’ in fifty (50) district municipalities developed.
 - iii. Analysis Report on the Management and Oversight of the PRASA Capital Programme.
 - iv. Annual Monitoring Report on the Implementation of the National Road Safety Strategy.
 - v. Monitoring Report on the SANRAL Road Maintenance Programme.
 - vi. Analysis Report on the State of Aviation Accidents and Incidents in South Africa.
- 4.3. Provide any intervention plans that have been developed to reduce truck congestion around the Richards Bay Port as the trucks negatively affect the road conditions and pose a safety concern to other road uses.
- 4.4. Brief the Committee on the follow in respect of the taxi industry:

- i. Any intervention plan developed to address violence in the taxi industry,
 - ii. Taxi recapitalisation downstream projects; and
 - iii. Implementation of the 2020 Taxi Lekgotla resolutions.
- 4.5. List which matrices / indicators are used to assess gender responsiveness for the Department's Strategic and Annual Performance Plan and the Annual Report.
- 4.6. Brief the Committee on the Draft Regulations to the Transport Economic Regulation Act, with a specific focus on ensuring that safeguards are put in place in the undertaking of market enquiries to address concerns of scope creep and overreach.
- 4.7. Provide a copy of the Universal Access Conference Resolution Charter.

The Committee recommends that the Council approve the budget of the Department of Transport.

Report to be considered.

3. CONSOLIDATED REPORT OF THE SELECT COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, PUBLIC SERVICE AND ADMINISTRATION, HUMAN SETTLEMENTS, WATER AND SANITATION ON CONSIDERATION OF 2024/25 ANNUAL PERFORMANCE PLANS AND BUDGET ALLOCATIONS OF THE DEPARTMENT OF COOPERATIVE GOVERNANCE, THE DEPARTMENT OF TRADITIONAL AFFAIRS AND THE MUNICIPAL INFRASTRUCTURE SUPPORT AGENT: DATED 16 JULY 2024

Having considered and deliberated on the 2024/2025 Annual Performance Plans, and Budget Votes of the Department of Cooperative Governance (DCOG), the Department of Traditional Affairs (DTA) and the Municipal Infrastructure Support Agency (MISA), the Select Committee on Cooperative Governance and Traditional Affairs, Public Service and Administration, Human Settlements, Water and Sanitation; reports to the National Council of Provinces as follows:

1. Legislative Framework

- 1.1. The National Treasury regulations provide the basis for the development and submission of Strategic Plans and related quarterly performance reporting. The revised framework on Strategic Plans and Annual Performance Plans requires departments to: institutionalise planning, budgeting, reporting, monitoring and evaluation and align, the planning process and all the planning documents (Strategic Plans (SPs), Annual Performance Plans (APPs) and Annual Operational Plans (AOPs) with the MTSF, .and to describe outputs that are their direct responsibility in the list of programmes / sub-programmes. Any outputs from implementing agencies should be reflected in an annexure to the APP.
- 1.2. The Money Bills Amendment Procedures and Related Matters Act (2009) empowers Parliament to recommend, reject or amend budgets of National Departments and Organs of State.

- 1.3. The Act also enjoins Committees of Parliament to compile and adopt Budget Vote Reports, based on interactions with the relevant Departments and Entities reporting to them on their Strategic Plans, Annual Performance Plans and Budgets.
- 1.4. In terms of the 1996 Constitution and the Rules of the National Council of Provinces , the Select Committee on Cooperative Governance and Traditional Affairs, Public Service and Administration, Human Settlements, Water and Sanitation is empowered to ensure executive accountability and perform oversight over the Department of Cooperative Governance (DCoG), Department of Traditional Affairs (DTA), Department of Public Service and Administration (DPSA), Department of Human Settlements (DHS), Department of Water and Sanitation (DWS).
- 1.5. On the 15 of July 2024, the Select Committee on Cooperative Governance and Traditional Affairs, Public Service and Administration, Human Settlements, Water and Sanitation convened a physical meeting to consider the 2024/2025 Annual Performance Plans of the Department of Cooperative Governance (DOCG), the Department of Traditional Affairs (DTA) and the Municipal Infrastructure Support Agent (MISA).
- 1.6. The purpose of this consolidated report of the Select Committee is to account to the National Council of Provinces on the consideration and adoption of the Departmental Annual Performance Plans and Budget Allocations. This consolidated report is structured into three sections. The first section focuses on the Annual Performance Plan and Budget Allocation of the Department of Cooperative Governance. The second section on the Department of Traditional Affairs and the final section on Municipal Infrastructure Support Agency.
- 1.7. In each section, this consolidated report provides information on planned outputs annual targets and budget analysis of the departmental programmes as well as the observations and recommendations of Select Committee on CoGTA

2. 2024/2025 ANNUAL PERFORMANCE PLAN AND BUDGET OF THE DEPARTMENT OF COOPERATIVE GOVERNANCE (DCOG)

- 2.1. The Department of Cooperative Governance presented the 2024/2025 Annual Performance Plan and budget allocation. The presentation focused on outputs, indicators and annual targets and budget allocation related to five programmes of the department, namely Administration; Local Government Operation and Support; Policy, Governance and Administration; National Disaster Management Centre; Community Work Programme and budget allocations.
- 2.2. The 2024/25 Annual Performance Plan is based on the Policy Priorities and Strategic Plan for the 6th Administration and Parliament. In this 2024/25 Annual Performance Plan, the departments have outlined institutional outputs and performance indicators, and associated activities and inputs that will be used in assessing the institution's performance, more especially delivery on its mandate.
23. The proceeding sections report on 2024/2025 departmental Annual Performance Plan in terms of the reviewed organisational structure and existing departmental programmes. The focus of analysis is on planned measurable outputs and annual targets per departmental programme.

3. Programme on Administration

- 3.1. The purpose of this programme is to provide strategic leadership, management and support services to the department. The outputs of this programme include implementation of corporate services improvement plan (CSIP), implementation of financial services improvement plan (FMIP).
- 3.2. The annual targets of the programme include 90% implementation of approved CSIP by 31 March 2025, procurement spend on entities owned by women, youth and persons with disabilities, 90% implementation of approved FMIP by 31 March 2025, 40% procurement spend on entities owned by women by 31 March 2025, 30% procurement spend on entities owned by youth by 31 March 2025 and 7% procurement spend on entities owned by persons with disabilities by 31 March 2025.

- 3.3. The department has committed through the administration programme to ensure continuity and improvement in the provision of support to core business through the implementation of innovative solutions, in support of Departmental Outcome 6 and MTSF priority 1 which relate to the commitment of ensuring efficient and effective internal corporate governance systems and building of a capable, ethical and developmental state

4. Programme 2: Local Government Support and Intervention

- 4.1. The purpose of this programme is to facilitate and coordinate improvements in the functionality of provinces and municipalities, strengthen coordination across the different spheres of government and support improvements in the delivery of services to households and communities.
- 4.2. Some of the outputs of the departmental programme include institutionalization of District Development Model (DDM) across all spheres of government; ensuring functionality of municipalities; provision of Municipal Infrastructure; capacitation of municipalities to implement DWS Blue-Drop; DWS Green; Integrated Waste Management Plans; Infrastructure Asset Management Plans (IAMPs); Roads Infrastructure Strategic Framework in line with the Rural Roads Asset Management Systems Grant (RRAMS) and Water Services Authorities (WSAs) to manage water loss and non- revenue water (NRW);
- 4.3. The annual targets of this programme include supporting 30 Districts/ metros to implement one DDM catalytic project by 31 March 2025; 44 municipalities to improve performance status in terms of the SoLG assessment report by 31 March 2025; 33 priority Municipalities to achieve DWS Blue-Drop targets by 31 March 2025; 33 priority municipalities to achieve DWS Green- Drop targets by 31 March 2025 ; 33 WSAs with achieved water losses & non- revenue water targets by 31 March 2025; 33 priority municipalities to achieve waste service delivery standard targets by 31 March 2025.and 33 priority municipalities that have spent Rural Roads Asset Management Systems Grant by 31 March 2025

5. Programme 3: Policy, Governance and Administration

- 5.1. The purpose of this programme is to facilitate efficient municipal administrative systems. coordinate policy. conduct research, monitoring and evaluation to build institutional resilience in provinces and municipalities.
- 5.2. The major outputs of this programme include implementation of revenue improvement; tabling to parliament of Local Government General Laws Amendment; Draft regulations for LG indicators (section 43 of MSA) development of standardize municipal performance monitoring and reporting; development of Capital Expenditure Frameworks (CEFs for intermediate city municipalities 22 municipalities surveyed on citizen satisfaction with service delivery; supporting municipalities to develop credible and responsive recovery plan; implementation of Unfunded budgets reduction action; Audit action Plan and Eskom Debt Relief Programme
- 5.3. The planned annual targets of this programme include proposal of revenue improvement recommendations for implementation in 5 municipalities by 31 March 2025; Credit control and debt collection recommendations proposed for implementation in 5 municipalities by 31 March 2025; Local Government: General Laws Amendment Bill submitted to Technical Working Group of Cabinet Committee by 31 March 2025; 100% of competent senior managers appointed and recommended to the MECs by 31 March 2025; 100% cases of misconduct including financial misconduct, fraud, and corruption recorded on the database for dismissed municipal staff members by 31 March 2025; 6 priority municipalities with recommendations made to reduce unfunded budgets by 31 March; 6 priority municipalities identified to achieved 50% audit action plan targets by 31 March 2025; 6 priority municipalities identified to achieve 60% of Eskom Debt Relief action plan targets by 31 March 2025

6. Programme 4: National Disaster Management Centre

- 6.1. The purpose of this programme is to promote an integrated and coordinated system of disaster management with special emphasis on prevention and mitigation by all role players and stakeholders.

- 6.2. The critical outputs of this programme include implementation of National Disaster Management Framework, improvement of the functionality of Municipalities through implementation of the National Fire Safety and Prevention Strategy.
- 6.3. The annual target for this programme includes 4 sector departments implementing disaster funding arrangements in terms of the Disaster Management Act by 31 March 2024, 14 municipalities in priority disaster areas implementing a disaster management strategy to prevent, prepare for and mitigate disaster risks in terms of the Disaster Management Act by 31 March 2024 and 10 municipalities implementing the National Fire Safety and Prevention Strategy by 31 March 2024
- 6.4. The analysis of the annual target of programme of the National Disaster Management Centre shows that the department will in 2024/25 capacitate 10 sector departments in the implementation of disaster funding arrangements, support 14 Municipalities in priority disaster areas to prevent, prepare for, mitigate disaster risks. This aims to enhance the Disaster Management Plans to be integrated into the Integrated Development Planning (IDP) and Service Delivery Budgetary Implementation Planning (SDBIP) of the municipalities.
- 6.5. The Department has also committed to continue to mitigate against the risk of disasters and build resilience by supporting 30 priority district municipalities that are considered most vulnerable to implement disaster management plans. These activities are funded through the Disaster Risk Reduction and Capacity Development sub-programme, which is allocated R149.5 million over the medium term. Overall expenditure in the National Disaster Management Centre programme is expected to decrease at an average annual rate of 46.4 per cent, from R4.3 billion in 2022/23 to R659.6 million in 2025/26.

7. Programme 5: Community Works Programme

- 7.1. The purpose of this programme is to create income security and work experience for participants and promote social and economic inclusion by targeting areas of high unemployment.

- 7.2. The major outputs of this programme include enrolment and training of participants for Community Works Programme, Procurement spend on entities owned by women, youth and persons with disabilities and, Unqualified audit outcome.
- 7.3. The annual targets for this programme include 255 000 people participating in the CWP by 31 March 2025. 25 500 participants trained in artisanal skills by 31 March 2025; 14 municipalities to implement DRR strategies to prevent, prepare and mitigate disaster risks and enhance climate protection through applicable disaster management plans by 31 March 2025; 8 Organs of state to implement disaster funding arrangements by 31 March 2025; 15 Municipalities to implement the National Fire Safety and Prevention Strategy by 31 March 2025.

8. Overview of 2024/2025 Budget Allocation

- 8.1. Over the medium term, the department will continue to focus on: increasing access to basic services, mitigating against the risk of disasters, and creating income security in areas of high unemployment. Total expenditure is expected to increase at an average annual rate of 5.9 per cent, from R115 billion in 2022/23 to R136.5 billion in 2025/26.
- 8.2. Transfers to provinces and municipalities account for an estimated 95.4 per cent (R370.3 billion) of the department's total budget over the MTEF period for the local government equitable share and the municipal infrastructure grant. Expenditure on compensation of employees is expected to increase at an average annual rate of 1 per cent, from R366.2 million in 2022/23 to R377.7 million in 2025/26. This low increase reflects the anticipated decrease in the number of personnel from 585 in 2022/23 to 511 in 2025/26 due to natural attrition.
- 8.3. To compensate municipalities for the increased cost of bulk electricity and water, an additional R8.1 billion over the MTEF period is allocated to the local government equitable share. Over the medium term, the department plans to continue to mitigate against the risk of disasters and build resilience by supporting 30 priority district municipalities that are considered most vulnerable to implement disaster management plans.

- 8.4. These activities are funded through the Disaster Risk Reduction and Capacity Development subprogramme, which is allocated R149.5 million over the medium term. Overall expenditure in the National Disaster Management Centre programme is expected to decrease at an average annual rate of 46.4 per cent, from R4.3 billion in 2022/23 to R659.6 million in 2025/26.

9. Observations of the Select Committee

- 9.1. The Select Committee has noted that the Departmental Annual Performance Plan is still informed by the government priorities which were developed during the 6th Administration. These priorities include economic transformation and job creation; education, skills and health; consolidating the social wage; spatial integration, human settlements and local government; social cohesion and safe communities; a capable, ethical and developmental state and a better Africa and World
- 9.2. The Select Committee has also noted that the Department of Cooperative Governance is responsible for management and monitoring of the functionality and effectiveness of cooperative governance system and intergovernmental relations. The Select Committee has welcomed the Ministerial executive commitments to support and strengthen the capacity of municipalities to manage their own affairs in terms of sections 154 and 139.
- 9.3. The Select Committee has further noted and welcomed the departmental commitments to improve coordination across the three spheres of Government and to ensure that provinces and municipalities carry out their service delivery and developmental functions efficiently and effectively. Coordination and support are intended to lead to improved performance across the chain of policy and planning, spatial budgeting, and targeted implementation to ensure a positive impact on society.
- 9.4. The Select Committee welcomed the commitment contained in the Annual Performance Plan to improve integrated planning and delivery through coordination across the three spheres of government with district and metropolitan spaces as focal points for the

convergence of government and private sector investment through the District Development Model (DDM) approach adopted by government.

- 9.5. While welcoming the executive undertakings contained in the 2024/2025 Annual Performance Plan, the Members of the Select Committee emphasised the need reduce the usage of consultants in the municipalities; capacitation of councillors on legislative knowledge, compulsory training for councillors, provision of report on functional and dysfunctional municipalities, skills transfer and training, review of guidelines for the appointment of municipal senior managers. The Select Committee has noted the comments made by the Director- General regarding the process spatial integration in rural areas. The Select Committee called upon the department to accelerate the process spatial integration in rural areas.
- 9.6. The Members of the Select Committee urged the Department of Cooperative Governance to approach the National Treasury for additional funds allocation for community works programmes in order to improve, strengthen and promote local economic development, and job creation in the municipalities
- 9.7. The Members of the Select Committee urged the department to develop absorption strategies for participants of Community works programme, monitor the allocation and use of Municipal Infrastructure Grants (MIG); ensure employment of competent and qualified officials, resolving political interference in administration, deal misconduct of municipal officials, management of sick leaves, municipal ghost workers, ensure implementation of spatial development framework in rural areas and municipal capacity to develop spatial development plans

;

10. Recommendations of the Select Committee

- 10.1. Having considered and deliberated on 2024/2025 Annual Performance Plan and Budget Allocation of the Department of Cooperative Governance, the Select Committee reports to the National Council of Provinces as follows:
- 10.1.1 The Department of Cooperative Governance should provide under Policy Governance and Administration Programme (PGAP) lists of 60% of Municipalities per province

that are dysfunctional, or and poor performing and would be provided with support by the end of 31 March 2025. The Department should table quarterly reports to the Select Committee on the achievements and challenges related to the annual targets of programme 2.

10.1.2 The Department of Cooperative Governance should provide under Local Government Operations and Support Programme (LGOSP) lists of the municipalities per province that the Department would be supporting to implement the Integrated Local Government Capacity-Building Framework and intervention in order to improve governance responsibilities in line with Local Government: Municipal Structures Amendment Act No. 3 of 2021, 30 municipalities to be supported to ensure compliance with SPLUMA and SDF, 22 dysfunctional municipalities to be supported to increase revenue and 66 municipalities targeted to ensure that they would meet prescribed competency requirements for appointment of senior managers by 31 March 2025. The Department should table quarterly reports to the Select Committee on the achievement and challenges related to the annual targets of programme 3.

10.1.3. The Department of Cooperative Governance should provide under National Disaster Management Centre Programme (NDMCP) lists of the 10 municipalities that would be assisted to implement the National Fire Safety and Prevention Strategy 14 municipalities in priority disaster areas that would be supported to implement a disaster management strategy to prevent, prepare for and mitigate disaster risks in terms of the Disaster Management Act by 31 March 2024. The Department should table quarterly reports to the Select Committee on the achievements and challenges related to the annual targets of programme 4.

10.1.4. The Department of Cooperative Governance should provide under Community Works Programme (CWP) lists of municipalities per provinces that would be supported to ensure that 230 000 people are participating in the CWP sustained income model and 20 000 people in the new CWP sustainable exit strategies model by 31 March 2025.

10.1.5. The Department of Cooperative Governance should fast-track the process of tabling the Intergovernmental Monitoring and Support Bill, to Parliament, State of the Local

Government Report, 21 Year Review Report on Local Government and. gazetting of regulations in terms of the Intergovernmental Relations Framework Act (IGRFA) by the 31 March 2025

- 10.1.6. The Minister of the Department of Cooperative Governance and Traditional Affairs should consider tabling section 76 legislation in the National Council of Provinces in order to allow the Provincial Legislatures and NCOP enough time to facilitate public consultation and participation in parliamentary legislative processes.
- 10.1.7. As part of strengthening parliamentary oversight and ensuring executive accountability, the Select Committee on CoGTA should conduct proactive oversight visits in selected Local, Metro and District Municipalities in order to assess the implementations of the District Development Model, Integrated Urban Development Framework, SPLUMA, National Fire Safety and Prevention Strategy, Integrated Local Government Capacity-Building Framework, Small Town Regeneration Strategy, recommendations emanating from forensic investigations conducted in terms of section 106 of the Local Government: Municipal Systems Act of 2000 and Municipal Audit Outcomes conducted by the Auditor-General.
- 10.1.8. The Select Committee to align its quarterly programs in line with annual targets of the Department of Cooperative Governance and schedule meetings to allow the department to table quarterly reports on the implementation of the 2024/2025 Annual Performance Plan.

11. 2024/2025 ANNUAL PERFORMANCE PLAN AND BUDGET OF THE DEPARTMENT OF TRADITIONAL AFFAIRS (DTA)

- 11.1. The Director-General presented the 2024/2025 Annual Performance Plan and Budget allocation of the Department of Traditional Affairs. The presentation focused on outputs, indicators and annual targets related to departmental programmes namely, Administration; Research, Policy and Legislation; Institutional Support and Coordination and Budget Allocation over the METF period

12. Programme on Administration

- 12.1. The purpose of programme 1 is to provide strategic leadership, management and support services to the department. The Departmental outcomes that contribute to achieving the MTSF includes promotion of good governance, transformation of the institution of Traditional and Khoi-San Leadership and functionality of the institution of Traditional and Khoi-San Leadership
- 12.2. The outputs and annual targets of this programme include 60% training of employees, publication of one report on anti GBVF interventions within the Traditional Affairs sector, constituting legally 200 traditional councils, finalization of 75% application for the recognition of traditional leadership with six months of receipt and resolving 20% of received disputes of traditional leadership.

13. Programme on Research, Policy and Legislation

- 13.1. The purpose of programme is to develop, review, coordinate and monitor the implementation of traditional affairs policies, norms and standards, and support traditional affairs entities to restore the integrity and dignity of traditional leadership.
- 13.2. The objective of this programme is to facilitate the transformation of institutions and improve the functionality of traditional leadership structures by: developing regulations on the establishment of local houses of traditional and Khoi-San leaders by March 2026, monitoring compliance with and the implementation of the Traditional and Khoi-San Leadership Act (2019) over the medium term.
- 13.3. The other objectives of this programme include enhancing information management for faith structures, traditional leadership institutions and communities through research and developing and maintaining a traditional leadership database on an ongoing basis and, facilitating safe initiation practices by regulating and standardising the minimum requirements for cultural initiation practices in line with the Customary Initiation Act (2021) on an ongoing basis

- 13.4. The Departmental outcomes that contribute to achieving the MTSF includes safe initiation practices. The outputs and annual targets of programme 2 include 20% reduction in the number of illegal customary initiation schools.
- 13.5. The Department through this programme intends to reduce the number of illegal customary initiation schools through conducting awareness campaigns for communities in partnership with provinces, the National Initiation Oversight Committee and Provincial Initiation Coordinating Committees, SAPS and other key stakeholders

14. Programme on Institutional Support and Coordination

- 14.1. The purpose of this programme is to provide comprehensive support to the institutions of traditional leadership, including Khoi-San leadership structures, to coordinate traditional affairs across all 3 spheres of government.
- 14.2. The objective of the programme Increase the number of functional structures of traditional leadership by supporting provincial departments and houses of traditional leaders through workshops on the implementation of partnerships and agreements and the establishment of local houses of traditional leadership on an ongoing basis
- 14.3. The Departmental outcomes that contribute to achieving the MTSF includes developing communities in areas of traditional and Khoi-San leadership and supporting the functionality institution of traditional and Khoi-San leadership.
- 14.4. The outputs and annual targets of programme 3 include providing support to 10 Traditional Mining communities with Social Labour Plans (SLPs) that provide procurement, bursaries, learnerships and employment opportunities for historically disadvantaged individuals and providing tools of trade to seven Provincial Houses of Traditional and Khoisan leaders.
- 14.5. The department intend achieving the annual target of this programme by developing a project that entails the facilitation of the provision of tools of trade for provincial houses of traditional leadership as provided for on the draft Handbook for Traditional and Khoi-San leaders.

15. Budget Allocation and Medium-Term Estimates

Description	Audited Outcome				Financial Year Under Review	Current Financial Year	Medium-Term Estimates	
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Administration	49,270	41,101	47,645	58,765	63,871	65,142	69,289	72,462
Research, Policy and Legislation	16,605	15,000	20,298	29,691	34,584	30,049	30,851	32,266
Institutional Support and Coordination	94,841	81,422	86,714	91,687	94,666	92,093	94,509	99,244
Total	160,716	137,523	154,657	180,143	193,121	187,283	194,650	203,972
Economic Classification								
Compensation of Employees	72,888	72,757	81,747	89,673	97,179	101,224	105,440	110,272
Goods & Services	39,756	15,687	24,613	41,640	44,782	38,516	39,620	41,838
Transfers and Subsidies	45,428	47,654	46,205	46,830	47,010	45,683	47,729	49,916
Payments for Capital Assets	2,636	1,425	1,922	2,000	4,150	1,860	1,860	1,946
Payments for Financial Assets	8	-	170	-	-	-	-	-
Total	160,716	137,523	154,657	180,143	193,121	187,283	194,650	203,972
<i>year on year growth</i>					7%	-3%	4%	5%

15.1. Over the medium term, the Department Traditional Affairs will continue to focus on monitoring the implementation of the Traditional and Khoi-San Leadership Act (2019) and ensuring that customary initiation is practised safely, as guided by the Customary Initiation Act (2021).

15.2. This will entail monitoring the development of principal and senior traditional leadership in royal families' customary laws of succession and genealogies in 8 provinces per year over the period ahead to mitigate against disputes and claims, in line with the provisions of the Traditional and Khoi-San Leadership Act (2019).

15.3. By 2025/26, the Commission on Khoi-San Matters aims to research and investigate all applications it receives for the recognition of Khoi-San communities and leaders, and to make recommendations to the Minister of Cooperative Governance and Traditional Affairs on the recognition of Khoi-San communities and leaders.

16. Observations of the Select Committee

- 16.1. The Select Committee has noted that the Minister of the Department of Cooperative Governance and Traditional Affairs tabled on 13th April 2023 the 2024/2025 Annual Performance Plan of the Department of Traditional Affairs to the Office of the Chairperson of National Council of Provinces in accordance with the requirement of Section 65(1) of the Public Finance Management Act (No.1 of 1999).
- 16.2. The Select Committee has also noted that the 2024/25 Annual Performance Plan of the Department of Traditional Affairs will over the medium term, continue to focus on monitoring the implementation of the Traditional and Khoi-San Leadership Act (2019) and ensuring that customary initiation is practised safely, as guided by the Customary Initiation Act (2021).
- 16.3. The Select Committee has further noted that the annual plan of the department entails monitoring the development of principal and senior traditional leadership in royal families' customary laws of succession and genealogies in 8 provinces per year over the period ahead to mitigate against disputes and claims, in line with the provisions of the Traditional and Khoi-San Leadership Act (2019).
- 16.4. While welcoming the executive undertaking by the department to deal with illegal mushrooming of initiation schools, provision of tools of trade to Traditional and Khoisan Leaders, the Select Committee raised concerns about deaths of initiates, mushrooming of illegal initiation schools and the recognition of Khoisan Leaders and Traditional Leaders.

17. Recommendations of the Select Committee

17.1. Having considered and deliberated on 2024/2025 Annual Performance Plan and Budget allocation of the Department of Traditional Affairs, the Select Committee recommends to the National Council of Provinces as follows:

17.1.1. The Department of Traditional Affairs should provide the Select Committee with a provincial break down of the dispute claims of traditional leaders including the nature, challenges and progress

17.1.2. The Select Committee to align its quarterly programs in line with annual targets of the Department of Traditional Affairs and schedule briefing meetings in order to allow the department to table quarterly reports on the implementation of the 2024/2025 Annual Performance Plan

17.1.3. The Department of Traditional Affairs should provide quarterly progress reports on the implementation and achievements of annual targets as contained in departmental 2024/2025 Annual Performance Plan and allocation of Budget

18. 2024/2025 ANNUAL PERFORMANCE PLAN AND BUDGET ALLOCATION OF THE MUNICIPAL INFRASTRUCTURE SUPPORT AGENT (MISA)

18.1. The Chief Executive Officer presented the 2024/2025 Annual Performance Plan and Budget allocation of the Municipal Infrastructure Support Agent. The Chief Executive officer reported that the Municipal Infrastructure Support Agent (MISA) tabled its approved APP for 2023/24 financial year in Parliament on 13th April 2023.

18.2. The presentation focused on outputs and annual target of the programmes related to Administration, Technical Support Services and Infrastructure Delivery Management Support

19. Programme on Administration

- 19.1. The purpose of programme 1 is to ensure effective leadership, strategic management and administrative support to the Municipal Infrastructure Support Agent in line with applicable legislation and best practice.
- 19.2. The output indicators of this programme include implementations of the deliverables in the ethics management plan and the deliverables in the approved corporate services improvement plan and achievement of unqualified audit opinion on annual financial statements
- 19.3. The annual targets of this programme include the 100% implementation of the deliverables in the ethics management plan by 31 March 2025; 85% implementation of the deliverables in approved CSIP by 31 March 2025; Unqualified audit opinion on annual financial statements 2023/24

20. Programme on Technical Support Services

- 20.1. The purpose of the programme is to enhance the capabilities of municipalities for improved municipal infrastructure planning, delivery, operations and maintenance. Its main focus is to manage the provision of technical support and capabilities to enhance the management of municipal infrastructure support programmes by: providing assistance to selected municipalities in conducting infrastructure assessment and analysis; and providing technical support and expertise to enable the delivery, planning, maintenance and land use management services in collaboration with relevant stakeholders; and coordinating the development of technical skills to support the delivery of municipal infrastructure programmes
- 20.2. The Programme coordinates the provision of technical support and assistance in conducting infrastructure assessments and analysis; coordinate the provision of technical support and expertise for municipal infrastructure delivery, planning, maintenance and land use management services with relevant stakeholders; and coordinate the development of technical skills to support the delivery of municipal infrastructure support programmes

- 20.3. The output indicators of this programme include reduction of number of dysfunctional municipalities on non-revenue water by an average of 5%.; achievement of number of dysfunctional municipalities of EPWP Infrastructure Sector job opportunities allocations through the mainstreaming of LIC methods; increased of number of dysfunctional municipalities with increased MIG allocations for repairs & refurbishment (given benchmark and baseline) using 10% of their MIG allocations. Number of MIG receiving municipalities with increased access to basic services on water, roads, solid waste and sanitation Number of dysfunctional municipalities with SPLUMA compliance plans implemented
- 20.4. The 2024/2025 annual targets planned in this programme include identifications of 15 dysfunctional municipalities to implement SPLUMA compliant spatial plans, 22 dysfunctional municipalities to increase 3% in households with access to basic water, electricity demand, improvement of 22 dysfunctional Water Service Authority, maintenance of 100 kilometers of roads including potholes and drainage cleaning in the identified 22 dysfunctional municipalities, provision of technical capacity and skills development in 22 municipalities and identification of 10 dysfunctional municipalities implement flood risk resilient infrastructure

21. Programme on Infrastructure Delivery Management Support

- 21.1. The purpose of the programme is to support the efficient delivery of municipal infrastructure programmes and projects, build a credible project pipeline for long-term infrastructure investment, as well as to support municipalities with infrastructure procurement.
- 21.2. The programme's objective is to support the delivery of municipal infrastructure projects in an effective and efficient manner as well as providing infrastructure financing, procurement and contract management guidance and support to municipalities.

- 1.3. The outputs of programme 3 include promotion of efficiency in infrastructure management, transformation national space economy that enables equal access to social services and economic opportunities in cities, regions and rural areas, enhancement of intergovernmental and interdepartmental coordination through the implementation of the District Development Model and improvement of quality and quantum for infrastructure investment to support growth and job creation

- 21.4. The annual targets for this programme include supports to 22 dysfunctional municipalities to apply framework contracts and other procurement mechanisms, to complete 4 plans towards spatial transformation in the Eastern Seaboard Region, prepare 4 catalytic projects for investment mobilisation within ESD region, supporting 10 District and metro with identified infrastructure related interventions challenges and increase 5% in infrastructure investments for dysfunctional municipalities

22. Budget Analysis over the Medium Expenditure Term Framework

- 22.1. Over the medium term, the agent will continue to provide technical support to selected municipalities to improve access to basic services and the reliability of services. To ensure the effective and efficient development, implementation and maintenance of municipal infrastructure, the agent plans to enrol 450 candidates for the young graduate programme and provide 1 250 municipal officials with technical skills training over the MTEF period. Compensation of employees' accounts for an estimated 62.1 per cent (R705.6 million) of the agent's total expenditure over the period ahead.

23. Observations of the Select Committee

- 23.1. The Select Committee has noted that MISA Annual Performance Plan (APP) for 2024/25 FY has 19 outputs planned. While welcoming the 2023/2024 Annual Performance Plan of the Municipal Infrastructure Support Agency, the Select Committee noted that the annual targets intended to be achieved do not provide provincial breakdown on the technical support to be provided to the dysfunctional municipalities

25. Recommendations of the Select Committee

25.1. Having considered and deliberated on 2024/2025 Annual Performance Plan and Budget Allocations of the Municipal Infrastructure Support Agency, the Select Committee recommends to the National Council of Provinces as follows:

25.1.1 The Municipal Infrastructure Support Agent should provide under Technical Support Service Programme lists of dysfunctional municipalities in the provinces that would be identified to implement SPLUMA compliances plans, improve access to electricity supply services, implement flood risks resilient infrastructure and provided with technical capacity and skills development. MISA should table quarterly reports on the achievements and challenges related to the annual targets of programme 2.

25.1.2 The Municipal Infrastructure Support Agent (MISA) should provide under Infrastructure Delivery and Management Support Programme lists of municipalities (Local, Metro and District) in the provinces that would be supported to apply framework contracts, procurement mechanisms, increase infrastructure investment. As part of executive accountability, MISA should table quarterly reports on the achievements and challenges related to the annual targets of programme 3.

25.1.3. As part of ensuring executive accountability, the Select Committee on CoGTA should conduct proactive oversight visits in selected Local, Metro and District Municipalities in order to assess the support provided by Municipal Infrastructure Agent in the implementation of district development model, integrated service provisioning, infrastructure engineering, spatial restructuring, economic positioning and Spatial Planning and Land Use Management Act (SPLUMA).

25.1.4. The Select Committee to align its quarterly programs in line with annual targets of the Municipal Infrastructure Support Agent and schedule briefing sessions in order to ensure tabling of quarterly reports on the achievements and challenges related to implementation of the 2024/2025 Annual Performance Plan by Municipal Infrastructure Agent

Report to be considered

4. REPORT OF THE SELECT COMMITTEE ON COOPERATIVE GOVERNANCE AND PUBLIC ADMINISTRATION (TRADITIONAL AFFAIRS, HUMAN SETTLEMENTS, WATER AND SANITATION ON CONSIDERATION OF THE 2024/25 ANNUAL PERFORMANCE PLAN AND BUDGET VOTE OF THE DEPARTMENT OF WATER AND SANITATION, DATED 16 JULY 2024

Having considered and deliberated on the 2024/2025 Annual Performance Plan and Budget Vote of the Department of Water and Sanitation, the Select Committee on Cooperative Governance, Public Administration, (Traditional Affairs, Human Settlement, Water and Sanitation, reports to the National Council of Provinces as follows:

1. LEGISLATIVE FRAMEWORK

- 1.1 The Money Bills Amendment Procedure and Related Matters Act (Act No.9 of 2009) empowers Parliament to recommend, reject or amend budgets of National Departments and Organs of State. The Act also enjoins Committees of Parliament to compile and adopt Budget Vote Reports, based on interactions with the relevant Departments and entities on their respective strategic and annual performance plans and budgets.
- 1.2. The Money Bills Amendment Procedures and Related Matters Act (2009) empowers Parliament to recommend, reject or amend budgets of National Departments and Organs of State.
- 1.3. The Act also enjoins Committees of Parliament to compile and adopt Budget Vote Reports, based on interactions with the relevant Departments - and Entities reporting to them - on their Strategic Plans, Annual Performance Plans and Budgets.
- 1.4. The Select Committee on Cooperative Governance and Public Administration (Traditional Affairs, Human Settlements, Water and Sanitation) has a constitutional mandate to exercise oversight over the Department of Water Affairs and its Public

Entities, namely Water Research Commission, Trans-Caledon Tunnel Authority, Breede-Gouritz and Inkomati –Usuthu Catchment Management Agencies.

1.5. The mandate of the Department of Water and Sanitation is underpinned by the provisions of the constitution and the Bill of Rights, 2030 vision of the National Development Plan as well as the goals of the United Nations Sustainable Development related to water and sanitation.

1.5. As part of ensuring executive accountability, strengthening parliamentary oversight and preparing members for the policy debates scheduled in the NCOP on 16 July 2024, the Select Committee scheduled physical briefing meeting on 15 July 2024 to consider the 2024/2025 Annual Performance Plan and Budget Vote of the Department of Water and Sanitation

2. 2024/2025 Annual Performance Plan and Budget Allocation of the Department of Water and Sanitation

2.1 The Department of Water and Sanitation presented the 2024/25 Annual Performance Plan (APP) and budget allocation to departmental programmes. The presentation focused on outputs, indicators and annual targets and budget allocation related to departmental programmes, namely, Administration, Water Resource Management and Water Service Management Programmes.

3. Programme 1: Administration

3.1. The purpose of this programme is to provide strategic leadership, management and support services to the Department. The programme also develops and promotes international relations on water resources management with neighbouring countries

3.2. The major outputs planned for this programme include implementation of financial recovery and turnaround plan, Annual International Relations Programme and Annual stakeholder management and partnership programme

4. Programme 2: Water Resource Management

- 4.1. The purpose of this programme is to ensure that the country's water resources are protected, used, developed, conserved, managed and controlled in a sustainable manner for the benefit of all people and the environment. This is done by developing a knowledge base and implementing effective policies, procedures and integrated planning strategies for water resources.
- 4.2. Some of the output indicators of this programme include determination and monitoring of Water resource classes and Resource Quality Objectives; development of ; Wastewater management plans; development of integrated water resource plans; monitoring of water resources monitoring programmes; review of 6 information systems and maintenance by 2025; implementation of strategic water resources infrastructure projects; development and implementation of water resource regulatory prescripts and streamlining of water resource management institutional arrangements

5. Programme3: Water Service Management

- 5.1. The purpose of this programme is to develop, rehabilitate and refurbish the raw water resources and water services infrastructure to meet the socio-economic and environmental needs of South Africa.
- 5.2. Some of the output indicated planned in this programme include completions of the number of feasibility studies for water and wastewater services projects (RBIG); number of implementation readiness studies (IRS) for water and wastewater services projects (RBIG); number of regional bulk infrastructure project phases; number of regional bulk infrastructure projects phases funded through Budget Facility for Infrastructure (BFI) under construction; number of regional bulk infrastructure projects phases funded through Budget Facility for Infrastructure (BFI); and replacement of number of existing bucket sanitation backlog systems in formal settlements

6. 2024 Medium Term Expenditure Framework

- 6.1. The Department's budget over the medium-term expenditure framework or MTEF is R134.909 billion. This consists of allocations of R42.604 billion, R46.362 billion and R45.941 billion in the 2024/25, 2025/26 and 2026/27 financial years respectively.
- 6.2. The Department's budget consists of two components: Main account: funded from budget allocations from NT. Water Trading Entity: does billing and receives revenue from the sale of raw water. Used for transfers to the TCTA to enable it to repay its loans, as well as to fund operation and maintenance of national water resource infrastructure.
- 6.3. On the main account, the Department has been allocated R72.989 billion over the MTEF. This consists of allocations of R24.074 billion, R25.159 billion and R23.754 billion in 2024/25, 2025/26 and 2026/27 respectively.
- 6.4. Included in the main account budget are conditional infrastructure grants for municipal water services totalling R36.305 billion over the MTEF. This includes R20.130 billion for the Regional Bulk Infrastructure and R16.175 billion Water Services Infrastructure Grants.
- 6.5. The Water Trading Entity also receives some transfers from the fiscus for infrastructure projects. The Water Trading Entity has budgeted R61.920 billion over the MTEF consisting of R18.530 billion, R21.202 billion and R22.187 billion in 2024/25, 2025/26 and 2026/27 respectively.

7. Observations of the Select Committee

- 7.1. The Select Committee has welcomed the 2024/2025 Annual Performance Plan and budget allocation of the Department of Water and Sanitation. The Select Committee has noted that the Annual Performance Plan has been aligned and integrated with the Medium-Term Strategic Framework of the 6th Administration and the 2023 state of the nation address (SONA)
- 7.2. The Select Committee has noted the introductory remarks of the Minister that the department of water and sanitation has implemented the financial recovery and

turnaround plan that yielded positive results and reduced its under-expenditure and improper expenditure (i.e. irregular, fruitless and wasteful as well as unauthorised expenditures) and stabilised the positions of senior management through filling of critical vacant positions.

- 7.3. The Select Committee has also noted that the department has made progress in unblocking delays of major water infrastructure projects which include the implementation of Phase 2 of Lesotho Highlands Water Project, Ntabelanga Dam on the uMzimvubu River, uMkhomazi Water Project in KZN, and Phase 2 of the Vaal Gamagara regional bulk water project in Northern Cape.
- 7.4. The Select Committee has further noted that there are general municipal capacity challenges that have been identified in the Blue, Green and No Drop assessments. The findings from the Drop reports are consistent with the Municipal Strategic Self-Assessment (MuSSA) by municipalities.
- 7.5. The Select Committee welcomed the departmental executive undertaken to support several municipalities to improve their water services, such as uGu, Mopani, Sekhukhune, Mathjabeng, Mangaung, Emfuleni, Rustenburg, Sol Plaatjie, Makana, Knysna and Lekwa.
- 7.6. The Select Committee has noted and welcomed the commitment of the Department of Water and Sanitation to implement financial turnaround plans and measures to improve audit outcomes, achieved unqualified Audit Opinions in both Accounts in the previous financial years.
- 7.7. The Select Committee has furthermore noted that the department has highlighted investment in infrastructure by fast-tracking of the Lesotho Highlands water project, plans to increase the capacity of major dams in the country.
- 7.8. While welcoming the 2024/2025 Annual Performance Plan, the Select Committee raised concerns about water loss, slow progress on eradication of bucket system, quality

of water provided through water tankers, lack of impact on the implementation of departmental annual targets at the level of municipalities in rural areas.

8. Recommendations of the Select Committee

8.1 Having considered and deliberated on the 2024/2025 Annual Performance Plan and Budget Vote of the Department of Water and Sanitation, the Select Committee recommends to the National Council of Provinces as follows:

8.1.1. The Department of Water and Sanitation should provide a provincial update report on the status of water and sanitation projects including the support provided to the municipalities in the country

8.1.2. The Department of Water and Sanitation should provide progress reports on implementations of War on Leaks Programmes, ground water use, financial recovery plan dealing with historical problems of corruption, consequence management, irregular expenditure, investigations by the Special Investigation Unit and plans to mitigate the impact of vandalism, theft, load-shedding on water provision.

8.1.3. The Department of water and sanitation should provide the National Council of Provinces with progress reports on directives issued in Municipalities in terms of sections 62 and 63 of the Water Services Act of 1997

8.1.4. As part of ensuring executive accountability and performing oversight, the Select Committee should align its quarterly programme in line with the 2024/2025 Annual Performance Plan of the Department of Water and Sanitation.

8.1.5. The Department of Water and Sanitation should provide quarterly progress reports on achievements of outcome indicators as contained in the 2024/2025 Annual Performance Plan and Budget Vote

8.1.6. The Select Committee on Cooperative Governance and Public Administration (Traditional Affairs, Human Settlement, Water and Sanitation) should undertake

proactive oversight visits during the 2024 parliamentary term to selected municipalities in Free State (Maluti-A-Phofung Municipality), Northern Cape and Limpopo Provinces in order to assess the state of water treatment plant, sanitation programmes, war on leaks programmes, water reticulation and turn- around time on water licencing.

- 8.1.7. The Select Committee on Cooperative Governance and Public Administration (Traditional Affairs, Human Settlement, Water and Sanitation) should undertake proactive oversight visits during the 2024 parliamentary term to selected municipalities which have been issued with the directives in terms of section 62 and 63 of the Water Service Act 1997 in order to monitor progress made as the result of intervention

Report to be considered