# PARLIAMENT

OF THE

# REPUBLIC OF SOUTH AFRICA

# ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

FRIDAY, 12 JULY 2019

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## ANNOUNCEMENTS

### National Assembly and National Council of Provinces

**The Speaker and the Chairperson**

**1. Membership of Committees**

(1) Ms NK Bilankulu has been elected as Chairperson of the Multi-Party Women's Caucus with effect from 12 July 2019.

(2) The following membership changes have been made by the African National Congress:

**Steering Committee members:**

- Ms C Pilane-Majake, MP
- Ms NG Tolashe, MP
- Ms MR Semenya, MP
- Ms GK Tseke, MP
- Ms KB Tlhomelang, MP, and
- Ms L L van der Merwe, MP as an alternate member

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# COMMITTEE REPORTS

## National Assembly

### 1. Report of the Portfolio Committee on Human Settlements, Water and Sanitation on Budget Vote 36: Water and Sanitation and on the 2019/2020 Strategic Plan and Annual Performance Plan of the Department of Water and Sanitation, dated 10 July 2019

#### 1. Background

The Portfolio Committee on Human Settlements, Water and Sanitation (the Portfolio Committee), having considered the Strategic Plan, Annual Performance Plan (APP) and budget allocations of Vote 36: Water and Sanitation, tabled by the Minister of Human Settlements, Water and Sanitation, and in terms of the Public Finance Management Act of 1999 (PFMA), as well as the Money Bills Amendment Procedure and Related Matters Act, 2009, reports as follows:

#### 2. Introduction

The Portfolio Committee considered National Treasury allocations, Budget Vote 36 of the Department of Water and Sanitation; and the Annual Performance Plan for the 2019/20 to 2021/22 financial years. This report details the findings and recommendations of the Portfolio Committee after engaging the Department on 3 and 5 July 2019, respectively.

The purpose of the budget vote of the Department of Water and Sanitation is to ensure the availability of water resources, facilitate equitable and sustainable socioeconomic development, and to ensure universal access to water and sanitation services. The Department's legislative mandate in terms of the National Water Act, 1998 (Act No. 36 of 1998), is to ensure that the country's water resources are protected, managed, used, developed, conserved and controlled by regulating and in terms of the Water Services Act, 1997 (Act No. 108 of 1997), to support the delivery of effective water supply and sanitation. This is done in accordance with the requirements of water-related policies and legislation, which are critical for delivering on the constitutional right to have access to water.

The Entities of the Department comprise the Trans-Caledon Tunnel Authority (TCTA); the Water Research Commission (WRC); Catchment Management Agencies (CMAs) namely Inkomati-Usuthu and Breede-Gouritz Catchment Management Agencies and 9 Water Boards.

The legislative and regulatory environment informing planning and budgeting within the Department is underpinned by the Constitution of the Republic of South Africa, 1996, the Public Finance Management Act, 1999 (Act No.1 of 1999) and additional legislation, policies and regulations, such as the Public Audit Act, 2004 (Act No. 25 of 2004), the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), the Public Services Act, 1994 (Act No. 103 of 1994), and Policies and Regulations Government Wide Monitoring and Evaluation policy, National Treasury guidelines and regulations, and policies and regulations in the public service.

The specific legislative mandate underpinning the work of the Department of Water and Sanitation are the:

- Constitution of the Republic of South Africa, 1996, which focuses on water resources as a national competency; the rights of individuals to have access to basic water and sanitation and the role of national and provincial government to regulate local government water services.

- National Water Act, 1998, which focuses on the protection, use, development, conservation, management and control of the country's water resources in a sustainable and equitable manner for the benefit of all people. National government is determined as the public trustee of the water resources. Through the Minister, it has the power to regulate the allocation, use, flow and control of all water in the Republic.
- Water Services Act, 1997, which prescribes the legislative duty of municipalities as water service authorities to supply water and sanitation according to national norms and standards; as well as to regulate water boards activities as the entities are important water service providers in the country.

At an international level, the Department subscribes and works towards attaining Sustainable Development Goal 6 (Clean water and sanitation), as detailed in the United Nations Development Programme – Agenda 2030 Sustainable Development Goals.

## 3. Work of the Department and its Entities aligned to Government Priorities

A central component of the interrogation of the work of the Department and the Entities is the extent to which the Department and the Entities translated its mandate to align it with the prescripts of the Constitution, 1996, Government priorities and its legislative mandate, such as the National Water Act, 1998 and the Water Services Act, 1997. The translation and alignment of government priorities by the Department and its Entities, is further envisioned in the National Development Plan, Medium Term Strategic Framework 2014 to 2019 (MTSF), phased out Millennium Development Goals (MDGs) and the post-2015 Sustainable Development Goals (SDGs).

### 3.1 National Development Plan and Medium-Term Strategic Framework (2014 – 2019)

Currently, the policy drivers of institutional reform in the water and sanitation sector are the National Development Plan, Outcomes reflected in the Medium-Term Strategic Framework, 2014 – 2019, and the National Water Resources Strategy second edition, 2013. The National Development Plan, Vision 2030, notes the centrality of water for social and economic development in South Africa for job creation, poverty alleviation and investments in infrastructure projects. It calls for the establishment of a water infrastructure agency, water management institutions and water resources strategy, amongst other strategic priorities.

#### 3.1.1 National Development Plan

The relevant components related to water within the National Development Plan, Vision 2030, are contained within Chapters 3 (An economy that will create jobs), 4 (Improving infrastructure), 5 (Transition to a low carbon economy) and 13 (Building a capable state) The Plan provides a framework for the relevant priority areas to be undertaken by respective departments.

#### 3.1.2 Medium-Term Strategic Framework, 2014 – 2019

The Outcomes emanating from Government's Medium-Term Strategic Framework (2014 – 2019) in relation to water and sanitation, the work of the Department of Water and Sanitation is contained within Outcome 4 (Jobs); Outcome 6 (an efficient, competitive and responsive economic infrastructure), as well as Output 4 (maintenance and supply availability of bulk water resources) Output 10 (Environment); Outcome 7 (Rural Development) and Outcome 9 (Local Government).

### 3.1.3 National Water Resources Strategy

The objectives of the National Water Resources Strategy comprise the following:

- Water contributes to the economy and job creation;
- Water is protected, used, developed, conserved, managed and controlled sustainably and equitably; and
- Water supports development and elimination of poverty and inequality.

## 4. Water Policy Positions

### 4.1 Water

The detailed and substantive work required by the Department, since the new democracy entailed major ideological shifts in planning, programming and implementing its work. The following aspects had to be prioritised so as to ensure accessibility of all citizens to basic water and decent sanitation:

- **Prioritising social and economic equity in the reallocation of water**, which required that decision-making had to incorporate equity as a primary consideration. Priority was also accorded to water use authorisation, applications that meet the equity requirements, as provided for in the regulatory instruments.
- **A shift toward the multiple use approach in planning infrastructure**, which incorporated all water users in an area, including water supply, which must be adopted in planning of bulk water infrastructure.
- **Water trading between authorised water users** required no form of temporary or permanent trading between authorised water users; and an obligation imposed on any holder of an entitlement to use water, if it is no longer utilised to surrender such use to the public trust.
- **Access to basic water supply to indigent households –** free basic water supply will be provided to indigent households only.

- **Use it or Lose-it** – any unauthorised water use (including existing Lawful use) unutilised for a specific period should be reallocated to the public trust. This water will be reallocated to the public trust.
- **Access to basic water supply -** A water service authority should work progressively or incrementally towards providing higher levels of a sustainable water supply to all households, and public institutions, including rural areas. When planning, a water user authority must consider a basic water supply, which addresses current domestic and productive use requirements, as well as future growth in these requirements.

### 4.2 National Sanitation Policy

To attain a hygienic, sustainable, equitable and efficient sanitation services, the Department of Water and Sanitation identified a number of key pillars to ensure decent sanitation to all citizens of the country. These entail the following:

- Integrated planning of sanitation services.
- Institutional arrangements for sanitation services.
- Participation in sanitation services.
- Capacity and resource development for sanitation services.
- Financial requirements for sanitation services.
- Sustainable sanitation services.
- Regulation of sanitation services.

## 5. Vision, mission and values underpinning the work of the Department of Water and Sanitation

The vision of the Department is to ensure equitable and sustainable water and sanitation that supports socio-economic growth and development for the well-being of current and future generations. The mission of the Department is to:

- Ensure the universal access of all South Africans to equitable water resources and sustainable water and sanitation services, by:
    - Protecting, developing, conserving, managing and regulating water resources.
    - Managing, regulating, and providing efficient and effective water and sanitation services.
    - Providing strategic leadership and providing effective water and sanitation services.
    - Building the skills and capabilities of the sector and enhancing information management to inform decision-making.
    - Enhancing communication and stakeholder partnerships with communities and sector constituencies to advance the national development agenda.

The values of the Department are:

- Promoting and maintaining high standards of professional ethics.
- Utilising resources efficiently and effectively.
- Providing services impartially, fairly, equitably and without bias.
- Responding to people's needs, citizens are encouraged to participate in policy making.
- Rendering an accountable, transparent, and development-oriented public administration.

## 6. Programme Purpose and Objectives

The Department of Water and Sanitation, as part of its systematic financial and non-financial planning of work over the 2018/19 and 2019/20 financial years organised its work into four programmes – Programme 1: Administration; Programme 2: Water Planning and Information Management; Programme 3: Water Infrastructure Development and Programme 4: Water Sector Regulation. The purpose and objectives of each programme, with outcomes and indicators are listed below.

### 6.1 Overview of programme descriptions, financial resource considerations, outcomes and selected performance indicators and targets

Within the planning phase of allocations delineated for each programme, the Department devised specific objectives and targets for each of its programme. The objectives and targets are discussed under each programme in this report.

#### 6.1.1 Budget allocations over the medium-term in respect of strategic outcome oriented goals

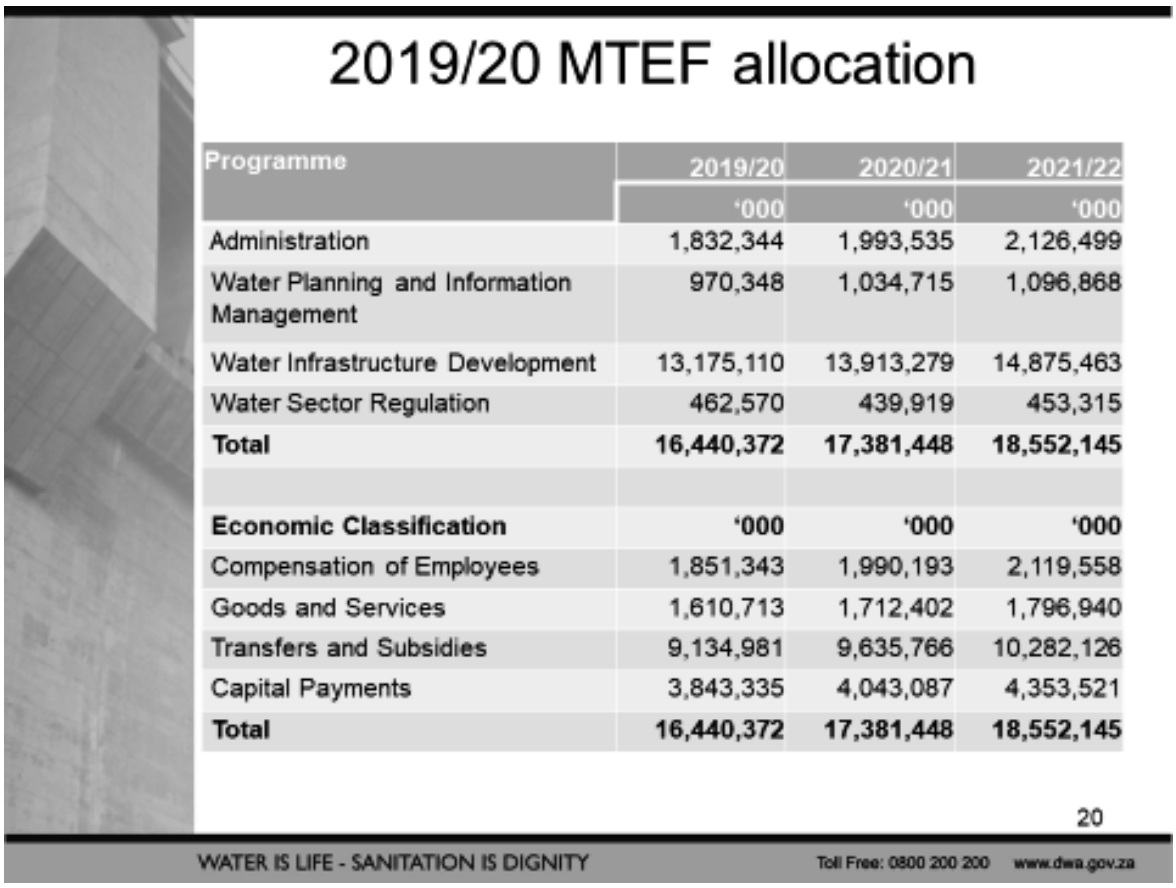
To systematically attain the goals of the Department, the Department categorised its work into the following four (4) programmes: Administration, Water Planning and Information Management, Water Infrastructure Development and Water Sector Regulation. The Department of Water and Sanitation, in its reporting of budget votes delineates the voted funds of Vote 36 (Main Account) to that of the Water Trading Entity (WTE).

Transfers from Vote 36 are given to the Water Trading Entity to carry out the mandate of Programme 3: Water Infrastructure Development. Whilst the Water Trading Entity reports to the Department, the Water Trading Entity can also increase its revenue to undertake its work, by selling bulk water to mines and local government. The Water Trading Entity is also able to raise loans for big projects at favourable rates through the Trans-Caledon Tunnel Authority.

The table below provides an overview of the allocations for each of the programmes over the medium-term. In 2019/20, the Department of Water and Sanitation was appropriated R16.4 billion, allocated as follows:

- Programme 1: Administration receives R1 832 344 billion of the budget.
- Programme 2: Water Infrastructure and Information Management receives R970 348 million.

- Programme 3: Water Infrastructure Development receives R13 175 110 billion, which comprises transfers and subsidies.
- Programme 4: Water Sector Regulation receives R462 570 million.



## 2019/20 MTEF allocation

| Programme | 2019/20 | 2020/21 | 2021/22 |
|---|---|---|---|
| | '000 | '000 | '000 |
| Administration | 1,832,344 | 1,993,535 | 2,126,499 |
| Water Planning and Information Management | 970,348 | 1,034,715 | 1,096,868 |
| Water Infrastructure Development | 13,175,110 | 13,913,279 | 14,875,463 |
| Water Sector Regulation | 462,570 | 439,919 | 453,315 |
| **Total** | **16,440,372** | **17,381,448** | **18,552,145** |
| | | | |
| **Economic Classification** | **'000** | **'000** | **'000** |
| Compensation of Employees | 1,851,343 | 1,990,193 | 2,119,558 |
| Goods and Services | 1,610,713 | 1,712,402 | 1,796,940 |
| Transfers and Subsidies | 9,134,981 | 9,635,766 | 10,282,126 |
| Capital Payments | 3,843,335 | 4,043,087 | 4,353,521 |
| **Total** | **16,440,372** | **17,381,448** | **18,552,145** |

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**Source: Presentation by the Department of Water and Sanitation, 3 July 2019**

An overview of the departmental budget shows that it is largely made of transfers and subsidies. These are mostly related to the department's two major grants, the Regional Bulk Infrastructure Grant (RBIG) and Water Services Infrastructure Grant (WSIG), transfers to water boards, and the augmentation transfer to the Water Trading Entity for the construction and rehabilitation of water resources projects such as dams, canals and reservoirs. The transfer to four water boards (Amatola, Magalies, Umgeni and Sedibeng) and to the Water Trading Entity amount to R782.9 million and R2.2 billion, respectively in 2019/20.

In addition, the Department has R3.8 billion under payments for capital assets, largely related to the indirect portion of the Regional Bulk Infrastructure Grant, where the department initiates and implements the projects.

Current payments amounting to R3.5 billion in 2019/20 are for salaries (Compensation of Employees) and Goods and Services.

The revenue of the Water Trading Entity is received from the sale of water, construction revenue, lease revenue earned, other non-tax revenue and transfers received. The projected revenue over the 2019 medium term for the Water Trading Entity reflects that for the 2019/20 financial year, the total revenue is R14 684, 8 billion; for the 2020/21 is R16 107,8 billion and for the 2021/22 is R17 700,5 billion.

The expenditure over the 2019/20 medium term is projected at R12 784,7 billion for the 2019/20 financial year, R14 139, 9 billion for the 2020/21 financial year and R15 639,7 billion for the 2021/22 financial year.

### 6.1.2 Programme 1: Administration

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

The strategic objectives and focus areas for the 2019/20 financial year for this programme are:

- Targeted procurement that support black entrepreneurs in the sector – with a targeted percentage of procurement budget to be spent on – qualifying small enterprises, that is, 15% and exempted micro enterprises, that is, 15%

- An efficient, effective and high performing organisation with 100% compliance with management of performance assessment tool; a 100% budget expenditure; reduction of debtor days to 150 days and vacancy rate for engineers and scientists to be kept at less than 10%.
- Targeted and sustained African and global cooperation in support of the national water and sanitation agenda as well as informed and empowered communities and responsive government securing integrated and sustainable partnerships to support the water and sanitation developmental agenda with its focus area of 95% implementation of the annual communications programme.

### 6.1.3 Programme 2: Water Planning and Information Management

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, by developing a knowledge base and implementing effective policies, procedures and integrated planning strategies, both for water resources and water services.

The strategic objectives and focus areas for the 2019/20 financial year are:

- Enhancing management of water and sanitation information through water resources monitoring programme, which will entail reviewing and maintaining three (3) programmes; and maintaining six (6) water and sanitation systems.
- Protecting freshwater ecosystems by undertaking eco-status monitoring in 66 rivers.
- Enhancing water use efficiency and management of water quantity by assessing water losses in eight (8) large water supply systems.
- Ensuring a coordinated approach to water and sanitation infrastructure planning and monitoring and evaluation with the development of the National Water and Sanitation Master Plan; drafting master plans for seventeen (17) district municipalities; undertaking municipal strategic

self-assessments in fifty-eight (58) water services authorities, assessing the socio-economic benefits of infrastructure on households, and developing a conceptual framework for the National Sanitation Plan.

- To ensure targeted and aligned planning for adequate water availability and the enhanced provision of water supply and sanitation services, the Department will undertake the following:
    - Five (5) feasibility studies for regional bulk infrastructure projects.
    - Five (5) implementation readiness studies for water and wastewater services projects.
    - One (1) reconciliation study for water supply systems.
    - Eight (8) operating rules and specialist strategies for water supply systems.
    - Two (2) climate change risk and vulnerability assessments.
- Creating an enabling environment for the management of water resources and the provision of basic water and sanitation services across the sector by developing the third (3rd) edition of the National Water and Sanitation Resources and Services Strategy; as well as ensuring that the Water and Sanitation Bill is submitted for public comment.

### 6.1.4 Programme 3: Water Infrastructure Development

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. This is a priority programme of the Department, as it receives the highest percentage of the entire departmental budget.

The strategic objectives and focus areas for the 2019/20 financial year relate to the following:

- The construction of 94 regional bulk infrastructure projects and completion of 23 projects.

- The construction of 254 water services infrastructure projects in 91 municipalities and completion of 131 projects in 69 municipalities.
- The implementation of 70 drought relief projects in 49 municipalities.
- The replacing of 12 221 bucket sanitation systems in formal settlements.
- The completion of training through the War on Leaks Programme by 6 566 learners.

### 6.1.5 Programme 4: Water Sector Regulation

The purpose of this programme is to ensure the development, implementation, monitoring and review of regulations across the water supply chain in accordance with the provisions of the National Water Act, 1998 and the Water Services Act, 1997.

The strategic objectives and focus areas for Programme 4 relate to:

- The monitoring of 371 water supply and 327 wastewater non-compliant systems against regulatory standards.
- The monitoring of 309 water users' compliance.
- The development of the Crocodile (West) Acid Mine Drainage mitigation strategy.

## 7. Overview and analysis of the 2018/19 Budget of the Department of Water and Sanitation

An overview and analysis of the budget for the 2018/19 financial year reflects some of the challenges experienced by the Department in the Main Account and Water Trading Entity. In the Main Account, the following issues were highlighted by the Office of the Auditor-General and National Treasury:

### 7.1 Main Account

#### 7.1.1 Underspending

The Department had underspent by R262 million on the schedule 6B (indirect portion) of the Regional Bulk Infrastructure Grant in order to generate savings to commit to the interventions of the Vaal River System due to the pollution that occurred. The Department also underspent on the Bucket Eradication Programme, which was meant to be completed by the end of the 2018/19 financial year.

#### 7.1.2 Overall budget issues

The preliminary financial statements of 2018/19 for the Department reported an overdraft of R896.7 million as at 31 March 2019. This is an increase from R119 million in 2017/18. Furthermore, the Department reported a cumulative, unauthorised expenditure of R1.4 billion and accruals and payables to the value of R1.701 billion as at 31 March 2019.

- **Unauthorised expenditure** incurred during 2017/18 amounted to R933.3 million and R1.4 billion in 2018/19. The main drivers for the unauthorised expenditure in 2018/19 include exceeding the budget for goods and services as a result of payments related to the War on Leaks project.
- The main account's **overdraft** increased form R119.2 million in 2017/18 to R896.7 million in 2018/19 on the Paymaster General Account.
- The Main Account also reported the **accruals** (money owed to service providers for work completed) of R416.3 million in 2018/19 and R1.5 billion in 2017/18. The accruals were R749 million in 2016/17, R631 million in 2015/16 and R1.6 billion in 2014/15. 41 per cent of the 2018/19 accruals were due for more than 30 days. This is in contravention of Section 38(1)(f) of the Public Finance Management Act and National Treasury Regulation 8.2.3, which states that unless determined otherwise in a contract, or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice.

- The Main Account also reported **irregular expenditure** of R8.9 billion in 2018/19 and R6.2 billion in 2017/18.
- At project inception in 2015, the **War on Leaks** programme was estimated at R3.9 billion. However, the Department had not properly budgeted for this programme. As a result, the War on Leaks initiatives has persistently being financed through the other sources of funds that were legally budgeted for other items within the budgets of the Water Trading Entity and Main Account. Since 2015 to date, expenditure on this programme amounts to R2.7 billion, most of which has resulted in unauthorised expenditure.

### 7.2 Water Trading Entity

The main drivers of the Water Trading Entity's financial position related to the failure to adjust expenditure downwards after mandatory budget cuts, increased spending on municipal water services projects (unfunded mandates), commitments on infrastructure projects without commensurate funding streams, poor financial management and raw water pricing strategy concessions.

Another area of concern is the overdraft incurred by the Water Trading Entity. As of 31 May 2019, the overdraft was at R1.2 billion and this is in conflict with Treasury Regulation 19.2.3, which prohibits trading entities from having overdrafts. The Water Trading Entity's progress on the overdraft was due to slow, late or non-payments to the Trans-Caledon Tunnel Authority.

## 8. Portfolio Committee Observations

This section summarises the Portfolio Committee's observations, in engagements with the Department as detailed in the sections above. The section below therefore provides a synopsis of statements made by Members of the Portfolio Committee, and the responses by the Department and Entities to the issues raised. The Portfolio Committee **resolved** that its findings, highlighted below, will form the basis of its oversight on key challenges related to the work of the Department and its Entities.

### 8.1. Financial management of the Department

The financial fiscal challenges plaguing the Department was of concern to the Portfolio Committee on Human Settlements, Water and Sanitation. These relate to the following:

- The material uncertainty relating to the going concern or financial sustainability of the department relating to irregular expenditure, accruals and overdrafts for both accounts.

There was strong emphasis on the need for a clarity of purpose with regard to stabilising the Department of Water and Sanitation.

The Department of Human Settlements, Water and Sanitation, will be providing quarterly reports to the Portfolio Committee in terms of its turnaround strategy to address the financial fiscal challenges experienced. A commitment was made by the Executive authority on strengthening financial capacity by filling vacant posts, and this would be prioritised.

### 8.2 Instability in leadership and the resultant impact on service delivery of water and sanitation services

The main concerns in this regard related to the instability noted in the appointment of a Director-General as well as the number of acting positions in the Department in the last few years. Members noted that this created major problems in government as a whole, and argued that there is a definite need to improve the management of employees, as well as to ensure consequence management mechanisms in place to address transgressions by employees in the Department.

### 8.3 War on Leaks Programme

Questions were raised on why the War on Leaks programme was not formally budgeted for, which resulted in unauthorised expenditure. If this programme was pronounced by the President, why was the programme not budgeted for, which resulted in unauthorized expenditure.

### 8.4 Equitable Share and the Municipal Infrastructure Grant

Despite the significant funding of water services, *inter alia*, the equitable share and the Municipal Infrastructure Grant, there is considerable evidence that a very low proportion of the equitable share is actually spent on water services. In addition, billing and cost recovery are generally poor, with some areas not being billed. As a result, daily operations and especially longer term maintenance are significantly underfunded.

### 8.5 Infrastructure projects being deferred

The committee noted the deferral of projects due to the lack of planning, capacity and leadership within the Department, which impacts on service delivery. The question raised here was whether the Department is able to undertake new infrastructure projects in light of previous projects not being completed.

The Department referred the Portfolio Committee to the relevant information in the Annual Performance Plan, which provided more details of project phases under construction, and project plans that are completed.

### 8.6 Bucket Eradication Programme

Questions were raised on the allocated budget for the Bucket Eradication Programme since its inception to date. At the beginning, no budget was allocated for this programme. For the year under review, the Bucket Eradication Programme is budgeted for, under Programme 3: R607 million. The provinces affected are Free State and Northern Cape. The Department of Human Settlements, Water and Sanitation indicated that it would provide, in writing, a full report on the spending of this project since inception.

### 8.7 Cooperative governance of water and sanitation services management and delivery

The Portfolio Committee expressed its concerns on the many challenges at the municipal level in relation to the delivery of water services. These challenges include poor maintenance and refurbishment of infrastructure,

which result in increased interruptions in supply and high levels of unaccounted for water; poor management of wastewater treatment works resulting in deteriorating raw water quality; slow delivery of sanitation services and inadequate cost recovery in the water services sector.

The Department of Water and Sanitation noted these concerns, and maintained that the intergovernmental relations framework of work between the three spheres of government must be strengthened, especially in terms of service delivery of basic services, such as water and sanitation.

### 8.8 Monitoring and Evaluation unit

The Portfolio Committee noted that there is a lack of monitoring and evaluation of the work of the Department.

### 8.9 Grants used by municipalities for other purposes

One of the key aspects noted by the Portfolio Committee is the legislative mechanisms that needs to be strengthened. The conditional grant focuses on the principle that if "one does not use it; one loses it". However, this impacts on service delivery to communities in need of services.

### 8.10 Lack of oversight over implementing agents

Members of the Portfolio Committee raised a concern, which was highlighted by the Office of the Auditor-General in previous audit findings. The main concern by the Office of the Auditor-General in this regard was the lack of supply-chain management issues in the use of implementing agents (mainly water boards). The Department is not only using implementing agents for emergency work, but awarding multi-year projects to the water boards. This has resulted in irregular expenditure, which raised questions by members of the Portfolio Committee around the standard practice of oversight of and compliance by the implementing agents to supply chain management issues by the Department.

### 8.11 Pollution of water systems

Pollution of our water systems, more especially by industry, affects the quality of water consumed by citizens.

## 9. Recommendations

The Portfolio Committee on Human Settlements, Water and Sanitation recommends that the Minister of Human Settlements, Water and Sanitation should ensure that the Department of Water and Sanitation:

### 9.1 Financial management of the Department of Water and Sanitation

9.1.1 The Department of Water and Sanitation, in consultation with National Treasury should develop and implement a financial recovery plan for the improvement of the Department's financial position and service delivery performance with reference to accruals, under-expenditure, and fruitless and wasteful expenditure.

9.1.2 The material uncertainty relating to the going concern and financial sustainability of Department related to fruitless and wasteful expenditure, irregular expenditure, and qualified audit opinion for both the Main Account and Water Trading Entity should be resolved.

9.1.3 The Department should establish a monitoring and evaluation to improve financial and non-financial performance within the Department. In addition, planning and effective financial management with associated budgets for operations and maintenance must be prioritised.

**9.2 Monitoring and Evaluation**

9.2.1 The Department should work with the Department of Planning, Monitoring and Evaluation in the Presidency to enhance monitoring and evaluation systems within the Department.

**9.3 Instability in leadership and its impact on service delivery**

9.3.1 The Department should provide well-articulated plans to address the management and leadership shortcomings that were identified.

9.3.2 The Department should provide evidence of consequence management for poor performance and strategies to improve performance.

**9.4 Concerns around specific projects – War on Leaks and Bucket Eradication Programme**

9.4.1 The Department should submit a report on the total cost of both the Bucket Eradication Programme and the War on Leaks programmes since their inception to date.

9.4.2 The Minister has committed to ensuring that the Department will eradicate the bucket system within six (6) months. The Department should furnish the Portfolio Committee with its implementing plan to realise this commitment, with the R607 million allocated to this programme.

9.4.3 The Department should submit and provide quarterly reports on the financial and non-Financial progress of the Bucket Eradication Programme.

**9.5 Use of the Equitable Share Allocations and the Municipal Infrastructure Grant**

9.5.1 The Intergovernmental Relations Framework Act, 2005 should be more effectively utilised by all spheres of government to ensure allocated funding is utilised for its purposes.

9.5.2 There should be more effective monitoring of the spend of the equitable share and grants.

9.5.3 The Department should undertake a rigorous process to systematically monitor the spending of the grants to ensure legislative compliance.

**9.6 Deferral of infrastructure projects and the use of the construction unit**

9.6.1 Mechanisms should be put in place to ensure that the Department undertakes oversight at all stages of projects. Furthermore, the Department should consider using their internal construction unit to assist municipalities that lack capacity to implement infrastructure projects.

9.6.2 Although the Department has a Learning Academy, there is a need to absorb young engineers, and technical people within the internal construction unit to ensure that transformation within the unit takes place.

**9.7 Lack of oversight over implementing agents**

9.7.1 The Department should submit quarterly reports to the Portfolio Committee on the financial and non-financial performance of the Department, mainly around supply-chain management, procurement, and use of implementing agents that undertake work on their behalf.

9.7.2 The Department should strengthen its oversight over their implementing agents and action should be taken on transgressions and non-compliance.

9.7.3 The Department should consider using its internal construction unit so as to diminish exorbitant cost overruns associated with using implementing agents on emergency and other related infrastructure projects.

**9.8 Pollution of Water Systems**

9.8.1 The 'Polluter pay Principle' should be much more enforceable on polluting companies and municipalities, and the Department should monitor it.

The Economic Freedom Fighters abstained and the Democratic Alliance reserved their right not to vote on the report.

**Report to be considered.**

## 2. Report of the Portfolio Committee on Basic Education on Budget Vote 14: Basic Education, dated 12 July 2019.

The Portfolio Committee on Basic Education having considered Budget Vote 14: Basic Education, together with the Annual Performance Plan of the Department of Basic Education, reports as follows:

### 1. Introduction

1.1 The Portfolio Committee on Basic Education considered the 2019/20 Annual Performance Plan (APP) and Budget of the Department of Basic Education on Tuesday, 9 July 2019. Due to time constraints, the Committee could not convene briefing sessions with the two statutory bodies, South African Council for Educators (SACE) as well as the Council for Quality Assurance in General and Further Education and Training (Umalusi) who receive voted funds from the budget of the Department.

1.2 The budget briefing served to acquaint the 6th Parliament Portfolio Committee with the mandates, programmes and priorities of the Department.

1.3 Those that appeared before the Portfolio Committee during the Budget Review sessions included the following:

1.3.1 **Department of Basic Education (DBE)**: Hon A Motshekga: Minister of Basic Education, Hon M R Mhaule: Deputy Minister of Basic Education, Mr P R M Khunou: Chief Finance Officer, Mr S G Padayachee: Acting Director-General, Dr G Whittle: Deputy Director-General, Ms N L Mbonambi: Director, Mr E Mhlanga: Chief Director, Mr E R Mafoko: Acting Chief Director, Dr S Sithole: Chief Director, Ms C Nuga-Deliwe: Chief Director, Dr M S Pillay: Chief Director, Adv. S D Misser: Chief Director, Adv. M P Masuku: Chief Director, Ms E Mmola: Director, Mr L Mahada: Parliamentary Liaison Officer, Ms L Carolissen:

Liaison Officer, Ms H Mokgatlhe: Ministerial Liaison Officer, Ms P Mphigalale: Senior Secretary, Mr N M Ramahuma: Ministerial Services and Ms S I Lubisis: Ministerial Liaison Officer.

1.4 This report gives a brief summary of the presentation made by the Department of Basic Education (DBE) to the Portfolio Committee, focusing mainly on the Department's 2019/20 Annual Performance Plan, the 2019 Medium Term Expenditure Framework (MTEF) allocations, and the overview of allocations per programme. The report also provides the Committee's key deliberations and recommendations relating to the Vote.

1.5 Copies of all presentations on the Budget Review of the Department of Basic Education (DBE) were available from the office of the Committee Secretary.

## 2. Overview of the Annual Performance Plan (APP) for 2019/20

### 2.1 Strategic overview by the Department of Basic Education (DBE)

The Minister of Basic Education, Hon A Motshekga, Deputy Minister Hon M R Mhaule and the Acting Director-General, Mr S G Padayachee led a delegation from the DBE to present on the 2019/20 APP and the Budget of the Department of Basic Education.

**2.1.1 Address by the Minister of Basic Education, Hon A Motshekga –** The Minister, in her address, thanked the Portfolio Committee for the opportunity offered to present the APP of the Department. She gave a broad overview of the presentation as it pertained to the legal obligations of the Department – including all availability and shortcomings in respect of resources.

**2.1.2 Background and Context -** The Portfolio Committee was presented with some background and context to the 2019/20 APP and an indication that the sector demonstrated improvements in monitoring and evaluation to assist with addressing challenges related to performance of the Department.

The Department gave a detailed overview by outlining the shape and the size of the basic education sector, giving a comprehensive breakdown of the number of learners, educators and schools in the ordinary school sector by province for 2018. The Department also outlined the government wide, as well as the education sector priorities, based on the NDP vision 2030, SONA 2019 and Action Plan to 2024. The presentation further covered the 2018 National Senior Certificate Examination results as well as key activities in the sector to align with medium and long- term goals. It also covered key issues identified on the 2019/20 APP and actions taken to address the issues.

The Department's Strategic Plan was anchored on the Government's long-term plan; the National Development Plan vision 2030: Our future – make it work, and the Medium-Term Strategic Framework 2014-2019 (MTSF).

**2.1.3 Key Government Priorities –** the Department noted that the President announced the seven (7) bold priorities of Government as follows, and basic education was critical in priorities 2, 3, 5 and 6:

1. Economic transformation and job creation;
2. Education, skills and health;
3. Consolidating the social wage through reliable and quality basic services;
4. Spatial integration, human settlements and local government;

5. Social cohesion and safe communities;
6. A capable, ethical and developmental state; and
7. A better Africa and World.

**2.1.4 The State-of-the-Nation-Address (SONA) 2019 –** The Department noted that in the SONA in early 2019, the responsibility for ECD centres was migrated from Social Development to Basic Education. To this effect, the Departments has started to develop plans to ensure that pro-poor programmes, such as the National School Nutrition Programme (NSNP) in schools, are strengthened to address hunger among millions of children in our country. The key achievements were in response to the SONA and work was being done to mobilise and reprioritise resources. There were clear links between SONA and sector priorities.

The SONA 2019 speech by the Honorable President Ramaphosa also indicated the following priorities in education and skills development through the sector and the Department:

- To proceed with the process towards two years of compulsory ECD for all children before they enter Grade 1;
- Ensuring that the sector substantially improved reading comprehension in the first years of school, building on the Department's early grade reading studies, which have demonstrated the impact that a dedicated package of reading resources, expert reading coaches and lesson plans could have on reading outcomes;
- The provision of digitised material for learning on a tablet device, focusing on the most disadvantaged schools which were in the poorest communities, including multi-grade, multiphase, farm and rural schools.

- In line with the Framework for Skills for a Changing World, the preparatory work for training both educators and learners to respond to emerging technologies, including the internet, robotics, coding, and artificial intelligence, was well under way;
- Curriculum and materials development had been prioritised for new technology subjects and specialisations, including technical mathematics and technical sciences, maritime sciences, aviation studies, mining sciences, aquaponics; and
- To expand participation in the technical streams, several ordinary public schools would be transformed into technical high schools.

**2.1.5 Key MTSF 2014 – 2019 Priorities -** The DBE's priorities for the 2014-2019 MTSF are as follows:

- Improving the quality of teaching and learning through development, supply and effective utilisation of teachers;
- Improving the quality of teaching and learning through provision of adequate, quality infrastructure and Learning and Teaching Support Materials (LTSM);
- Improving the assessment for learning to ensure quality and efficiency in academic achievement;
- Expanded access to Early Childhood Development (ECD) and improvement of the quality of Grade R, with support for pre-Grade R provision;
- Strengthening accountability and improving management at the school, community and district level; and
- Partnerships for education reform and improved quality.

## 2.2 Strategic Objectives, Indicators and Targets in the 2019/20 APP

**2.2.1 The Action Plan to 2019 -** The Action Plan to 2019: Towards the Realisation of Schooling 2030 was the sector plan for basic education. It had been reviewed and strengthened for the 2020-2024 planning cycle. The Action Plan was based on 27 national goals intended to improve basic education across all levels. Thirteen (13) of these goals, are output goals, dealing with better school results and better enrolment of learners in schools. The remaining fourteen (14) goals deal with the support that was expected to take place for the output goals to be realised.

The Department's strategic outcomes oriented goals were linked to the five Budget Programmes of the Department:

- **Programme 1:** Effective and efficient governance and management. The purpose of the programme was to manage the Department and provide strategic and administrative support services.

- **Programme 2:** Effective development, monitoring of curriculum implementation and support. The purpose of the programme was to develop curriculum and assessment of policies, monitor, and support their implementation.

- **Programme 3:** Improved teacher supply, development and utilisation. The purpose of the programme was to promote accountability, quality teaching and institutional performance through the effective supply, development and utilisation of human resources.

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- **Programme 4:** Effective systems for planning, co-ordination, information management, assessment and district support. The purpose of the programme was to promote quality and effective service delivery in the basic education system through planning, implementation and assessment.

- **Programme 5:** Improved social cohesion in schools and wellbeing of learners. The purpose of the programme was to develop policies and programmes to improve the quality of learning in schools.

**2.2.2 Education Sector Priorities –** The following activities were developed around the key priorities articulated in the NDP vision 2030, SONA 2019, MTSF priorities and the revised drafts of the Sector Plan and Action Plan to 2024: Towards the Realisation of Schooling 2030. Over the next five (5) years, the Department was intending to work on implementing the following priorities, which were linked to the NDP vision 2030, the 2019 SONA and the Sector Planning priorities in support of improved reading and learning outcomes:

- ECD Function Shift;
- Early Grade Reading;
- ICT's in Education;
- Assessments;
- Violence and Social Cohesion in schools; and
- SAFE Initiative.

**2.2.3 Key Improvement Plans of the Department Towards the 2014-2019 MTSF and NDP vision 2030 –** In improving the education sector, the Department has taken the following steps:

- Engagements through HEDCOM Sub-committees in collaborating and improving the sector's performance;
- Conducted Gap analysis of the sector alignment and working on mitigating the gaps identified for medium and long- term plans; and
- Continued analysis of plans and reports to strengthen the management of Performance Information in the sector.

**2.2.4 Department of Performance Monitoring and Evaluation (DPME) Analysis of the APP 2019/20 -** The DPME analysed the first and second drafts of the 2019/20 APP and made recommendations as follows:

- The Department to clarify the performance indicators in the short definition;
- Resource considerations to be updated;
- The Department has not included the following MTSF indicators in its APP:
  - Percentage of Grade 1 entrants who attended Grade R that were school ready.
  - The percentage of youth who obtained any FET qualification;
  - Proportion of principals appointed based on competency assessment processes per year;
  - Proportion of principals who have signed performance agreements each year.

The DPME commented that the Department ensured that the MTSF indicators were included in the APP and that the Department strengthened the situational analysis.

**3. DBE Programme Performance**

The Annual Performance Plan (APP) summarised the priorities of the Department as aligned to the delivery agreement of Outcome 1: Improving the quality of Basic Education and the Action Plan to 2019: Towards the Realisation of Schooling 2030. The activities of the Department had been structured into five programmes as elaborated in the Annual Performance Plan:

- Programme 1: Administration;
- Programme 2: Curriculum Policy, Support and Monitoring;
- Programme 3: Teachers, Education Human Resources and Institutional Development;
- Programme 4: Planning, Information and Assessment; and
- Programme 5: Educational Enrichment Services.

There was a combined total of 43 performance indicators for all five programmes of the Department – and could be broken down into 28 (65 percent) annual targets, 13 (30 percent) quarterly targets and two (5 percent) bi-annual targets.

Most performance indicators in the 2019/20 APP were introduced in the 2016/17 financial year as part of the Revised Strategic Plan of the Department. They showed an improved alignment with the Department's policy development and monitoring role and are largely anchored in the MTSF and the APP. The Department introduced three new indicators in the 2018/19 APP.

**3.1 Programme 1 – Administration**

**3.1.1 Strategic Objective:** To improve the administrative and governance systems through compliance to the key legislations governing administration in order to supp ort the delivery of education and to strengthen accountability.

**3.1.1.1 Programme Performance Indicators:** The Department's target for the percentage of service provider invoices within the procurement unit paid within 30 days is at 100 percent while the percentage of received misconduct cases resolved within 90 days is set at four (4).

**3.2 Programme 2 – Curriculum Policy, Support and Monitoring**

**3.2.1 Strategic Objectives 1**: To develop and distribute digital content annually to promote e-learning in schools.

**3.2.1.1 Programme Performance Indicators:** The target for the number of schools per province monitored for utilisation of ICT resources is at 27 (three per province), while the target for the number of off-line digital content resources developed, (funding depended on sponsorship) is set at ten (10).

**3.2.2 Strategic Objectives 2**: To develop, print and distribute workbooks to schools annually for Grades R-9 in order to support teaching and learning.

**3.2.2.1 Programme Performance Indicators:** The target set for the percentage of public schools with Home Language workbooks for learners in Grades 1 to 6 is 100 percent. Similarly, the target for the percentage of public schools with Mathematics workbooks for learners in Grades 1 to 9 as well as the percentage of public schools with workbooks for Grade R is set at 100 percent.

**3.2.3 Strategic Objectives 3**: To monitor and support the implementation of the National Curriculum Statements (NCS) on Reading in Grades R-9 each year in order to improve teaching and learning.

**3.2.3.1 Programme Performance Indicators:** The target set for the number of schools monitored on the implementation of the reading norms as well as the target for the number of schools monitored on the implementation of the Incremental Introduction to African Languages (IIAL) nationally is 20. The target for the number of underperforming schools monitored on the implementation of the Early Grade Reading Assessment (EGRA) is set at 100.

**3.2.4 Strategic Objectives 4**: To develop and review the framework to support provinces in improving performance in Mathematics, Science and Technology subjects.

**3.2.4.1 Programme Performance Indicators:** The target set for the number of training sessions of CAPS for Technical subjects monitored is five (5) while the number of schools visited for monitoring CAPS implementation in technical schools is set at 18.

**3.2.5 Strategic Objectives 5**: To develop, monitor and support the implementation of policies and programmes for improving the quality of education in rural schools.

**3.2.5.1 Programme Performance Indicators:** The target set for the number of schools with multi-grade classes monitored for implementing the Multi- Grade Toolkit is 72 schools while the target for the number of advocacy campaigns conducted on the Rural Education Framework in the provinces is set at nine.

**3.2.6 Strategic Objectives 6**: To provide support to learners who have not achieved all the requirements of the NSC through the Second Chance Matric.

**3.2.6.1 Programme Performance Indicators:** The target set for the number of learners obtaining subject passes towards a National Senior Certificate (NSC) or extended Senior Certificate, including upgraded NSC per year is 30 000 learners.

**3.2.7 Strategic Objectives 7**: To ensure that learners with severe to profound intellectual disabilities access quality publicly funded education and support.

**3.2.7.1 Programme Performance Indicators:** The target set for the number of children/ learners with Severe to Profound Intellectual Disability (C/LSPID) who utilise the Learning Programme for C/LSPID is set at 3 327 children/learners.

## 3.3 Programme 3 – Teachers, Education Human Resources and Institutional Development

**3.3.1 Strategic Objectives 1**: To monitor the basic functionality of schools and School Governing Bodies (SGBs) on an annual basis to improve school effectiveness and accountability.

**3.3.1.1 Programme Performance Indicators:** The target set for the percentage of SGBs that meet minimum criteria in terms of effectiveness is 80 percent of 2 000 sampled SGBs while the target for the percentage of schools producing the minimum set of management documents at a required standard is 90 percent of 2 000 sampled schools.

**3.3.2 Strategic Objectives 2**: To identify and recruit the youth from all provinces for the Funza Lushaka Bursary annually in order to increase the supply of young teachers in the education system.

**3.3.2.1 Programme Performance Indicators:** The target set for the number of Funza Lushaka bursaries awarded to students enrolled for initial teacher education is 13 000 bursaries.

**3.3.3 Strategic Objectives 3**: To monitor the content knowledge of teachers in Mathematics, English First Additional Language, Physical Sciences and Accounting through Diagnostic Self- Assessments.

**3.3.3.1 Programme Performance Indicators:** For the number of diagnostic analysis reports produced, the Department set a target of four for EFAL, Physical Science, Accounting and Mathematics.

**3.3.4 Strategic Objectives 4**: To monitor the implementation of performance management systems in PEDs annually in order to strengthen accountability of schools and office-based educators.

**3.3.4.1 Programme Performance Indicators:** For the number of PEDs monitored on the implementation of IQMS as well as EMS: PMDS, the target is set at six.

**3.3.5 Strategic Objectives 5**: To monitor implementation of the post provisioning annually per province to ensure that there was an equitable distribution of teachers.

**3.3.5.1 Programme Performance Indicators:** The target set for the number of PEDs that had their post- provisioning process assessed for compliance with the post- provisioning Norms and Standards is nine PEDs.

## 3.4 Programme 4 – Planning, Information and Assessment

**3.4.1 Strategic Objectives 1**: To provide data on learner performance through the setting of question

papers, administering the examinations and data analysis of the National Examinations and Assessments conducted periodically.

**3.4.1.1 Programme Performance Indicators:** The target set for the number of General Education and Training (GET) test items in Language and Mathematics for Grade 3, 6 and 9 developed is 250 test items developed in Grades 3, 6 and 9.

**3.4.1.2 Programme Performance Indicators:** The target set for the number of NSC reports produced is four (i.e. NSC Examination Report, NSC Schools Statistics Report, NSC Diagnostic Report in selected subjects and NSC Schools Subject Report)

**3.4.1.3 Programme Performance Indicators:** The target set for the number of question papers set annually for NSC and SC is 290 each.

**3.4.2 Strategic Objectives 2**: To provide basic infrastructure services (water, sanitation, and electricity) and replace schools built using inappropriate materials on an annual basis in order to improve the conditions under which learners are taught.

**3.4.2.1 Programme Performance Indicators:** The target set for the number of new schools built and completed through ASIDI is 40, the number of schools provided with sanitation facilities through ASIDI is set at 717 and the number of schools provided with water through ASIDI is 225.

In respect of electricity, the Department indicated that the scope of work that was allocated to be implemented through the ASIDI programme on the electricity sub-programme had been completed. Any outstanding schools that were not part of the programme, will be implemented through EIG programme by provinces.

**3.4.3 Strategic Objectives 3**: To promote the functionality of schools through the institutionalising of a standardised school administration system, designed to assist with school management and reporting to a national information system on an ongoing basis.

**3.4.3.1 Programme Performance Indicators:** The target set for the percentage of public schools using the standardised school administration system**,** SA-SAMS for reporting is 98 percent while the number of provinces monitored by the Department officials for implementation of LURITS annually is set at nine provinces.

**3.4.4 Strategic Objectives 4:** To mentor and assess the performance of districts on an annual basis in order to strengthen the capacity of districts to support schools.

**3.4.4.1 Programme Performance Indicators:** The number of officials from districts that achieved below the national benchmark in the NSC participating in a mentoring programme is 30 officials.

**3.4.5 Strategic Objectives 5:** To mentor and assess the performance of districts on an annual basis in order to strengthen the capacity of districts to support schools.

**3.4.5.1 Programme Performance Indicators:** The target for the percentage of school principals rating the support services of districts as being satisfactory currently is at zero. The percentage of District Directors that have undergone competency assessments prior to their appointments is set at 90 percent while the percentage of underperforming schools visited at least twice a year by district officials for monitoring and support purposes is set at 60 percent.

## 3.5 Programme 5 – Educational Enrichment Services

**3.5.1. Strategic Objectives 1:** To monitor the provision of nutritious meals served in identified public schools annually to enhance learning capacity and well-being of learners.

**3.5.1.1 Programme Performance Indicators:** The target for the number of schools monitored for the provision of nutritious meals is set at 110 schools monitored.

**3.5.2. Strategic Objectives 2:** To promote the participation of learners in enrichment and co-curricular activities in order to make a positive impact on learning.

**3.5.2.1 Programme Performance Indicators:** The target for the number of professionals trained in SASCE programmes is set at 900 professionals while the number of learners, teachers, officials, SGBs, parents and community organisation members participating in social cohesion and gender equity programmes is set at 7 500.

**3.5.3. Strategic Objectives 3:** To monitor the implementation of the NSSF in 185 hot-spot schools by 2019/20 in order to attain safe, caring and violence-free school environments.

**3.5.3.1 Programme Performance Indicators:** The target for the number of hot-spot schools monitored towards implementation of the NSSF is set at 48 hot-spot schools.

**3.5.4. Strategic Objectives 4:** To contribute to the reduction of new infections and the impact of Human Immunodeficiency Virus (HIV) and Tuberculosis (TB) by providing a caring, supportive and enabling environment for learners, educators and school support staff.

**3.5.4.1 Programme Performance Indicators:** The target for the number of PEDs with approved annual business plans for the HIV/Acquired Immunodeficiency Syndrome (AIDS) Life Skills Education Programme is set at nine.

## 4. Overview of the MTEF 2019 Budget

### 4.1 Comparison between Programmes Allocations from 2018 to 2019 MTEF

| | DEPARTMENTAL APPROPRIATION | | |
|---|---|---|---|
| **PROGRAMME** | 2018/19<br>R'000 | 2019/20<br>R'000 | Percentage Increase/Decrease |
| **Administration** | 450 476 | 496 253 | 10.2% |
| **Curriculum Policy, Support and Monitoring** | 1 905 011 | 1 988 959 | 4.4% |
| **Teachers, Education Human Resource and Institutional Development** | 1 290 480 | 1 366 199 | 5.9% |
| **Planning, Quality Assessment and Monitoring and Evaluation** | 11 971 342 | 13 144 331 | 9.85 |
| **Educational Enrichment Services** | 7 105 128 | 7 508 789 | 5.7% |
| **Total** | 22 722 437 | 24 504 531 | 7.8% |

The Department has been allocated R24.5 billion in 2019/20, R26.0 billion in 2020/21 and R28.2 billion in 2021/22. The budget allocation for 2019/20 represents an increase of 7.8 percent from the 2018/19 allocation of R22.7 billion. Over the medium term, the Department's budget is expected to increase from R24.5 billion in 2019/20 to R25.9 billion in 2020/21 and R28.1 billion in 2021/22. Included in the Department's allocation is Compensation of Employees amounting to R546.8 million, R587.8 million and R625.9 million over the MTEF. The bulk of the Department's allocation is made out of Conditional Grants, Transfers and Earmarked Funds.

At the programme level, all five programmes reflect budget increases; however, programme 1, 3 and 4 budget increases are below inflation, while programmes 2 and 5 reflect increases that are is above inflation rate.

### 4.2 Programmes Allocations over the 2019 MTEF

| | BUDGETS | | |
|---|---|---|---|
| **PROGRAMME** | **2019/20 R'000** | **2020/21 R'000** | **2021/22 R'000** |
| **Administration** | 496 253 | 527 200 | 558 457 |
| **Curriculum Policy, Support and Monitoring** | 1 988 959 | 2 103 324 | 2 217 665 |
| **Teachers, Education Human Resource and Institutional Development** | 1 366 199 | 1 442 562 | 1 523 186 |
| **Planning, Quality Assessment and Monitoring and Evaluation** | 13 144 331 | 13 876 693 | 15 364 222 |
| **Educational Enrichment Services** | 7 508 789 | 8 037 869 | 8 525 846 |
| **Total** | **24 504 531** | **25 987 648** | **28 189 376** |

### 4.3 Economic Classification Allocation for the 2019 MTEF

| | BUDGETS | | |
|---|---|---|---|
| **PROGRAMME** | **2019/20 R'000** | **2020/21 R'000** | **2021/22 R'000** |
| **Compensation of Employees** | 546 751 | 587 779 | 625 922 |
| **Goods and Services** | 1 947 291 | 2 026 814 | 2 159 425 |
| **Interest and Rent on Land** | 43 557 | 42 418 | 41 148 |
| **Transfers and Subsidies** | 20 080 690 | 21 683 762 | 23 151 878 |
| **Payments for Capital Assets** | 1 886 242 | 1 646 875 | 2 211 003 |
| **Total** | **24 504 531** | **25 987 648** | **28 189 376** |

### 4.4 Details of Earmarked Allocations (R'000) over the 2019 MTEF

| **EARMARKED FUNDS** | **2019/20 R'000** | **2020/21 R'000** | **2021/22 R'000** |
|---|---|---|---|
| **Workbooks** | 1 151 141 | 1 214 073 | 1 279 530 |
| **Examiners and Moderators** | 32 086 | 33 253 | 34 420 |
| **National School Nutrition Programme** | 5 357 | 6 326 | 6 525 |

| | | | |
|---|---|---|---|
| **Oversight-Maths, Science and Technology** | 2 068 | 2 099 | 2 170 |
| **Matric Second Chance Programme** | 85 261 | 85 150 | 89 833 |
| **Learners with Profound Intellectual Disabilities Conditional Grant** | 1 313 | 1 351 | 1 389 |
| **TOTAL: EARMARKED FUNDS** | **1 277 226** | **1 342 252** | **1 413 867** |

### 4.5 Details of Conditional Grants Allocations/ Transfers (R'000) over the 2019 MTEF

| **CONDITIONAL GRANTS** | **2019/20 R'000** | **2020/21 R'000** | **2021/22 R'000** |
|---|---|---|---|
| **Education Infrastructure Conditional Grant** | 10 514 478 | 11 466 632 | 12 326 629 |
| **HIV and Aids Conditional Grant** | 256 951 | 270 644 | 285 529 |
| **Learners with Profound Intellectual Disabilities Conditional Grant** | 220 785 | 242 864 | 256 222 |
| **National School Nutrition Programme Conditional Grant** | 7 185 715 | 7 695 901 | 8 165 351 |
| **Maths, Science and Technology Conditional Grant** | 391 302 | 413 259 | 435 988 |
| **TOTAL CONDITIONAL GRANTS** | **18 569 231** | **20 089 300** | **21 469 719** |

### 4.6 Details of Transfers (R'000) over the 2019 MTEF

| **OTHER TRANSFERS** | **2019/20 R'000** | **2020/21 R'000** | **2021/22 R'000** |
|---|---|---|---|
| **Unesco Membership Fees** | 15 431 | 16 295 | 17 191 |
| **ADEA** | 150 | 158 | 167 |
| **Guidance Counselling and Youth Development Centre: Malawi** | 186 | 196 | 207 |

| | | | |
|---|---|---|---|
| **Childine South Africa** | 69 | 73 | 78 |
| **National Education Collaboration Trust** | 111 945 | 118 102 | 124 598 |
| **Southern and Eastern Africa Consortium for Monitoring Educational Quality** | 3 480 | 3 671 | 3 873 |
| **NSFAS: Funza Lushaka Bursaries** | 1 224 271 | 1 291 606 | 1 362 644 |
| **Transfers to Public Entities** | | | |
| **Umalusi** | 134 634 | 142 012 | 149 822 |
| **ETDP SETA** | 429 | 453 | 478 |
| **South African Council for Educators** | 20 000 | 21 100 | 22 261 |
| **TOTAL TRANSFERS** | **1 510 595** | **1 593 666** | **1 681 319** |

### 4.7 Detailed Breakdown of the Budget over the 2019 MTEF

| | **2019/20 R'000** | **2020/21 R'000** | **2021/22 R'000** |
|---|---|---|---|
| **Compensation of Employees** | 500 478 | 538 698 | 573 716 |
| **Operational budget** | 141 000 | 153 985 | 166 970 |
| **School Infrastructure Backlog** | 1 327 048 | 969 036 | 1 038 937 |
| **Safe Project** | 700 000 | 800 000 | 1300 000 |
| **Office Accommodation** | 209 187 | 220 713 | 233 757 |
| **Departmental Projects** | 262 222 | 271 618 | 301 154 |
| **Earmarked Funds (including CoE)** | 1 284 770 | 1 350 632 | 1 423 804 |
| **Transfers** | 1 510 595 | 1 593 666 | 1 681 319 |
| **Conditional Grants** | 18 569 231 | 20 089 300 | 21 469 719 |
| **Total** | **24 504 531** | **25 987 648** | **28 189 376** |

### 4.8 General Budget Support to the Department for 2019 MTEF

| General Budget Support | 2019/20 R'000 | 2020/21 R'000 | 2021/22 R'000 |
|---|---|---|---|
| **Rural Education Assistance Project** | 29 164 | 29 164 | |
| **Systemic Improvement of Language and Numeracy in Foundation Phase** | 26 779 | 16 529 | 16 201 |
| **Technology Grade 7-9** | 20 480 | 19 564 | 19 955 |

## 5. Committee Observations and Deliberations

The Portfolio Committee raised the following with the Department of Basic Education in respect of Budget Vote 14: Basic Education:

- Members needed clarity regarding the findings of the 2018 Teaching and Learning International Survey (TALIS), which highlighted the increased and high levels of violence in schools. Members sought clarity on the specific budget allocation to deal with safety at schools specifically.
- Members enquired about the functionality and operations of the Learner Unit Record Information and Tracking System (Lurits) for tracking learners. Members also asked whether the Department was collaborating with the Department of Social Development in this regard.
- In respect of teacher training and development, Members were interested to know whether the two/three-days training programme was adequate enough to address pertinent issues and whether considerations would be given to increase the training period.
- Members also asked the exact percentage of the budget allocation given to special needs education programme.
- With regard to phsyco-socio support provided, Members wanted to find out whether this would translate into more support, monitoring and oversight by social workers to schools.

- Members needed clarity on how the current Funza Lushaka Bursary Scheme was structured to ensure that it attracts more science and maths educators.
- Where officials were performing below the set benchmark, Members needed clarity on whether there were measures in place to assist such officials in reaching the benchmark set.
- Members wanted to know how the Department was dealing with illegal and unregistered schools.
- In respect of Conditional Grants, Members wanted to know whether there were any measures in place to adequately oversee and monitor if the money was being utilised for its intended purpose.
- Members advised the Department to ensure that the spending trends in the building of schools were carefully monitored to ensure work was streamlined in order to focus on the actual building of the school.
- In respect of the National School Nutrition Programme (NSNP), Members requested an update and status of the NSNP projects to be piloted in the Northern Cape.
- Members were of the view that the Department was not doing enough to support and adequately monitor special schools, specifically in respect of ICT connectivity and the learning and teaching support material (LTSM).

**6. Responses from the Department of Basic Education**

Minister Motshekga mentioned that there was a separation in respect of the mandate and competency of the National Department (DBE) and that of Provincial Education Departments (PEDs). She agreed that there were many responsibilities that were not necessarily of the National Department. Although the Department worked closely and collaboratively with PEDs, it did not always have the necessary resources to carry out some of the functions required.

In respect of school safety, the Minister reiterated that the Department wanted to avoid the militarisation of schools in protecting learners and educators. She further reminded Members that the Department did not run schools – this was the responsibility of PEDs. The Minister offered to collect the necessary information from PEDS in respect of school safety and security programmes with plans they have and she was willing to come back to do a comprehensive presentation to the Portfolio Committee at a later stage.

Regarding the TALIS findings on violence in schools, the Minister mentioned that South Africa was the only African country that participated in the survey. The participation afforded the Department an opportunity to assess itself against other first-world countries.

The Minister reminded Members that, in respect of the Infrastructure Grant, the monies were transferred directly to PEDs. There was an evidence that when PEDs have ran out of money, they tapped into grant allocations to supplement. The Department was in discussion with National Treasury regarding shortcomings with the current framework and possibly considering a different model altogether.

Hon Motshekga agreed that the bursary scheme was very specific in respect of the needs and priorities of the Department – with maths and science being a priority area. There was a need to ensure adequately trained teachers in these priority areas.

In respect of illegal/unregistered schools, the Minister indicated that the registration of schools remained a provincial competence and was the responsibility of the MECs to deal with such illegal schools.

With Early Childhood Development (ECD), the Minister agreed that this was a huge area and there was a need to ensure a phased in approach to these centres. The Department was collaborating with the Department of Social Development in respect of funding and the migration of the various levels.

Regarding the pilot of the NSNP project in the Northern Cape, the Minister indicated that the province was chosen as it already had an advanced NSNP programme with the necessary infrastructure for meal preparations and running the best nutrition programme.

Deputy Minister Mhaule highlighted the contentious issues around school safety and security. This was a matter to be dealt with through the collaboration with sister departments and communities at large, as this was a societal issue. The Deputy Minister was of the view that if social cohesion programmes were successful and well implemented, there would be less safety and security issues at schools generally.

**7. Portfolio Committee Recommendations:**

The Portfolio Committee on Basic Education, having considered Budget Vote 14: Basic Education, together with the Annual Performance Plan of the Department of Basic Education recommends that the Minister of Basic Education ensure the following:

- Engage with PEDs as well as sister departments in respect of school safety and security programmes and plans and do a comprehensive presentation to the Portfolio Committee in the next Term on the same issue. The presentation to also include the National Sector Plan on School Safety.
- Prepare for comprehensive presentations on some key focus areas including, amongst others:
    - ICT;
    - Teacher Development and Training;
    - NSNP;
    - Language Policy; and
    - Infrastructure.

**8. Conclusion**

Having satisfied itself in its engagement with the Department of Basic Education on its Annual Performance Plan and the Budget, the Committee recommends that the House approves the Budget Vote 14: Basic Education.

**Report to be considered**.