

# **REPORT OF THE PORTFOLIO COMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS**

## **2016/17 FOURTH QUARTER REPORT OF THE DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS (VOTE 5)**

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### **1. INTRODUCTION**

The Portfolio Committee on Agriculture, Rural Development, Land and Environmental Affairs (the Committee) has a Constitutional mandate, in terms of Section 114(2)(b) of the Constitution of the Republic of South Africa (Act 108 of 1996) read with Rule 124(b) and Rule 131 of the Mpumalanga Provincial Legislature to oversee the performance of the Department of Agriculture, Rural Development, Land and Environmental Affairs (the department) and hold it accountable through various measures.

The consideration and scrutiny of the Fourth Quarterly Performance Report for 2016/2017 of the department is the tool the Committee uses to determine whether the department has proper plans and programmes to realise its strategic objectives and ultimately to deliver basic services to the citizens of Mpumalanga.

The Committee tables this report in accordance with the provisions of the Rules and Orders of the Mpumalanga Provincial Legislature, as an account of its oversight work done for consideration and adoption in order to monitor the performance of the department for the 2016/2017 fourth quarter.

### **2. METHOD OF WORK**

The Honourable Speaker of the Legislature referred the 2016/17 Fourth Quarter Performance Report to the Committee for deliberations and report back to the House, in accordance with Rule 190 (4) and Rule 131 of the Rules and Orders of the Mpumalanga Provincial Legislature.

The Committee met with the department on 11 May 2017 deliberate on the department's Fourth Quarter Performance. The Committee considered the draft Committee Report on the 13 June 2017.

### 3. GENERAL OBSERVATION

The Committee made the following general observations:

- a) The 2016/17 Fourth Quarter Report was correctly Tabled by the Honourable MEC within 30 days after the quarter as required by the Rules and Orders of the Mpumalanga Provincial Legislature;
- b) Questions emanating from the Research Analysis were sent to the department for written responses.

### 4. ANALYSIS OF THE FOURTH QUARTER REPORT

#### 4.1. BUDGET ANALYSIS

The department spent 99% (R967 773 000) of its budget during the quarter. The department remains with a variance of R6 360 000.

Table 1 below indicates the spending of the department per programme.

Table 1: Spending per program

Programme	Main budget appropriated	Adjustment	Final Adjusted budget	Actual expenditure as at 31 March 2017	Percentage
	R'000	R'000	R'000	R'000	
1. Administration	134 005	2 190	136 195	136 782	100.43
2.Sustainable Resource Management	80 075	(4 950)	75125	69 429	92.42
3. Farmer Support and Development	359 281	82 960	442 241	449 866	101.72
5.Veterinary Services	117 753	(2 900)	114 853	111399	96.99
5.Research and Technology Development Services	61 825	3 224	65 049	63 101	97.01
6.Agricultural Economics Services	9 516	300	9 816	10 890	110.94
7.Structured Agricultural Education and Training	17 379	76	17 455	16 122	92.36
8.Rural Development Coordination	101 337	(82 900)	18 437	20 279	109.99
9.Environmental Affairs	92 962	2 000	94 962	89 905	94.67
<b>Total</b>	<b>974 133</b>	<b>-</b>	<b>974 133</b>	<b>967 773</b>	<b>99.35</b>

The department reported the following regarding the spending during the quarter:

- The department had payables amounting to R 7 779 087.33 at the end of March 2017.

- A rollover on the unspent funds amounting to **R 5 400 000.00** has been requested. This amount is intended to cater the payables under compensation of employees for claims of overtime incurred in the last month of 2016/17 financial year.
- The department had payables of **R2 287 293.30** that were over the 30 days period.
- The under achievement of 24 targets was noted to be mainly due to activities that were either demand driven and or depended operational costs.
- During the adjustment budget 2016/17 financial year, the department was instructed by Provincial Treasury to set aside funds from Goods and Services to fund the directive by Cabinet to purchase tractors for Amakhosi which was not initially budgeted for. The department was then able to raise **R6 600 000** from Goods and Services from the programmes as indicated above. Provincial Treasury later informed the department that it has made the funds available for the purchase of the tractors through the Department of Cooperative Governance and Traditional Affairs. The department was then advised by Treasury to redirected the **R6 600 000** to fund research facilities to honour the SOPA priorities.

Table 2 below indicates the expenditure per Economic Classification

**Table 2: Expenditure per Economic Classification**

Economic classifications budget	Main Appropriated Budget	Adjustment	Final Adjusted budget	Expenditure as at 31 March 2017	Percentage (%)
	R'000	R'000	R'000	R'000	
Compensation of employees	563 231	(13 503)	549 728	530 972	96.59
Goods and services	195 490	33 483	228 973	240 934	105.22
Current transfers and subsidies	194 163	(43 863)	150 300	156 071	103.84
Payments for Capital assets	21 249	23 883	45 132	39 796	88.18
<b>Total</b>	<b>974 133</b>	<b>-</b>	<b>974 133</b>	<b>967 733</b>	<b>99.34</b>

#### 4.1.1. Conditional Grants

Table 3 below indicates the spending on the Conditional Grants:

**Table3: Spending on Conditional Grants**

#### Expenditure on conditional grants

Grant	Budget	Expenditure	% Expenditure
	R'000	R'000	
CASP	172 414	171 664	99.57

Ilima Letsema	49 136	49 136	100.00
Land Care	6 208	6 204	99.94
EPWP	4 215	4 215	100.00
Total	231 973	231 219	99.67

## 4.2. PROGRAMMES AND SUB-PROGRAMMES

The Committee deliberated on the performance of the department for each programme as follows:

### 4.2.1. PROGRAMME 1: ADMINISTRATION

The purpose of this programme is to ensure that all nine-core function programmes of the department are adequately provided with political leadership; strategic leadership (planning, organising and monitoring), corporate support services; financial management support; and public communication support services.

The Committee made the following observations on Programme 1:

#### a) Spending Pattern

Table 4 below outlines the spending per sub-programme:

Table 4: Budget outline per sub-programme

Administration	Main appropriation budget R'000	Adjustment	Adjusted budget	Actual expenditure as at 31 March 2017	% Spent
Compensation of employees	93 305	(3 150)	90 155	85 297	94.61
Goods and services	35 999	138	36137	40 230	111.33
Transfers and subsidies	4 091	1 700	5 791	7 995	138.06
Payments for Capital assets	610	3 002	3 612	3 260	90.25
Total	134 005	1 690	135 695	136 782	100.80

#### b) Programme Performance

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### 4.2.2. PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

The purpose of this programme is to ensure that communities are provided with agricultural infrastructure development services to ensure sustainable development and management of

agricultural resources. The programme plays a key role in promoting the expanded Public Works programme (EPWP) in the rehabilitation of degraded land.

The Committee made the following observations on Programme 2:

**a) Spending Pattern**

The programme had an adjusted budget allocation of **R75 125 000** and spent **R69 429 000** as at the end of the quarter. This indicates an expenditure of 41.5%.

**Table 5: Spending per sub-programme**

Sustainable Resource Management	Main appropriated budget R'000	Adjustment	Adjusted budget	Actual expenditure as at 31 March 2017	% spent
Compensation of employes	46 381	(2 200)	44 181	38 879	88.00
Goods and services	7 160	(1 450)	5 710	6 380	111.73
Transfers and subsidies	26 534	(2 000)	24 534	23 673	96.49
Payments for Capital assets	0	700	700	497	71.00
<b>Total</b>	<b>80 075</b>	<b>(4 950)</b>	<b>75 125</b>	<b>69 429</b>	<b>92.42</b>

**b) Programme Performance**

Programme 2 achieved 50% (7 out of 14) of its targets in the 4<sup>th</sup> quarter of the 2016/17 financial year.

**i. Achievement of previous quarter targets**

The Committee noted that the department reported that six additional boreholes were drilled during the quarter to address targets for the previous quarters. The Committee requested the department to indicate the arears where the boreholes are drilled.

The table below outlines the boreholes that were drilled by the department. All the boreholes were handed over to the beneficiaries and are used for the intended purposes.

Table 6: drilled boreholes

Project	Municipality	Area	Work done
Kwaggafontein fortune 40	Thembisill Hani	Kwaggafontein	Equipping and reticulation of 3 boreholes in Kwaggafontein
Barberton environmental centre fortune 40	Umjindi	Barberton	Drilling, testing of 3 boreholes in Barberton environmental centre fortune 40 farm in Ehlanzeni South
Siyaphambili Farm	Mkhondo	Thandukukhanya , Piet Rieitef	Drilling, cleaning, testing, equipping and reticulation
Vlakplaats	Pixley	Vlakplaats, Voorkkrust	Drilling, cleaning, testing, equipping and reticulation
Welverdien Livestock	Bushbuckridge	Welverdien	Supply, Delivery, Install, Test and commission Windmill, Borehole, Water Tanks and drinking troughs
Ireagh A Livestock	Bushbuckridge	Ireagh A	Supply, Delivery, Install, Test and commission Windmill, Borehole, Water Tanks and drinking troughs
Clare A Livestock	Bushbuckridge	Clare A	Supply, Delivery, Install, Test and commission Windmill, Borehole, Water Tanks and drinking troughs
Madadeni Livestock	Nkomazi	Madadeni	Supply, Delivery, Install, Test and commission Windmill, Borehole, Water Tanks and drinking troughs
Schoesdal Livestock	Nkomazi	Schoesdal	Supply, Delivery, Install, Test and commission Windmill, Borehole, Water Tanks and drinking troughs

## ii. Uncompleted Projects

The department reported that other projects such as maize mills and poultry projects could not be completed due to poor performance and slow progress by service providers. The Committee requested the department to indicate how it is planning to remedy the situation of non-performing service providers in 2017/18 financial year. The department reported that monitoring of the compliance of the signed SLAs with the contracted service providers has been strengthened. Furthermore, the department has ensured that there are strict consequence management on non-compliance with the signed SLAs.

#### 4.2.3. PROGRAMME 3: FARMER SUPPORT AND DEVELOPMENT

This is the central service delivery programme in the department, which is responsible for delivering district level services in support of the agrarian reform and rural development.

The Committee made the following observations on Programme 3:

##### a) Spending Pattern

Table 7: Budget for the programme

Farmer Support and development services.	Main appropriated budget	Adjusted	Adjustment budget	Actual expenditure as at 31 March 2017	% spent
	R'000	R'000	R'000		
Compensation of employees	170 061	(1 300)	168 761	169 697	100.55
Goods and services	98 322	42 488	138 810	142 029	102.32
Transfers and subsidies	92 898	26 812	119 710	123 729	103.36
Payments for Capital assets	0	14 960	14 960	14 411	98.33
<b>Total</b>	<b>359 281</b>	<b>82 960</b>	<b>442 241</b>	<b>449 866</b>	<b>101.72</b>

##### b) Programme Performance

Programme 3 has achieved 100% (10 out of 10) of its targets in the 4<sup>th</sup> quarter of the 2016/17 financial year.

#### 4.2.4. PROGRAMME 4: VETERINARY SERVICES

The purpose of this programme is to promote animal health, welfare and production in the province. Through veterinary public health programmes the health and welfare of both humans and animals are also promoted.

The Committee made the following observations on Programme 4:

##### a) Spending Pattern

The programme had an adjusted budget allocation of R114 603 000 and spent R111 399 000. This indicates an overall expenditure of 97.2%. Table 9 below outlines the spending of the programme:

Table 8: Spending of the programme

Veterinary Services	Main Appropriation budget R'000	Adjustment	Adjusted budget	Actual expenditure as at 31 March 2017	% spent
Compensation of employees	98 911	-753	98 158	96 946	98.77
Goods and services	15 063	(2 421)	12 642	12 862	101.74
Transfers and subsidies	0	265	265	108	40.75
Payments for Capital assets	3 779	-241	3 538	1 483	41.92
<b>Total</b>	<b>117 753</b>	<b>(3 150)</b>	<b>114 603</b>	<b>111 399</b>	<b>97.20</b>

The department reported the following regarding the spending of the programme:

The Under-expenditure on payments of capital assets was due to slow implementation of dip tanks by contractors. Contractors had to correct faults made during construction. The diptanks were between 90 and 100% as at end of March 2017.

#### b) Programme Performance

The programme achieved 75% (9 of the 12) planned targets in this quarter.

#### 4.2.5. PROGRAMME 5: TECHNOLOGY, RESEARCH AND DEVELOPMENT

The programme has a responsibility to provide agricultural research services and to develop and transfer appropriate agricultural technologies to improve agricultural productivity, both in crop and animal production. It also establishes and strengthens partnerships with other agricultural research institutions.

The Committee made the following observations on Programme 5:

#### a) Spending Pattern

The programme has a budget allocation of R64 549 000 and spent R63 101 000 during the quarter. This indicates an overall expenditure of 97.7%. Table 10 below outlines the spending of the programme:

Table 9: Spending per Sub-Programme

Technology, Research and development	Main appropriation budget R'000	Adjustment	Adjusted budget	Actual expenditure as at 31 March 2017	% spent
Compensation of employees	43 827	(3 100)	40 727	38312	94.07
Goods and services	7 998	(1 126)	6 872	7644	111.23



Transfers and subsidies	0	-	0	0	0.00
Payments for Capital assets	10 000	6 950	16 950	17145	101.15
<b>Total</b>	<b>61 826</b>	<b>2 724</b>	<b>64 549</b>	<b>63101</b>	<b>97.76</b>

### b) Programme Performance

The programme managed to achieve 75% (3 of the 4) planned targets for the quarter.

#### 4.2.6. PROGRAMME 6: AGRICULTURAL ECONOMICS

The programme is responsible for providing timely and relevant support to internal and external clients with regard to agricultural marketing, statistical information, agricultural feasibility and viability studies in order to ensure sustainable agriculture and rural development.

The Committee made the following observations on Programme 6:

#### a) Spending Pattern

The programme had an adjusted budget allocation of **R9 816 000** and spent **R10 890 000** during the quarter.

Table 10 below outlines the spending per sub-programme:

Table 10: Spending of the programme

Agricultural Economics	Main Appropriation budget R'000	Adjustment	Adjusted budget	Actual expenditure as at 31 March 2017	% spent
Compensation of employees	7 071	1 000	8 071	9271	114.87
Goods and services	2 445	-700	1 745	1619	92.78
Transfers and subsidies	0	-	-	0	0
Payments for Capital assets	0	-	-	0	0
<b>Total</b>	<b>9 516</b>	<b>300</b>	<b>9 816</b>	<b>10 890</b>	<b>110.94</b>

The department reported the following regarding the spending of the programme:

The Programme has overspent by 3.3% over the benchmark despite the additional budget allocation during the adjustment. The additional budget could not close the gap on the baseline allocation which was still less than the actual cost per head.

## b) Programme Performance

The programme achieved 50% (2 of the 4) of the planned targets.

### 4.2.7. PROGRAMME 7: STRUCTURED AGRICULTURAL TRAINING

This programme is responsible for the provision of agricultural training services at the Higher Education and Training (HET) and Further Education and Training (FET) levels. Training offered at the Lowveld College of Agriculture, based in Nelspruit, focuses on HET programmes for students whilst FET programmes are conducted throughout the province for farmers on commodity basis.

The Committee made the following observations on Programme 7:

#### a) Spending Pattern

The programme had an adjusted budget allocation of R17 455 000 and spent R16 122 000 during the quarter. Table 14 below outlines the spending of the programme:

Table 11: Spending of the programme

Structured Agricultural Training	Adjusted budget R'000	Adjustment	Adjusted budget	Actual expenditure as at 31 March 2017	% spent
Compensation of employees	13 075	0	13 075	11 918	91.15
Goods and services	4304	76	4 380	4 204	95.98
Transfers and subsidies	-	0	-	0	0.00
Payments for Capital assets	0	0	0	0	0.00
<b>Total</b>	<b>17 379</b>	<b>76</b>	<b>17 455</b>	<b>16 122</b>	<b>92.36</b>

## b) Programme Performance

The programme achieved 25% (1 of the 4) of the planned targets.

### 4.2.8. PROGRAMME 8: RURAL DEVELOPMENT COORDINATION

The objectives of the programme are to coordinate CRDP in the Province, to support agrarian reform by facilitating land acquisition applications in the Province, to solicit baseline information from rural communities and to mobilize poor households in the seven most deprived municipalities targeted for CRDP. The function of this programme is coordination, facilitation and convening stakeholder meetings in rural communities.

The Committee made the following observations on Programme 8:

**a) Spending Pattern**

The programme had an adjusted budget allocation of **R18 437 000** and spent **R20 279 000** (109.99%) during the quarter.

**Table 15: Spending per sub-programme**

Rural development	Main budget R'000	Adjustment	Adjustment budget	Actual expenditure as at 31 March 2017	% spent
Compensation of employees	16991	(2 000)	14991	15 123	100.88
Goods and services	8346	(4 900)	3446	4 644	134.76
Transfers and subsidies	70640	(70 640)	0	0	0.00
Payments for Capital assets	0	-	0	0	0.00
<b>Total</b>	<b>101337</b>	<b>(82 900)</b>	<b>18437</b>	<b>20 279</b>	<b>109.99</b>

**b) Programme Performance**

The programme had 2 planned targets for the fourth quarter and has achieved 2 targets, which is 100% achievement.

**i. Rural Development Enterprises**

The department reported that 2 Rural Development enterprises were supported during the quarter. Furthermore, the department reported that names of the enterprises are:

Farm/Project Name	Municipality	Location	Work done
Zoeknog Fortune 40	Bushbuckridge	Zoeknog	Planting of Vegetable
Motlomobe Fortune 40	Bushbuckridge	Motlomobe	Planting of Vegetable

**ii. Progress on the Fortune-40 Project**

The Committee requested the department to provide progress on the Fortune-40 project as at the end of the fourth quarter and the budget spent thereof. The department reported that:

Table 16: Progress on the Fortune-40 Programme

Project Name/Project Name/Area	Municipality	Progress Report	Annual Budget (R)	Expenditure to date (R)
Zoeknag (Vegetable farm)	Bushbuckridge	The drip irrigation system has been installed and completed. Water mainline has been repaired. Farmers planted chillies. The farm has been fenced completely and the fence is completed.	3,403,918.00	3,285,354.00
Motlomme (Vegetable farm)	Bushbuckridge	Drip irrigation has been installed and completed. The water canal to flow water through gravity has been done too. Farmers planted on dry land during summer season. The farm has been fenced completely and the fence is completed.	3,411,504.92	3,410,544.92
Allandale (Vegetable farm)	Bushbuckridge	Additional 5ha was installed with drip irrigation system. Farmers planted tomatoes on 5ha and sold all of it successfully	3,922,504.00	3,718,172.08
Barberton EC (Vegetable farm: spinach, onion, and tomatoes)	Umjindi	Installation of 5ha drip irrigation is at 90 % complete. Pack house at 50 % complete. Water reticulation work from 3 boreholes to the storage tank through the booster pump to the 5ha drip irrigation is 50% complete. Fencing on 20ha installed. Nursery equipped 100% capacity utilisation. Planting of spinach, tomatoes and peppers on 1ha done. Tractor delivered. Farm allocated to 2 youth cooperatives from Mbombela Silwanendala and Mkhondo Youth. 5 seasonal labourers hired to assist with planting. Additional 10 EPWP workers were hired to assist with fencing and 15 PWPE works hired for 5ha irrigation installation and its associated infrastructure.	4,335,186.60	3,703,537.96
Nkomazi/ Boschfontein (Vegetable farm: spinach, onion, and butternut)	Nkomazi	Greenhouse tunnels were repaired after storm damage. Park homes have been fully installed. Borehole has been sited and drilled, to be equipped in May 2017. Concrete palisade fence completed (the entire 10 hectares has been fenced).	3,400,000.00	3,518,564.00
IFPM/ Boschrand (Aquaculture :tilapia and catfish)	Mbombela	Training continued and the farmers also identified additional site for ploughing while aquaponics are being developed. 7 hectares has been fenced. The lined earth dam has also been fenced.	3,444,828.00	1,400,000.00
Perdekop (Poultry farm)	Pixley ka Seme	Building of 2x25 000 poultry houses still at 20% the contractor is very slow.	12,211,174.24	10,659,193.17
Siyaphabili (Poultry farm)	Mkhondo	The 2 x 25 000 buildings has been completed.		

Project Name/Area	Municipality	Progress Report	Annual Budget (R)	Expenditure to date (R)
Vlakplats (Cattle farm)	Pixley Ka Seme	Project infrastructure is completed and practical completion has been done. Fence around the park homes is completed too. Electricity still to be connected.	1,204,028.00	1,300,328.00
Badplas/ AVMP (Livestock production)	Chief Luthuli	Contractor is progressing and is at 90%, the project experienced delays in the initial stages due to community social which were since addressed.	7,603,763.17	6,676,725.92
Kwaggafontein (Vegetable farm: spinach, tomatoes and lettuce)	Thembisile Hani	All working instruments and equipment were tested and commissioned. This includes infrastructure such as the Park homes, 4 vegetable tunnels and borehole water systems. Outstanding works such as machinery shed, perimeter fence and road networks. For machinery Shed and road networks, a BID document was prepared and forwarded. Evaluation is still underway for contractor appointment. Tractor delivered. Construction of 8km boundary fencing is completed. Production of tomatoes is continuing in the four tunnels 4x10mx30m. 3ha of arable land id prepared by sprinkler irrigation for the planting of butternut	5,414,453.40	5,516,785.32
Elandspruit (Vegetable farm: cabbage, tomatoes and green beans)	Steve tshwete	3000m3 Dam completed, 2x pump stations completed, Renovation of 4x center pivots completed, 2x boreholes were drilled and still to be equipped. 4 ha of sugar beans are planted. 20ha was planted yellow maize, currently they have sold 30 crates of tomatoes and 24x6kg boxes of green peppers. Electricity is connected but there is no water because the pump station is not yet connected. Construction of 3,7 km boundary fence is completed.	6,984,787.27	3,042,352.79
Letolo (Poultry farm)	Siyabuswa	Project currently underway. Project involves renovations of 2x40 000 broiler houses that were vandalized. Works involved: renovations to the perimeter fence, renovations to mechanical and electrical equipments of the houses, renovations of the structure of the houses. The project is 100% complete	1,136,970.00	1,239,418.00
Delmas/ Boschpoort (Poultry farm)	Victor Khanye	The new farm has been identified by local municipality. Facilitating the signing of lease agreement. Currently the beneficiaries and incubator they are at Environmental center busy with training. The center gave them a piece of land for practical training, they have cleared the land which was about 2ha fenced and planted chilies. They visited Robertson spices making company in Cape Town for possible partnering on processing of spices. They harvested 45x8kg crates of chilies and sold it locally.	80,781 91	80,033.00

Project Name/Project Name/Area	Municipality	Progress Report	Annual Budget (R)	Expenditure to date (R)
Broiler House (Marapyane)	Dr JS Moroka	Project is completed. Retention still to be paid.	Retention	-
Sheep & Goat Feedlot (Marapyane)	Dr JS Moroka	Project is completed. Retention still to be paid.	Retention	-

The department reported that the main reasons for the delay in implementing some of the projects under the fortune 40 programme are as follows:

- i) Change of initially identified sites by stakeholders. Fortune-40 programme's success rely more on the availability of farming land.
- ii) Appointed contractors who were very slow.
- iii) Non-responsiveness of tenders also warranted the department to re-advertise borehole and fencing bids.

The department has ensured the following to fast track the implementation of the Fortune-40 projects:

- i) The sites for the projects that were outstanding in the previous financial year are secured;
- ii) Majority of the contractors are continuing since their contracts are multiyear
- iii) The department has also established an additional team that is comprised of an Engineer, Supply Chain, Risk Management and Budget office to support the Project Management Unit. This team will enhance monitoring and assist to detect early warnings for possible delay and failure.

#### 4.2.9. PROGRAMME 9: ENVIRONMENTAL AFFAIRS

The programme is responsible for facilitating sustainable development through environmental planning and coordination, greener governance, environmental awareness and capacity building, integrated pollution and waste management as well as promote biodiversity management.

##### a) Spending Pattern

The programme had a budget allocation of **R94 462 000**, and spent **R89 905 000** as of the end of the quarter. Table 17 below outlines the spending per sub-programme:

Table 17: Spending of the Programme

Environmental Affairs	Main budget R'000	Adjusted R'000	Adjustment budgeted R'000	Actual expenditure as at 31 March 2017	% spent
Compensation of employees	73 609	4 000	69 609	65 529	94.14
Goods and services	17 853	1 628	19 481	21 322	109.45
Transfers and subsidies	-	-	-	54	0.00
Payments for Capital assets	1 500	3 872	5 372	3 000	55.85
<b>Total</b>	<b>92 962</b>	<b>1 500</b>	<b>94 462</b>	<b>89 905</b>	<b>95.18</b>

### b) Programme Performance

The programme achieved 84% (21 of 25) planned targets during the quarter.

### 5. FINDINGS

After considering the 2016/17 Fourth Quarter Report of the department, the Committee made the following findings:

- 5.1. The department had payables of **R2 287 293.30** that were over the 30 days period at the end of the fourth quarter.
- 5.2. The expenditure increased drastically during the fourth quarter, with the overall expenditure for the quarter amounting to **R 247 686 000**.
- 5.3. A rollover on the unspent funds amounting to **R 5 400 000.00** has been requested.
- 5.4. The department had 94 targets planned for the quarter and it achieved 70 targets.
- 5.5. The Committee notes with concern the slow progress in the implementation of some Fortune-40 projects.

### 6. RECOMMENDATIONS

After taking the above findings in consideration, the Committee recommends that the department must:

- 6.1. Pay creditors within 30 days after receipt of invoice to comply with Treasury Regulation **8.2.3**.
- 6.2. Ensure proper spending of its budget in line with the approved APP to avoid a March-spike in the budget at the end of the financial year. Furthermore, the department must report to

the Committee on whether there was value for money on the **R 247 686 000** spent during the fourth quarter.


- 6.3. Brief the Committee on whether the requested rollover of the unspent funds has been approved or not.
- 6.4. Achieve all planned targets as per the approved APP. In addition, the department must report to the Committee on whether the targets that are carried over to the 2017/18 financial year are budgeted for.
- 6.5. Fast-track the implementation of the outstanding Fortune-40 projects to achieve the commitment made by the department that Fortune-40 projects will be implemented before the end of the 2016/17 financial year and for the benefit of the youth of the province.

## 7. CONCLUSION

The Chairperson takes this opportunity to thank the Members of the Portfolio Committee for their active participation and constructive contributions during the deliberations on the Department of Agriculture, Rural Development, Land and Environmental Affairs' Fourth Quarter Performance Report for the 2016/17 financial year.

In addition, the Chairperson extends a word of thanks to the MEC, HOD and senior management officials for availing themselves to deliberate on matters pertaining to the department. The Chairperson would also like to thank the support staff for contributing to the production of this report.

Unless otherwise stated a report detailing progress on the implementation of all recommendations in this report should be forwarded to the Committee by **30 September 2017**.



22 / 06 / 17

HON. BD DUBE (MPL)

DATE

**CHAIRPERSON: PORTFOLIO COMMITTEE ON  
AGRICULTURE, RURAL DEVELOPMENT,  
LAND AND ENVIRONMENTAL AFFAIRS**