

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

## 2015/16 FIRST 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 First Quarterly Performance Report for 2015/2016 of the department is the tool the Committee use 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 2015/2016 first quarter.

### 2. METHOD OF WORK

The Honourable Speaker of the Legislature referred the 2015/16 First Quarter Performance Report for 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 was briefed by the Research Section on the overall performance of the department for the period April – June 2015 in comparison to the strategic objectives as reflected in the Annual Performance Plan (APP) for the 2015/2016 financial year. The Committee wanted to determine whether the department executed its mandate in terms of the APP and if there was value for money. The Research Section briefed the Committee on the First Quarterly Performance Report for the 2015/16 financial year on 19 August 2015. The Committee met with the department on 30 October 2015 to deliberate on the department's First Quarterly Performance. The Committee considered the draft Committee Report on the 18 November 2015.

### 3. MEC'S OVERVIEW OF THE 2015/16 FIRST QUARTER REPORT

The MEC did not attend the meeting. The Committee raised a concern that the MEC did not submit a written apology for the meeting.

### 4. ANALYSIS OF THE FIRST QUARTER REPORT

#### 4.1. BUDGET ANALYSIS

The department has been allocated **R 1 018 624 000** for the 2015/16 financial year in terms of the Appropriation Act 2015/16. For the 1<sup>st</sup> quarter, it managed to spend **R184 872 000**, which is 18% of the allocated budget and falling below the 25% benchmark by 7%. Eight of the nine programmes failed to reach the 25% spending benchmark.

The Economic Classification indicates poor spending, with only the compensation of employees reaching 23%. Worst spending was reflected under transfers and subsidies at 5% and 7% on the payment for capital assets.

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

Table 1: Spending per program

PROGRAMME	Budget 2015/16 R'000	Expenditure R'000	Percentage Expenditure (%)
1. Administration	137 810	27 189	19.73
2. Sustainable Resource Management	65 495	12 794	19.53
3. Farmer Support and Development	483 630	75 763	15.67

<b>4. Veterinary Services</b>	<b>116 441</b>	<b>26 351</b>	<b>22.63</b>
<b>5. Research and Technology Development Services</b>	<b>56 590</b>	<b>10 813</b>	<b>19.11</b>
<b>6. Agricultural Economics Services</b>	<b>10 727</b>	<b>4 011</b>	<b>37.39</b>
<b>7. Structured Agricultural Education and Training</b>	<b>38 769</b>	<b>4 054</b>	<b>10.46</b>
<b>8. Rural Development Coordination</b>	<b>23 479</b>	<b>4 321</b>	<b>18.40</b>
<b>9. Environmental Affairs</b>	<b>85 683</b>	<b>19 576</b>	<b>22.85</b>
<b>Total</b>	<b>1 018 624</b>	<b>184 872</b>	<b>18.15</b>

Table 2 below indicates the expenditure per Economic Classification

**Table 2: Expenditure per Economic Classification**

<b>PROGRAMME</b>	<b>Budget 2015/16 R'000</b>	<b>Expenditure R'000</b>	<b>Percentage (%)</b>
<b>Compensation of employees</b>	<b>551 565</b>	<b>126 827</b>	<b>22.99</b>
<b>Goods and services</b>	<b>235 002</b>	<b>44 865</b>	<b>19.09</b>
<b>Current transfers and subsidies</b>	<b>181 689</b>	<b>9 646</b>	<b>5.31</b>
<b>Payments for Capital assets</b>	<b>50 368</b>	<b>3 534</b>	<b>7.02</b>
<b>Total</b>	<b>101 8624</b>	<b>184 872</b>	<b>18.15</b>

The department reported the following in terms of the expenditure per Economic Classification:

- The reported under spending on Compensation of Employees is mainly caused by terminations, death and non-placement of 67 interns due to compliance with the moratorium on the filling of vacant posts. The other contributory factors were non-payment of PMDS, ICS **R2 389 537.48**, Medical aid **R3 872 247.12** and Housing allowance **R3 210 300.00**.
- The procurement of goods is mainly in the second quarter plan. The first quarter is mostly planning and limited S&T was claimed as most of the work was internal hence the under expenditure.
- On Transfers and Subsidies, the department reported that there were delays in the submission of invoices from service providers. The bulk of the expenditure will be realized in the second quarter, beginning of the planting season. The main cost drivers of the department are the purchase of tractors, implements, maintenance,

seeds and fertilizers etc. Furthermore, the department reported that the tractors have been purchased and the expenditure for this programme has improved.

- On Payment for Capital Assets that the procurement processes and bulk implementation of projects are planned for the second quarter.

## 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

The programme had a budget allocation of **R137 810 000** and spent **R27 189 000** which is 20% spending. The programme failed to reach the benchmark of 25% by 5%. Table 3 below, outlines the spending per sub-programme.

Table 3: Budget outline per sub-programme

Administration	Main budget R'000	Actual expenditure as at 30 June 2015 R'000	% spent
Compensation of employees	88 086	20 753	23.56
Goods and services	40 537	5 574	13.75
Transfers and subsidies	5 136	862	16.78
Payments for Capital assets	4 051	0	-
<b>Total</b>	<b>137 810</b>	<b>27 189</b>	<b>19.73</b>

#### b) Programme Performance

This programme achieved 6 of its 10 targets (60%) in the 1<sup>st</sup> quarter of the 2015/16 financial year.

## **Appointment of interns**

The Committee noted that the department appointed 33 interns instead of the 100 internships that were budgeted **R5 000 000** at the beginning of the financial year. The department reported that the appointment of only 33 interns was because of the moratorium on the filling of posts. In addition, the department reported that they could only motivate for the appointment of the 33 interns as part of the department's obligation after the bursary holders have completed their studies.

## **Performance Assessment of Employees**

The Committee noted that the department failed to assess 258 employees during the quarter. This has been a consistent non-compliance in the department, which the department has been failing to address for the past five years. The department again reported that letters of non-compliance have been issued to the respective Programme Heads. The Committee raised the issue of non-compliance as a concern and urged the department to take the issue serious and address it as a matter of urgency.

### **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 was allocated a budget of **R65 495 000**. The expenditure for the first quarter was **R12 794 000** or 20% of the allocated budget. The programme failed to reach the benchmark of 25% by 5% and therefore under-spent in the first quarter. Table 4 below outlines the spending per sub-programme:



Table 4: Spending per sub-programme

Sustainable Resource Management	Adjusted budget R'000	Actual expenditure as at 30 June 2015 R'000	% spent
Compensation of employees	43 016	10 553	24.53
Goods and services	5 571	1 136	20.39
Transfers and subsidies	16 908	1 105	6.54
Payments for Capital assets	-	0	0
<b>Total</b>	<b>65 495</b>	<b>12 794</b>	<b>19.53</b>

### b) Programme Performance

Programme 2 achieved 83% (10 out of 12) of its targets in the 1st quarter of the 2015/16 financial year.

### Hectares Rehabilitated

The Committee noted that the programme rehabilitated 178.6 ha of land to improve agricultural production due to demand from farmers and enquired whether the additional activity involved any financial implications. The department reported that the achievement of the activity did not involve any financial implications since the work is largely carried out by EPWP workers as part of the Land Care Grant budget for the year.

In addition, the department reported the following details of the hectares that were rehabilitated:

Table 5: hectares rehabilitated

Farm Name	Municipality	Ward	Ha
Mpakeni (Communal Grazing Land)	Mbombela	24	20
Schuzendal Communal Grazing	Nkomazi	31	50
Mlambongwana	Umjindi	1	15
Athol Communal Grazing	Bushbuckridge	36	10
Utah Communal Grazing	Bushbuckridge	33	10
Buthanani Bundu Communal	Thembisile Hani	25	71.8
<b>TOTAL</b>			<b>176.8</b>

## **Fortune-40 Young Farmers Incubator Programme**

The department reported the following progress concerning the Fortune-40 Young Farmer's Incubator Programme:

During the first quarter, the department had conducted consultative process, out of which 20 farms were identified. The consultative process included the following key stakeholders:

- Department of Public Works, Roads and Transport: Provided the database of state farms in the province
- Municipalities: verified and confirmed the status of the farms as well as youth mobilisation
- Youth Structures: Assisting in the identification of the youth

As part of the identification process, the department generated nine scoping reports and designs for the Fortune 40 young farmers' programme. The completion of the other eleven farms and implementation will take place in the second quarter.

### **Broiler Houses**

The department reported that on closure of the 2014/15 financial year, the two broiler houses (Letolo poultry project) in Nkangala district were at 90% completion with mainly a snag list and commissioning to be finalized. Furthermore, the department reported that the sites for the 4 x 25 000 conventional broiler houses have been identified and construction is in progress. The sites and the beneficiaries were identified in Perdekop poultry project in Dr Pixley Ka Isaka Seme and Siyambambile poultry project in Mkhondo Local Municipality. The EIAs processes for the 6 poultry farms have been initiated but not yet completed. This activity is envisaged to be completed in the second quarter.

### **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**

The programme was allocated a budget of **R483 630 000**. The expenditure for the quarter was **R75 763 000** or 16% of the allocated budget. The programme failed to reach the benchmark of 25% by 9% and therefore under-spent in the first quarter. Table 6 below outlines the spending per sub-programme:

Table 6: Budget per sub-programme

Farmer Support and development services	Adjusted budget R'000	Actual expenditure as at 30 June 2015 R'000	% spent
Compensation of employees	170 855	40 597	23.76
Goods and services	126 597	25 629	20.24
Transfers and subsidies	159 645	7 679	4.81
Payments for Capital assets	26 533	1 858	7.00
<b>Total</b>	<b>483 630</b>	<b>75 763</b>	<b>15.67</b>

**b) Programme Performance**

Programme 3 has achieved 63% (11 out of 18) of its targets in the 1<sup>st</sup> quarter of the 2015/16 financial year.

**Masibuyele Emasimini Programme**

The Committee requested the department to indicate progress made so far on the review of the Masibuyele Emasimini programme. The department reported that the Impact analysis report for Masibuyele Emasimini Programme (ME) is completed and awaiting to be presented to the Provincial Cabinet.

**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 has a budget allocation of **R116 441 000** and spent **R26 351 000** which is 23% of the allocated budget. The programme failed to reach the benchmark of 25% by 2% and therefore under-spent in the first quarter. Table 6 below outlines the spending per sub-programme:

**Table 6: Spending per sub-programme**

<b>Veterinary Services</b>	<b>Adjusted budget R'000</b>	<b>Actual expenditure as at 30 June 2015 R'000</b>	<b>% spent</b>
<b>Compensation of employees</b>	<b>96 189</b>	<b>22 964</b>	<b>23.87</b>
<b>Goods and services</b>	<b>15 526</b>	<b>3 255</b>	<b>20.96</b>
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payments for Capital assets</b>	<b>4 726</b>	<b>132</b>	<b>2.79</b>
<b>Total</b>	<b>116 441</b>	<b>26 351</b>	<b>22.63</b>

#### **b) Programme Performance**

The programme achieved 68% or 15 of the 22 planned targets in this quarter. The programme has failed on the following targets:

#### **Abattoir Inspections**

The department reported limited human resource capacity of Veterinary Animal Health Practitioners in Gert-Sibande as the reason for non-achievement of the target on abattoir inspections. As an intervention, it is reported that additional duties will be assigned to officials in other district to assist Gert-Sibande. The Committee requested the department to indicate the progress made on this reported intervention in ensuring that abattoir inspections are conducted as planned. The department reported that in July 2015, there were 49 abattoir inspections conducted which is above the monthly average of the first quarter (41). The cumulative inspections conducted until the end of July 2015 amount 172. Twenty nine of these inspections were conducted by officials from districts other than Gert Sibande. As at 25 August 2015 there were 14 inspections conducted by officials from other districts. This has improved the performance of Programme positively.

## Appointment of Veterinary Scientists

The Committee noted with concern the non-consistent reporting on the filling of the veterinary scientists' posts and requested the department to report on the status quo. The department reported that the application for the filling of the vacant posts must be submitted to the Cabinet Finance and Budget Committee.

### 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 was allocated **R56 590 000** and managed to spend **R10 813 000** or **19%** of the allocated budget. The programme failed to reach the benchmark of 25% by 6% and therefore under-spent in the first quarter. Table 7 below outlines the spending per sub-programme:

**Table 7: Spending per Sub-Programme**

Technology, Research and development	Adjusted budget R'000	Actual expenditure as at 30 June 2015 R'000	% spent
Compensation of employees	36 558	8 794	24.05
Goods and services	11 693	2 019	17.27
Transfers and subsidies	-	0	-
Payments for Capital assets	8 339	0	-
<b>Total</b>	<b>56 590</b>	<b>10 813</b>	<b>19.11</b>

#### b) Program Performance

The department managed to achieve 75% (9 of the 12) planned targets for the quarter.

### **Agricultural database and web service**

The department reported that the agricultural databases and web services could not be developed due to focus on other departmental priorities. The Committee requested the department to clarify the reported departmental priorities and the reason why they were not anticipated when the Annual Performance Plan was developed at the beginning of the financial year. The department reported that due to the provincial Executive instruction for the department to fast track and complete the review of Masibuyele Emasimini programme, the department used the Research and Technology programme for the review, which resulted in the under-achievement of some of the targets. The review has been completed and is on route to presentation to provincial cabinet. Furthermore, the department reported that the implementation of the departmental priorities had no impact on set targets.

#### **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 a budget allocation of **R10 727 000** and spent **R4 011 000** which is 37% spending on the budget allocation for this programme. Table 8 below outlines the spending per sub-programme:

**Table 8: Spending per sub-programme**

<b>Agricultural Economics</b>	<b>Adjusted budget R'000</b>	<b>Actual expenditure as at 30 June 2015 R'000</b>	<b>% spent</b>
<b>Compensation of employees</b>	<b>7 830</b>	<b>1 415</b>	<b>18.07</b>
<b>Goods and services</b>	<b>2 14</b>	<b>1 331</b>	<b>49.04</b>
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	

Payments for Capital assets	183	1 265	691.26
<b>Total</b>	<b>10 727</b>	<b>4 011</b>	<b>37.39</b>

## b) Programme Performance

The programme achieved 64% (7 of the 11) of the planned targets.

### Fresh Produce Market (FPM)

Concerning the over expenditure on the programme, the department reported that the over expenditure was caused by the misallocation of the budget for the Fresh Produce Market. The payments have been done from the goods and services allocation of the directorate's budget.

The department reported the following progress with regard to the construction of the FPM:

- The bulk sewer and water project has been completed.
- Environmental Impact Assessment approval was granted by the Department of Environmental Affairs;
- Contractor for fencing has been appointed in consultation with MEGA;
- Service provider for the building design has been appointed;
- Crossing of the railway line resulted in the overspending of the project. Some activities that were supposed to be completed during the 2014/15 financial year were implemented during this quarter, this also contributed to the over expenditure.

The Committee expressed its disappointment in the manner the FPM was handled by all role players.

### Facilitation of Strategic Partnership Projects.

The Committee requested the department to indicate the progress made on the facilitation of strategic partnership progress. The department reported that:

#### i. Pepper-dew farming project

A strategic partner (Pepper-dew International) for pepper dew production was found by the department at Tzaneen. Farmers qualifying for this partnership must:-

- Have 10 hectares of land with irrigation infrastructure
- Be within Ehlanzeni North for the closer proximity to the processing plant

This partnership will consist of grower contract between the farmers and Pepper-dew International. The strategic partner will provide:-

- Grower contract
- Production inputs
- Technical advise
- Market for the pepper-dew

#### **ii. Honeybee project**

Strategic partner for bee keeping has been found and Partnership Agreement is being finalized for honey producers association at Dipaliseng local municipality. The strategic partner will provide training and secure markets for the honey and the byproducts. The project will be located at Ithuba farm and surrounding areas.

#### **iii. Trout and Tilapia farming**

The Trout and Tilapia Aquaculture project is located in Emakhazeni Local Municipality. The DAFF has completed the farm assessment and is working on identifying a strategic partner for the project. The farm has an off take agreement with a local fish processor.

#### **iv. Nkomazi Essential oils project**

The project is located at Mbangwane in Nkomazi. A strategic partnership contract for the processing of the castor oil is being developed between the project and the DTI sponsored incubator called South African Essential Oils Business Incubator. The contract will include planting of Muringa in a 2ha portion of the 10ha plot.

The Committee welcomed the strategic partnerships that the department has facilitated and urged the department to closely monitor the relations with strategic partners. The



Committee raised a concern that in most cases, beneficiaries end up feeling exploited by strategic partners.

#### 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

This programme was allocated **R38 769 000** and managed to spend **R4 054 000** in the first quarter. The department therefore spent 10.5% of the allocated budget for this programme. Table 9 below outlines the spending per sub-programme:

Table 9: Spending per sub-programme

Structured Agricultural Training	Adjusted budget R'000	Actual expenditure as at 30 June 2015 R'000	% spent
Compensation of employees	26 029	2 637	10.13
Goods and services	7 691	1 138	14.80
Transfers and subsidies	-	-	-
Payments for Capital assets	5 049	279	5.53
<b>Total</b>	<b>38 769</b>	<b>4 054</b>	<b>10.46</b>

The department reported that the Programme's under-expenditure in the first quarter emanated from the compensation of employees budget. This was because of the incorporation of the Lowveld College of Agriculture into the University of Mpumalanga.

##### b) Programme Performance

The programme had 2 planned for the first quarter, which were all achieved; this reflects a 100% achievement on 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 was allocated a budget of **R23 261 000**. The expenditure for the quarter was **R 4 321 000**. The expenditure was at 18.5%. Table 9 below outlines the spending per sub-programme:

Table 9: Spending per sub-programme

Rural development	Adjusted budget	Actual expenditure as at 31 March 2015 R'000	% spent
Compensation of employees	16 531	3 667	22.18
Goods and services	6 730	654	9.72
Transfers and subsidies	-	0	0
Payments for Capital assets	218	0	0
<b>Total</b>	<b>23 261</b>	<b>4 321</b>	<b>18.58</b>

The department reported that there are officials under Programme 8 who are being compensated under other programmes leading to the under expenditure in compensation. Also the budget which was allocated for Chief Director post is also not utilized since the post was not filled. All these also affect the goods and services expenditure.

##### b) Programme Performance

The programme had 4 planned targets for the first quarter; and has achieved all four targets which translate to 100% achievement.

#### 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 was allocated a budget of **R85 683 000**. The expenditure for the quarter was **R 19 576 000**. The expenditure was at 23%. Table 10 below outlines the spending per sub-programme:

**Table 10: Spending per Sub-Programme**

Environmental Affairs	Adjusted budget R'000	Actual expenditure as at 30 June 2015 R'000	% spent
Compensation of employees	66 471	15 447	23.24
Goods and services	17 943	4 129	23.01
Transfers and subsidies	-	0	0
Payments for Capital assets	1 269	0	0
<b>Total</b>	<b>85 683</b>	<b>19 576</b>	<b>22.85</b>

#### b) Programme Performance

The programme had 24 planned targets for the quarter and has achieved 21 targets, which translate to 88% achievement. The Committee requested the department to indicate the measures that will be put in place to ensure that all planned targets are achieved within the 2015/16 financial year. The department reported that:

The appointment of service providers for professional services in the Environmental Policy, Planning and Coordination unit (EPPC) is in process, furthermore the Air Quality Monitoring Station (AQMS) at Victor Khanye was launched 27 June 2015 to ensure that the planned targets are achieved.

Under expenditure is due to the final invoices for the Air Quality Monitoring Stations (AQMS) that were not processed yet, but currently in process, as well as the non-appointment made in 4 posts vacated due to moratorium, this also resulted in under

spending on goods and services associated with the posts. In addition the contractor at Elukwatini and Barberton is behind schedule due to non-payment of workers and sourcing of material problems. In addition, the department reported that an intervention was made with the contractors that are behind schedule. They reported that written warning letters have been issued to the contractors. Furthermore, the department reported that the contractors were at 60% completion.

The Committee raised a concern that Eagle Creak firm in Delmas were causing air pollution around the arear and enquired whether the department was aware of the situation. The department assured the Committee that an official stationed in Witbank will be sent to assess the status and the matter will be attended to. The Committee urged the department to prioritize the matter.

## **5. FINDINGS**

After considering the 2015/16 First Quarter Report of the department, the Committee made the following findings:

- 5.1. Poor spending on conditional grant funding continued into the 1<sup>st</sup> quarter, at 10%. The overall spending by the department was at 18% during the quarter. Underspensing on all programmes was a challenge during the 2014/15 financial year.
- 5.2. Non-compliance to the Performance Management and Development System (PMDS) is still a major concern in the department. (81) employees did not enter into a performance agreement with the department during the first quarter.
- 5.3. The department facilitated strategic partnerships projects in an effort to assist farmers in the province.
- 5.4. The Committee notes with concern that Eagle Creak firm in Delmas was causing air pollution around the area. The department committed to send officials to assess the situation and the intervention required.

## **6. RECOMMENDATIONS**

- 6.1. Spend the entire grant allocation to ensure that services are properly delivered to the people in the province. In addition, the department must provide an action plan on how the 2015/16 grant allocation will be spent in the financial year.

6.2. The Accounting Officer must take disciplinary actions against all Programme Managers who did not enter into a performance contract with their subordinates.

6.3. The Committee welcomes the strategic partnership projects that have been facilitated by the department. The department must closely monitor the relations of cooperatives with strategic partners to avoid exploitation of beneficiaries by strategic partners.

6.4. Attend to the concern as a matter of urgency and provide a report to the Committee before **04 December 2015**.

## 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' First Quarter Performance Report for the 2015/16 financial year.

In addition, the Chairperson extends a word of thanks to the 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 **29 February 2015**.



HON. W WINDVOEL (MPL)

26/11/2015

DATE

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