



MONITOR

A monthly briefing sheet to keep CBOs informed about what is happening in Parliament

Did you know?..	Our lead story
<p>The Legal Aid Advice Line can be contacted on 0860 534 258 .</p> <p>The advice line offers government-funded, professional advice on children, family, and land matters.</p>	<p>The Special Investigating Unit (SIU) is carrying out investigations at the moment into about R9.1 billion worth of government contracts. National Treasury has estimated that the extent of corruption and mismanagement in the public service, involving money that should be used for service delivery, could be 20% of the annual procurement budget, or about R25 billion a year. The SIU has found there are significant problems with conflicts of interest, where an official in a State department may award contracts to a private entity of which that official, or a family member, is a shareholder, director, or has other financial interests. In the 2010/11 financial year, the SIU uncovered 306 conflict of interest matters, worth R2.4 billion, and in the first three months of the present financial year, it has already found 45 conflicts, to the value of R99 million, as well as 43 other irregularities worth R1.4 billion.</p>
<p>The Department of Basic Education is negotiating with the Department of Health to attach health workers to every school. It is intended to test children for sight problems in particular, and to provide them with spectacles, where necessary.</p>	<p>The SIU stressed that although South Africa has some very good rules, regulations and policies in place, it is a reality that if there are not strict consequences, or enough people assigned to investigate and hold people to account, then the culture of impunity can spread quickly. The SIU has already found instances where those in charge of departments who should investigate, report and take disciplinary action, are reluctant to do so, and it believes that the systems should be changed. The Department of Public Service and Administration has proposed that disciplinary cases should be moved under a special unit. Both the SIU and the Auditor-General have been urging Parliamentary committees to call the departments and Ministers to account when such irregularities are uncovered. It further cautioned that those who are themselves to do investigations should be overseen to ensure that they were not persuaded to hide or ignore matters.</p>
<p>The South African Social Security Agency has managed to set up eleven new satellite offices in the North West province.</p>	<p>In the South African Police Service (SAPS), SIU found substantial irregularities with the tendering and building of police stations. In the Department of Public Works, R35 million was paid to entities in which various Departmental staff had a business interest, contractors were receiving huge cancellation fees, and one official spent R200 000 per month of Departmental funds renting a house. About R26 million intended for the FIFA World Cup was used for unrelated matters, and much of this money was paid out to communities and cannot be recovered. At least 40 cases of conflicts of interest were found at the SABC. Problematic tenders and procurements in the Tshwane Metro, involving about R480 million and 65 officials, and contracts at Ekurhuleni Metro are under investigation. The Department of Rural Development and Land Reform's grants and expenditure will be investigated once all documents have been secured, but the SIU noted that three officials were investigated in this Department, and some farms have been forfeited to the State. In the Department of Human Settlements, the SIU has shifted its focus from investigating fraudulent housing grants to construction contracts. Its investigations into the Department of Social Development Grants led to the dismissal of the CEO of the South African Social Security Agency. It is concerned that although problems and oversight are of great concern at local government level, there are inadequate bodies to oversee local government. The need for better cooperation and uniformity has also been noted.</p>
<p>The Construction Industry Development Board (CIDB) and Department of Public Works are shortly to launch a National Contractor Development Programme. The CIDB will be proposing a number of amendments to its registration requirements, following complaints about the process.</p>	<p>In the South African Police Service (SAPS), SIU found substantial irregularities with the tendering and building of police stations. In the Department of Public Works, R35 million was paid to entities in which various Departmental staff had a business interest, contractors were receiving huge cancellation fees, and one official spent R200 000 per month of Departmental funds renting a house. About R26 million intended for the FIFA World Cup was used for unrelated matters, and much of this money was paid out to communities and cannot be recovered. At least 40 cases of conflicts of interest were found at the SABC. Problematic tenders and procurements in the Tshwane Metro, involving about R480 million and 65 officials, and contracts at Ekurhuleni Metro are under investigation. The Department of Rural Development and Land Reform's grants and expenditure will be investigated once all documents have been secured, but the SIU noted that three officials were investigated in this Department, and some farms have been forfeited to the State. In the Department of Human Settlements, the SIU has shifted its focus from investigating fraudulent housing grants to construction contracts. Its investigations into the Department of Social Development Grants led to the dismissal of the CEO of the South African Social Security Agency. It is concerned that although problems and oversight are of great concern at local government level, there are inadequate bodies to oversee local government. The need for better cooperation and uniformity has also been noted.</p>

Information from Departments' Annual Reports for 2010/11

Departments and State entities have been presenting their Annual Reports and financial statements to the Parliamentary Committees over the last month. Although most of the reporting is historic, there are some interesting points about ongoing initiatives:

The Auditor General South Africa (AGSA), in an exciting move towards greater accountability, has been briefing each Portfolio Committee on its observations about the audit and performance report of the department each committee oversees. It has echoed the sentiments of the Special Investigating Unit and Department of Public Service and Administration that improved leadership by Accounting Officers, and a culture of compliance, are necessary to achieve improvements in audit results. Lack of accountability and lack of consequences mean that insufficient attention is paid to key financial matters, exacerbated also by low skills of staff and, in many departments, the slow filling of vacancies. In many departments and entities, the internal audit function was either not in place, or was criticised as ineffective. Lack of key control monitoring at leadership level was another problem. The Auditor-General urged Committees to monitor 'clean audit' action plans stringently, not to accept action plans that did not set out time frames, and to ensure that all senior management did sign performance agreements.

The Construction Industry Development Board (CIDB) is a statutory body with a largely regulatory function, although it does facilitate some training and development of contractors. It assesses and registers contractors at various levels. Following dissatisfaction expressed by various contractors about this process, the Board has recommended to the Department of Public Works that the regulations be changed. It was hoping to simplify the process. It would no longer require lists of registered professionals at the stage of first registration. There would be a reduction of the annual turnover qualifying values, as well as values on largest completed contracts, and adjustments could be made to tender limits. No downgrading of contractors would be done until this process was finalised. An Electronic Document Management System (EDMS) is to be introduced. The CIDB highlighted that there was fraud and corruption in the industry, and said that although it had a disciplinary process, it was presently unable to lay criminal charges, and found that those who transgressed were likely simply to do so again. There was almost complete non-compliance with its I-Tender requirements for reporting on all contracts, and this would have to be reviewed. CIDB proposed that in future two National Stakeholder Forums be held; one where problems were presented by the industry, and another, six months later, where the CIDB would report back.

The Department of Basic Education has told Parliament about the new qualifications in terms of the National Qualifications Framework. The current National Senior Certificate basically follows a three-year programme, but it has been recognised that it is difficult for adults to commit to a three-year learning programme. A National Senior Certificate for Adults has therefore been formulated as an alternative matric for adults. In addition a National Independent Certificate was proposed, which will be more of a vocational certificate for adults out of school.

The Education Labour Relations Council noted that out of the 157 dismissal disputes referred to it, 9% related to abuse of learners by educators. Fourteen cases were referred in the 2010/11 financial year, of which nine were finalised and five were carried forward, and six new cases had been referred to the Council so far in 2011. Twelve cases related to sexual harassment. It was intended to hold workshops in the future to address the abuse of learners.

The Financial and Fiscal Commission (FFC) told a Parliamentary Committee that up till now, the Division of Revenue Act has been used only as an instrument to allocate funds. However, that Act also contains penalties for individuals who violate the code of conduct, and the FFC feels that the consequences for mismanagement of funds set out in DORA should be enforced.

The Department of Home Affairs reported increased registration of adults for identity documents. Stakeholder Forums have been launched in 254 municipalities, which aimed to monitor and improve service delivery, lessen corruption and allow for better coordination and communication. The Births and Deaths Registration Act aimed to improve service delivery, through streamlined processes for registration by non-biological parents, registration of orphans and abandoned children, putting in more stringent measures for late birth registrations and more severe penalties for fraudulent attempts to register. 46 additional hospitals were connected to the DHA systems, and ten new service delivery points have been opened. It also reported that it had finally obtained a clean audit report, and its turnaround strategy was at last yielding results. Parliamentarians raised concerns about the closure of *Refugee Centres* in the provinces. The Deputy Minister explained that *Refugee Centres* would be located at border towns. However, people who had refugee status could have their papers renewed at Home Affairs offices in the nine provinces rather than at the *Refugee Centres*. Deportation of illegal immigrants was likely to increase, as this was in line with the policy to manage immigration services better. The Smart Card system was proceeding.

The Department of Human Settlements was carrying out studies into government-subsidised housing, as this was closely linked to issues of where grants were needed, where subsidy programmes could be run, and sustainability. Research reports had been drawn and would be discussed with stakeholders. This Department was working with the finance sector, to stress that loans and investment even in slum or informal settlements could be beneficial and result in capital growth and upliftment of those areas.

The Department of Labour reported that it had registered 438 038 jobseekers on its Employment Services for South Africa (ESSA) system, and had managed to place 12 801 people. 19 companies and 6 183 workers were assisted, to the value of R40.2 million, through the training lay-off schemes. R48.5 million was allocated to Productivity SA by Unemployment Insurance Fund (UIF) to save 15 000 jobs through turnaround strategies in 130 companies in the agriculture, construction, printing, steel manufacturing sectors. The CCMA saved 9 207 jobs from possible large scale retrenchments. Its challenges were: employers were not yet obliged to register work opportunities or report on filling of vacancies; placement agencies were not placing persons with disabilities on the open labour market. It had found 79% compliance with employment equity at 9 468 equity inspections, and 77% compliance with labour legislation out of 191 129 companies inspected.

Legal Aid South Africa reported that although it does not have the budget to handle a large number of civil cases, it will provide first level legal advice on maintenance issues, as well as legal representation where the opposing party is also legally represented. Legal Aid South Africa has concerns that the current maintenance system prejudices the children who should be receiving support, and will be proposing alternative systems that do not allow the non-custodian parent to use money for litigation instead of for supporting children. It is also trying to improve efficiency in the maintenance courts.

The National Youth Development Agency (NYDA) was confident that it had carried out its mandate. It announced that it had met 42 of its 49 targets, and had created 18 038 jobs for young people in the 2010/11 financial year, through job placements, and funding youth businesses. Its micro-financing programme created 14 227 jobs. It focused on peri-urban, semi-rural and rural areas. It received R370 million in the 2010/11 financial year. The audit report noted, amongst other matters of emphasis, irregular expenditure of R26 million for the World Festival of Youth and Students in December 2010, and fruitless and wasteful expenditure for interest on late payments. It had received much criticism about the Festival but maintained that this was within its mandate and that all funds were used for their intended purposes and could be accounted for, but there was still an investigation ongoing by the Public Protector.

SAMAF provides funding to micro, small and survivalist businesses indirectly, through financial intermediaries. In the last financial year, it disbursed R22.4 million in the form of loans, and R18.4 million as capacity building grants. It provided support to 14 micro finance institutions, 23 financial services cooperatives and 24 stokvels. 80% of loans by financial intermediaries were made to end users in rural communities, and 95% were micro-enterprise loans. SAMAF is trying to encourage stokvels. If 30 people form a stokvel, they may qualify for a grant of R250 000, which is intended to build capacity, pay employees, set up an office, and buy computers, furniture and other equipment. A further amount of R50 000 could be put aside as an incentive to help stokvels grow to the status of financial lending centres.

The South African Social Security Agency reported on the Integrated Community Registration Outreach Programme (ICROP), run in partnership with the Departments of Social Development, Home Affairs, Health and South African Police Service. This was implemented to increase access and ensure equity to social assistance services, especially in rural and semi-rural areas. 675 outreach programmes were conducted in 121 municipalities across the country, and 72 425 new beneficiaries were registered. 3 766 households that experienced hardships were issued with vouchers, food parcels, and assisted with other material needs.

The Department of Social Development provided 10 million Child Support Grants, 14.9 million social assistance benefits in 2010/11 (this included 2.6 million old age grants, 958 war veterans grants, and 1.2 million disability grants); 58 000 beneficiaries were receiving grant in aid; foster care grants grew to 512 000, and the care dependency grants totalled 112 000. KwaZulu Natal has the largest number of claimants, at 3.7 million grants, followed by Eastern Cape with 2.5 million claimants.

The Department of Trade and Industry (dti) is trying to broaden participation in economic sectors. Its Small Enterprise Development Agency (SEDA) has a network of 42 branches, 17 mobile units and 58 Enterprise Information Centres. In 2010/11, the dti developed 100 new small-scale cooperatives, and 202 new small enterprises, and gave support to another 1 209 small enterprises, of which 35% were women-owned. The Bavumile Skills Development Programme supported 80 women in Eastern Cape and Northern Cape in the clothing, textile, arts and crafts sectors. The Broad Based Black Economic Empowerment Council is now operational, and BBBE empowerment has been aligned to the broader government priorities.

Comments from Parliamentary Committees on Annual Reports..

The Portfolio Committee on Agriculture, Forestry and Fisheries called on the Department to respond to complaints by the Red Meat Industry Forum (reported in our last newsletter). The Department denied the allegations that it had refused to meet with the Forum, explained that KwaZulu Natal could not yet assure authorities that all necessary measures were taken that would enable South Africa to regain its disease-free ranking, and that sometimes profit-motives in the red meat industry had exposed the country to disease risk. The Forum's offer to establish its own inspectorate was not possible in terms of existing legislation, nor was it agreed to by all provinces. The Department maintained that it was addressing quarantine stations. The Committee said that the Department and Forum clearly needed to meet again to discuss all issues, and also consult with conservation groups, and urged that set timeframes be set for a meeting and solution. They stressed that many subsistence farmers were dependent on the State for protection of their livestock.

The Portfolio Committee on Communications was very concerned about social losses to school-going children who still had not received access to computers at schools. Sentech noted that the rollout plans were driven by the Department of Communications, and the Consolidated National Broadband Plan urgently needed to be resolved, as it was impeding Sentech's ability to achieve its corporate strategy. The Committee has urged the Minister to look into the integration and development of projects.

The Portfolio Committee on Communications also urged that more funding must be given to the Media Development and Diversity Agency, particularly as far as development of community radio was concerned. It recommended that the current funding model be reviewed, and that in future all government departments must commit a certain percentage of their advertising-spend to support community media. It also recommended that the Competition Commission prioritise investigations into the printing and distribution value chain, where anti-competitive behaviour had been isolated.

The Portfolio Committee on Economic Development expressed its concern about the high number of unfilled vacancies in the Economic Development Department. This Committee also questioned whether political heads were still confident that the target of five million jobs over the period of ten years could be achieved, and wondered whether South Africa was focussing on the right things that would enable it to reach this target, given the experiences elsewhere in the world, particularly Greece.

The Portfolio Committee on Environmental Affairs called for reports on bonuses from the Department of Environmental Affairs. The Committee is, in principle, opposed to payment of bonuses, and will express its views on the matter to the Minister.

The Portfolio Committee on Home Affairs raised concerns about the reports on the Immigration Services programme, including the lack of measuring tools, and how a risk-based framework on immigration might affect human rights and skills requirements. It was concerned that there was no policy to deal with low and unskilled migrants, other than Zimbabweans, and noted that the list of critical skills to be prioritised in issuing permits, had not been gazetted for the past two years. The Committee was also concerned about the shortage of staff at ports of entry, and the backlogs in the outstanding asylum applications. It called for deployment of the South African National Defence Force (SANDF) along the borderline with an immediate effect. It also asked the Minister of Home Affairs to actively monitor the progress of the Department in clearing the backlogs of outstanding asylum applications and appeals by fully capacitating refugee offices. It also asked that the relocation of the Cape Town and Johannesburg Refugee Reception Centres to permanent and reliable venues, in line with the policy to relocate offices to the borders, must be prioritised.

The Portfolio Committee on Labour has expressed concerns about the continuing high rate of child labour in the country, and also the treatment of more vulnerable workers such as domestic and farm workers. They queried why relatively few job-seekers were placed, and asked if this was indicative of the skills shortage. It felt that the Department of Labour's target of having 50% of all youth employed was unrealistic, as the department did not have the capacity to do this.

The Portfolio Committee on Social Development was concerned that there was low reporting, by the Department of Justice and Constitutional Development (DOJ), on child abuse convictions, to upload to the Child Protection Register, and noted its worries that DOJ was also having difficulty in determining whether people were suitable to work with children, and had failed to report fully on that.

The Portfolio Committee on Trade and Industry questioned why the Department of Trade and Industry had spent only R5.8 billion of its R6.4 billion allocation. The Committee was concerned whether the slow uptake, at only 55%, of auto industry grants might be indicative of future problems in that sector. It felt there was a need to give more support and funding to the National Consumer Council. This Committee stressed the need to monitor both the effectiveness as well as the amount of spending.

News snippets

The Prevention & Combating of Trafficking in Persons Bill is still under consideration by a task team. The Minister of Home Affairs has asked for time to consider the implications of some clauses in relation to migrants and refugees, and whether they might cause people to claim falsely that they were trafficked. The task team itself has suggested that some of the Bill's original provisions not be pursued, because they would have the effect of giving greater assistance to victims of trafficking than victims of any other crime.

The Independent Complaints Directorate (which will shortly be reconstituted as the Independent Police Investigative Directorate,) recently reported that it had completed 82% of investigations into the 797 deaths that occurred in police custody or as a result of police action. 5 869 cases involving police officials engaged in other unlawful activity were reported, dropping by 8% from the previous year. It recommended that disciplinary action be taken in 2 261 matters, and that 501 prosecutions be instituted.

It was stressed that "deaths in custody" include those that happen during armed heists or shoot-outs, injured people who die on their way to hospital, and injuries caused by community vigilantes, so not all were actually due to police brutality or negligence. 63% of deaths occurred at crime scenes, 29% died in hospital while under police guard, 14% in police holding cells, and 2% in the police vehicle while in transit. The ICD's biggest problems remained the backlog of cases, which often meant that cases might be neglected for lack of evidence or enough work on them, and the fact that the South African Police Service still did not follow up on the recommendations and take the necessary steps against its officials.

The Department of Correctional Services reported on education programmes in correctional centres, noting that it offered programmes in literacy, Adult Basic Education and Training (ABET) and Further Education and Training (FET) programmes for Grades 10 to 12, focusing on young offenders. It also offers higher learning through distance education, programmes in engineering and business studies, and other vocational, computer, occupational or entrepreneurial skills programmes. It currently had six schools but was hoping to register another seven.

Parliamentarians deliberated on concerns that there were not sufficient teachers in the correctional centres or vocational training workshops, that education was not compulsory, that remand detainees were not being educated, and that there were no girls' schools. Parliamentarians said they would like to see a policy where no inmate could be granted parole if she or he did not attend a school or training course.

The White Paper on Climate Change was published on 19 October 2011. Its main objectives deal with mitigation, and adaptation; mitigation will move South Africa to a low-carbon economy, and adaptation aims to build resilience in areas of particular concern. Unexploited resources such as solar energy have to be developed and carbon will have to be priced appropriately. There will be job-losses in certain sectors, but there would be opportunities in others. All policies for South Africa will have to meet with climate change objectives. Projections have shown that there will be a four-fold growth in emissions by 2050 if steps are not taken now. Although Government has a clear policy supporting nuclear energy, there remains a strong anti-nuclear lobby. There have also been serious concerns about the transparency of the process on energy planning. National Treasury supports a carbon tax, but business and industry are in favour of a carbon trading scheme.

Public hearings on the White Paper were due on 8 November. In public hearings earlier in the year, 4 000 issues were raised, which included concerns from the water, agriculture, forestry, biodiversity and human settlements sectors. It has been recognised that there will be climate variability, with storm surges and sea-level rises, which will require disaster-prevention strategies. Targets for reducing emissions must be set by each sector. It is recognised that job migrations, and effective monitoring, would be crucial. South Africa could make a rapid shift toward renewable energy, if government agreed to subsidise it. The Department had conceded that criticisms levied against the carbon credit system, because it appeared simply to compensate developing countries for the continuing emissions by developing countries, had merit, because developing countries tended to develop greater efficiency in their own, often new, industries, while older powers simply continued as they had before.

In South Africa, Standard Bank had been listed as one of the top 100 green companies in the world, and other South African companies were making good strides. The Department warned that upgrading the refineries would be extremely costly, and State-controlled prices would make it difficult to recoup these costs. It would help if South Africa were to move to different fuels, but it could also increase efficiency of vehicles.

A carbon emissions tax would hopefully persuade people into buying smaller, more compact, and energy efficient vehicles. National Treasury had formulated a discussion paper on carbon tax, had discussed it with some stakeholders and reported that it would be presenting a more detailed document at a later stage.

Recent update reports

<p>Gender implications of Climate Change were discussed by the Multi-Party Women's Caucus at a recent workshop. There is apparently increasing recognition of the voice of women in matters of climate change, food security and agriculture, although women do still struggle to be fully heard because of cultural practices and male-biased decision making.</p> <p>Women, particularly because of their central role in providing food security, are more vulnerable to the effects of climate change, and it was recommended that training and education programmes were needed to enable women to take leadership positions. They need to overcome problems of access, education and training, access to credit and technology and access to markets. Although women produce between 60% and 80% of food, they tend not to be recognised as farmers in their own right.</p> <p>The Department of Education has agreed to introduce some issues into the school curriculum. Other concerns were aired that there was a lack of knowledge about climate change issues at local government level, although officials were supposed to be able to assist the people with adaptation and mitigation.</p> <p>A UN representative recommended that a national climate change coordination mechanism should be established to coordinate financing at the national level. It was also noted that disaster risk reduction would have to address the causes of vulnerability in some groups and a shift in cultural norms would be needed. The United Nations has estimated that about R510 billion per year will be needed for the next 20 years to address climate change, whilst mitigation will cost R67 billion a year up to 2020, and R2.5 billion should be spent on agriculture between now and 2050.</p>	<p>The Technology Innovation Agency (TIA) delivered its first Annual Report recently.</p> <p>This Agency was created out of a number of smaller funds, with the aim of bridging the gap between individuals' inventing products, and being able to make them into marketable and sustainable businesses. Its Investment Framework Policy has been agreed to and is expected to be gazetted shortly, after approval by the Minister. TIA says that it is constantly testing and evolving its systems and structures.</p> <p>The Youth Technology Innovation Fund is to be approved and publicised in November 2011. It will aim to assist those between 18 and 30 years of age. More details of this will be given on its launch.</p> <p>TIA is working in agriculture, health and industrial biotechnology as well as industry, advanced manufacturing, energy, ICT, mining, and special projects. Some significant projects have already created jobs, but some are still at development stage. One of its high-impact projects is artificial insemination of Nguni cattle, which are difficult to breed but not so susceptible to disease. Farmers of these cattle can access opportunities in the leather, meat and rural development industries. This project will run in conjunction with the Agricultural Research Council. Another project is assisting with job creation in the citrus industry, through environmentally friendly pesticides for citrus fruit.</p> <p>In the last year, TIA assisted 1 594 small enterprises, and hopes to increase this assistance to over 2 500 people. It also facilitated 59 exports through the technology stations.</p>	<p>The South African Local Government Association (SALGA) has developed a "Guide on Disaster Risk Management for Local Government", which was piloted in the North West province. SALGA has also facilitated the establishment of a local economic development network (LED) so that all municipalities have access to resources to guide them towards growing their local economies and creating jobs for their local communities. SALGA undertook a study of ten municipalities in three provinces, to isolate the blockages that were preventing quick responses being given to small, medium and micro enterprise applications for business licences. It had now suggested a number of ways in which red tape could be reduced.</p> <p>Special Pensions were introduced in 1996, for those who made sacrifices or served the public interest to establish a non-racial democracy, in order to redress their inability during those years to provide for their future. There is still a backlog in dealing with the applications, but more personnel have been trained, and the Government Employees Pension Fund and Special Pensions offices are integrated at regional level. Outreach programmes and information road shows have been held, and district municipalities are expected to help those who were unable to reach towns and cities. About a third of applications were rejected because they did not comply with the age requirements. Several others remained incomplete, and these files had been closed temporarily until the applicants resurfaced. Over 7 000 applications were received late, and there were other challenges with fraudulent applications, which were being investigated. Parliamentary Constituency Office staff had now also been trained to assist people with queries. Parliament felt that there was notable progress.</p>
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