

TUESDAY, 24 AUGUST 2010

***PROCEEDINGS OF THE  
LEGISLATURE OF THE PROVINCE OF THE  
EASTERN CAPE***

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The House met at 14:15.

Mr Speaker took the Chair and requested members to observe a moment of silence for prayers or meditation.

Mr SPEAKER: Order! Before we start I have to announce that I have been reliably informed that hon Gqiba was born on 24 August some time ago. [Applause.] I have said some time ago, so I don't know how members react when somebody has been born, whether you pray or you sing. I will allow you that space. Let us sing for her.

[Singing]

Mr SPEAKER: She is objecting to that last verse. [Laughter.]

**SOCIAL ASSISTANCE BILL**

(Consideration of final mandate)

Ms N T XHANTI: Thank you, Speaker. Let me start by greeting all of you; our Speaker, our Premier, MECs, Members of Parliament, members of the public and officials. I greet you all.

I am here to table the report of the Portfolio Committee on Social Development on the consideration of the Social Assistance Amendment Bill, 2010, as follows.

I am not going to read the terms of reference, the method of work. I will go straight to the comments as we have held public hearings.

The following comments were received from the public hearings.

Mount Fletcher:

People in Mount Fletcher accepted the Bill, but requested for the following points to be considered:

- (a) That the independent tribal community should be located at the local municipal level.

- (b) That chiefs and headmen should form part of the Independent Tribunal Committee, as these people play an important role in assisting their people on the ground.

Bizana:

The Bill was accepted and the following inputs were made:

- (a) That the Independent Tribunal Committee should dedicate a day to visit rural areas and to deal with the people's appeals, as it is difficult for people to receive their correspondence due to the challenge of addresses.

Flagstaff:

The Bill was accepted and the following inputs were made:

- (a) That a timeframe of 30 days must be set for the finalisation of the reconsideration or appeal process.
- (b) That the implementation of the Bill must be speeded up, as it will assist people on the ground.

Mount Ayliff:

The attendance was very good. People accepted the Bill and the following inputs were made:

- (a) The Independent Tribunal Committee should be established at the local municipal level.
- (b) Adverts inviting people to serve on the Independent Tribunal must be done in a manner that will be accessible to all the people.

Qumbu:

The attendance was very poor, but the few people who attended made the following comments:

- (a) That the Independent Tribunal Committee must be established at local municipal level; and chiefs and headmen must form part of the committees.
- (b) That a timeframe of 30 days must be set for the finalisation of the reconsideration or appeal process.

Willowvale:

Public hearings could not take place due to the non-attendance of stakeholders.

Butterworth (Esobomvu):

The Bill was accepted and there were no changes proposed.

Alice:

The Bill was accepted and there were no changes proposed.

Dimbaza:

Public hearings could not take place due to the non-attendance of stakeholders.

Motherwell:

Public hearings could not take place due to non-attendance, though the mobilisation was done.

Grahamstown:

The attendance was very good and the Bill was accepted without any changes.

Burgersdorp:

The Bill was accepted and the following inputs were made:

- (a) That the Independent Tribunal Committee must be placed at local municipal level.
- (b) That the Independent Tribunal must be attached to the offices of SASSA.

Aliwal North:

The Bill was accepted and the following comments were proposed:

- (a) That the people of the area must form part of the Independent Tribunal Committees and that, in the event of employment opportunities, this should be the first preference.

Sterkspruit:

The Bill was accepted without any changes.

Barkley East:

The Bill was accepted without any changes proposed.

Cala:

The Bill was accepted without any proposed changes, but the Committee raised a concern about SASSA officials who are disrespectful and requested that the Government should monitor them.

Lady Frere:

The Bill was accepted and it was requested that the Independent Tribunal Committee be established at local municipal level.

Finding:

- (a) The Portfolio Committee finds that the Social Assistance Amendment Bill is necessary to strengthen the provisions relating to appeals against the decision of the Agency.

Recommendation:

- (a) The Committee recommends that the Legislature confers a mandate to the Eastern Cape delegate to vote in support of the Social Assistance Amendment Bill when the Bill is being considered by the NCOP and that the attached mandate (Annexure A) be rectified by this House.

Let me go straight to the attached Annexure A.

- (a) That the House votes in favour of the Bill 2010 and mandates the Eastern Cape permanent delegate to vote for the adoption of the Bill without further amendments.

In conclusion:

The Portfolio Committee would like to express its gratitude to the committee support staff and other staff members for a job well done. I put the final mandate.

Mr SPEAKER: Thank you, hon member. Thank you. Now we are on clarities. Any clarity? None. Can we now move to hon Ndabeni?

Ms N NDABENI: Hon Speaker, hon Deputy Speaker, hon Premier, hon MECs present here today, hon members of the House, departmental officials, members of the public, ladies and gentlemen, I greet you all.

It is not only an honour for me to speak on this Social Assistance Amendment Bill, but Cope wishes to express its appreciation of this Bill as it appears to be a mechanism through which our people may improve their lives.

One of the appreciated mechanisms is the Local Tribunal that has to be established, which is aimed at addressing challenges that have been overwhelming the poor, in particular the poor in the rural areas.

Having appreciated the development of this progressive Bill, hon Speaker, we wish to register our serious concern on the mechanism of public participation, whether this is done mischievously or deliberately. Officials who organised public participation in the development of this Bill in particular, have left out other organisations such as Cope and other opposition parties. However, it is our understanding that this is the period during which all people should participate freely and we believe that the contents of this Bill deals with issues that are close to the hearts of the poor.

Lastly, hon Speaker, as Cope we have noted that in numerous Bills and/or Acts our people require being educated beyond the consultation period. Once the Bill is enacted it will be appreciated that a similar consultation approach should be done with our communities to ensure awareness.

Cope supports the Bill. [Applause.]

Mr D B HADDON: Hon Speaker, hon Premier, hon members of the Legislature, officials, media and guests, good afternoon.

Hon Speaker, for citizens to access opportunity, the State must ensure that services provided are efficient, cost effective and that it assists vulnerable people. Grant recipients need peace of mind and the assurance that they will receive their grant on a sustained basis every month, in an efficient, safe, sympathetic and secure manner. It is not fair to the thousands of vulnerable grant beneficiaries in this province to battle to survive day by day and then to have to experience inefficient service, delays and non-payment of their grants.

While there may be many new improvements to this Bill, the Democratic Alliance is concerned about provincial capacity to implement these new provisions in the Bill.

The establishment of the Independent Tribunal Committee to be established at municipal level is a positive one, which was requested by the public during the public hearings. Public involvement is integral to the successful running of an efficient social welfare system in the province.

While it is, hon Speaker, easy to legislate new laws and amendments and Bills, it is quite another thing to implement these laws at ground level. Hon Speaker, implementation of legislation plays a vital role in getting systems up and running and given the serious chaos of social and health services in the province, this remains a concern.

It must be asked of this Legislature, hon Speaker, whether there is indeed the required capacity to efficiently serve an ever-increasing grant dependent population. I refer to a statement made during a briefing to the Social Development Portfolio Committee in Parliament recently by the Director of Health in the province in which he said, and I quote: “We are not in any way close to rendering quality health care.” This honesty is appreciated.

With the tremendous shortages of healthcare professionals in this province and the financial over-expenditure by the Department last year, this is a major concern that needs to be addressed. Can the Department really deliver on its mandates or is it fooling itself? Has a proper needs analysis and due diligence been undertaken in this regard, hon Speaker? Has the Department’s skills audit been done? If so, how does the audit match up to the new requirements stated in this Bill; how should this be done?

Hon Speaker, the DA believes that in order to solve this capacity problem the Department should consider the following:

- All social welfare officers should be strategically placed so as to be accessible to all people.
- Social development training colleges should be implemented to train up more social workers and staff fit for this purpose and who can deliver good service.
- Social development officers should be one-stop-shops allowing through as many social services, grant payments, counseling and medical facilities so as to give a holistic service to the community.
- A bursary drive should be implemented to encourage people to join the Department of Social Welfare.
- The DA would rationalise and computerise grant payments to increase efficiency in the social welfare offices.
- Alternative funding from NGOs and the private sector to boost salaries of social welfare personnel should be implemented.

This country must stop its dependency on welfare payments. Ever-increasing welfare will become unaffordable and unsustainable in the long run. Rather, hon Speaker, the DA would create opportunities that will encourage people to become independent of welfare - at least those that are able to do so.

Hon Speaker, this Bill is an improvement of service delivery because it widens opportunities not only to applicants, but also to beneficiaries by

asking for a review of or appeal against a decision of Social Services for the refusal or withdrawal of a grant application.

While the Bill is very good and very positive, the DA feels that before accepting this Bill it should be referred back to Parliament so that they can fully interrogate the capacity issues. At this stage the Democratic Alliance would not be able to support the Bill until this has been dealt with.

Thank you.

Nksk Z HLEKISO-THABANENG: Enkosi Somlomo. Mandibulise kwiNkulumbuso yePhondo, kubaphathiswa abakhoyo, kumalungu eNdlu yoWiso-mthetho, kumagosa karhulumente akhoyo, nakuye wonk'umntu okhoyo apha.

Okokuqala, i-UDM iyawuxhasa lo mThetho uYilwayo, iwuxhasa isithi kwizinto ezibekiweyo apha xa ufunda ingxelo kwezi ndawo bekuyiwe kuzo abantu bayacacisa ukuba ngoobani ababafuna bekhona kule komiti kuthiwa iza kusekwa. Le nto ke isithatha isise phambili phaya. Phaya ngaphambili uvavanyo lwemeko yomntu belusenziwa ziinkosi phaya ezilalini. Yiyo ke le nto ufumananga kukho abantu abaya kwenza izicelo zezibonelelo bengaziwa.

Sithi ke siyi-UDM siyavuya ke xa urhulumente eza kuhamba aye kumamela ebantwini indlela emakwenziwe ngayo. Ingase zingshiyeki ngaphandle iinkosi phaya ezilalini kuba zizona zibaziyo aba bantu. Abantu befumana ithuba nje lokuziba ezi zibonelelo kungokuba umntu uziyela ngokwakhe eziofisini ezidolophini ayokwenza isicelo engaziwa phaya ekuhlaleni.

Siyi-UDM siyawuxhasa lo mThetho uYilwayo sisithi ukongeza apha; indlela ezibizwa ngayo ezi ntlanganiso zovakaliso-zimvo yindlela engabandakanyi bantu. Ukuzama ukuxhasa obekekileyo umama uNdabeni sinazo nathi iiofisi apha kodwa khange sive ukuba kuyiwe kwiofisi ze-UDM kwathiwa kuza kuxoxwa ngalo mthetho ngomhla othile. Siyawacela ke amagosa karhulumente makangathathi ipolitiki ayenze eyazo. Nathi sinabo abantu ebekufuneka beyile bayokumamela okanye bayokwenza igalelo ngeemfuno zabo. Siyi-UDM siyawuxhasa lo mThetho uYilwayo. Enkosi. [Kuqhwyatywe.] (*Translation of isiXhosa paragraphs follows.*)

[Mrs Z HLEKISO-THABANENG: Thank you hon Speaker. Let me greet the hon Premier, the hon MECs, the hon members of the Legislature, the government officials and everybody present here.

Firstly, the UDM supports this Bill. The UDM has however noted that among the things mentioned in the report, it is clear that the people who were visited in their areas made it clear whom they want to be part of the committee that will be established. This takes us back to the olden days

when the assessment of people applying for social grants was done by iinkosi in rural areas. Here you find out that people apply for social grants without being known by their rulers.

As the UDM that we are happy that the government will consult with people about how the applications should be made. We would be more happy if iinkosi are not left behind in rural areas because they are the people who know their people. One of the reasons why people commit fraud in social grants is because they apply for social grants on their own, without reporting to their rulers in the communities.

We support this Bill as the UDM and in addition to that we would like to voice out our dissatisfaction on the manner in which the public hearings are organized. Some communities are not consulted. I concur with hon Ndabeni that our constituency offices were not invited and consequently our people did not know that there was a Bill that would be discussed on a certain date. We request the government officials not to play politics. We also have people that would have gone and listen and made inputs on their needs. As the UDM we support this Bill. [Applause.]

Mr M GALO: Hon Speaker, hon Premier, all protocol observed. The AIC would commend the people of Matatiele for educating the Government at any level about proper consultation. [Interjection.] More especially on law-making processes. At least the Eastern Cape Provincial Legislature is improving in this regard. Let us hope that the proposals by the people will be taken into consideration when the Bill is passed to law. [Interjections.] [Laughter.]

Ingabi yinto nje yokuya ebantwini, bagcwalise ezi holo kodwa xa kusenziwa umthetho iziphakamiso zabo zilahlelwe ecaleni. Masithembe ukuba iinkosi ziza kufakwa kule Independent Tribunal. I-AIC iyawuxhasa lo mThetho uYilwayo. Isebe laya kwiOfisi yomelo-bantu yaseMatatiyele. Kufuneka siyivume ke loo nto. Siyawuxhasa umThetho oYilwayo, asinangxaki naloo nto. Enkosi. [Kugqwatywe.] *[It should not merely be an opportunity of going to the people who fill the community halls and whose inputs and recommendations are thrown out of the window. Let us hope that iinkosi will be part of the Independent Tribunal. The AIC supports the Bill. The department approached our Constituency Office in Matatiele. We must admit that. Thank you. [Applause.]]*

Nksk. P C SAMKA-NQUQU: Ndivumele Somlomo ndithi kule nyanga yoomama xa iphela kuphinde kwehla esinye isithwakumbe sokubulawa komnye umama kunye nabazukulwana bakhe. Loo nto ayisiphathanga kakuhle singamakhosikazi eli phondo. Le nto yenzeke kulaa mmandla waseNgqeleni. Ndivile ke Somlomo ukuba iNkulumbuso yeli phondo kunye nosihlalo wGqugulao lamaNina, umama uNodada, umama uMajodina nomama uTom abakho apha phakathi kwethu namhlanje; baye kuvela kwela khaya.

Ndiyithetha loo nto ke kuba ndikule komiti isondeleyo ezintliziyweni zabantu - iKomiti yoPhuhliso loLuntu. Siyavelana ke nolwa sapho. Sithi ke sikhona kwaye siya kusoloko sibambisene nalo ekulweni ubundlobongela obukhoyo kweli lizwe.

Xa ndingena ke Somlomo kwintetho yam yanamhlanje ndifuna ukuthi; le ngxelo ibisithiwa thaca apha ngusihlalo wekomiti, umama uXhanti, siyayixhsa siyiAfrican National Congress. Kwakhona Somlomo ndakuba ndenza impazamo enkulu xa ndingenakubabulela abo bantu bathe bathatha inxaxheba kulo mthetho-sihlomelo uyilwayo.

Eyona nto indonwabisa ngakumbi yile yokuba abanelanga nje into yokokuba bakonwabele oku baye bayamnkela. Kunjalonje banika neengebiso ezakhayo ezibonakalisa ukumthemba urhulumente ophetheyo okhokelwa yi-ANC.

Xa ndinokucaphula Somlomo kuMrhabulo, iVolyum 32 kwintetho yoMongameli welizwe, ubona unyaka we-2010 ingunyaka wokwenza izinto ngendlela ecacileyo nenomahluko nangokungxamisekileyo.

IAfrican National Congress ke Somlomo izibophelele ekunikeni abantu boMzantsi-Afrika isidima nokuzingca ngobuzwe babo, inikeze ngemfundo noqeqesho oluya kuthi luqhube nokulwa nendlala nokuphakamisa umgangatho woomama, abantwana, abakhubazekileyo, kwabangaphangeliyo nabavinjwe amathuba okuziphuhlisa kuluntu ngokubanzi.

Yiyo loo nto ke Somlomo kubalulekile ukuba amagosa kwiiofisi zearhente ezisa iinkonzo kuluntu ziqeqeshwe ukuze zikwazi ukufundisa uluntu ngemithetho ebandakanya lona. Ndicinga ukuba luxanduva lwakhe nabani na kule Ndlu ukuqinisekisa ukuba abantu bayafundiswa kwaye bayacaciselwa ngokubanzi ngenkqubo nangemithetho eluncedo kubo nangamalungelo abo. Ukusondezwa kweenkonzo kuluntu yeyona nto eya kwenza abantu bazibone ukuba baxabisekile kwaye urhulumente ubakhathalele.

Xa ndiza kuhlala phantsi ke Somlomo ndivumele ndithi zisekho izinto ezingumngeni ingakumbi kweli Sebe lezoPhuhliso loLuntu. Kwezi ndawo besithe bhazalala kuzo kweli phondo, kuyabonakala ukuba nangona le nto sisoloko siyigxininisa imihla nezolo ukuba iindawo abasebenzela kuzo oonontlalontle noko ayisonwabisi thina siyile komiti. Ukungabikho kwezinto zokusebenza, iikhompyutha ukutsho oko ezi zenza ukuba bakwazi ukucholachola iinkcukacha zaba bantu kwezi ofisi, loo nto yenza ukuba oonontlalontle bazibone bengakwazi ukusebenza. Kwakhona iyabadodobalisa loo nto. Ababi namdla emsebenzini wabo kuba akukho nto ibakhuthazayo.

Sitsho sisithi ke ingase noko urhulumente okanye iofisi kamphathiswa izame ukuzijonga ezi zinto. Singumbutho weAfrican National Congress siya kusoloko sinxibelelana naba bantu kwaye siphulaphula iimfuno

zabo, sihlonipha amalungelo abo, siwukhusela nomgaqo-siseko welizwe khona ukuze sithi ekugqibeleni siyayidumisa iANC. Enkosi Somlomo. [Kuhwatywe.]

[Mrs P C SAMKA-MQUQU: Thank you hon Speaker. Allow me hon Speaker to announce that towards the end of this Women's month we were shocked by another tragedy of the killing of a grandmother and her grandchildren. We are angered by such a murderous act as women of this province. This has happened in the area around Ngqeleni. I was informed hon Speaker, that the hon Premier, the hon Chairperson of the Women's Caucus – hon Nodada, hon Majodina and hon Tom are not among us here today. They have visited the bereaved family.

I am saying this because I am serving in the committee that is closer to the hearts of the people – the Committee for Social Development. We wish to convey our condolences to the bereaved family. We are saying we shall always think about them and we will do our part in fighting crime in this country.

Let me proceed to my speech for today. I wish to state that, as the African National Congress, we support the report that was tabled here by the Chairperson of the Committee, hon Xhanti. I will be committing an error hon Speaker, if I could not thank the people who participated in this Amendment Bill. I am also happy that those participants did not only enjoy their participation but they also accepted the Bill. They made constructive inputs which portrayed their confidence to the ANC-led government.

If I may quote hon Speaker, from Umrhabulo, Volume 32, the President sees the year 2010 as the year of doing things with a difference and in speed.

The African National Congress is committed, hon Speaker, in bringing back the dignity of the people of South Africa and to make them proud of their country. They are committed in giving them education and training that would continue fighting poverty and uplifting the standard of women, children, the disabled, the unemployed and those who were disadvantaged in the community generally.

That is why hon Speaker, it is important that the officials in the offices of the agencies that deliver services to the people, should be trained so that they can educate the communities about laws affecting them. I think that it is a responsibility of everyone in this Legislature to make sure that people are educated and that they are informed about procedures and rules helpful to them as well as about their rights. Delivering services to the people is the only thing that would make people realize that they are respected and that the government cares about them.

In conclusion hon Speaker, allow me to admit that there are still challenges in the Department of Social Development. It was clear from

the places that we visited as the Committee that the environment in which social workers operate is not in line with what is expected from them and we have been saying this as this Committee. The lack of computers which would enable them to collect data of their applicants from their offices stifles their work and that is demoralizing and they become apathetic.

We are saying therefore that the government or the department of the MEC should pay attention to this condition. As the African National Congress, we shall keep in touch with these people and we will listen to their needs, respect their rights and protect the Constitution so that at the end we could proudly say that we are praising the ANC. Thank you hon Speaker. [Applause.]

Mr SPEAKER: Now hon Mvana, or hon Sogoni on behalf of the MEC for Social Development.

The MEC RESPONSIBLE FOR AGRICULTURE AND RURAL DEVELOPMENT (On behalf of the MEC responsible for Social Development): Hon Speaker, Madam Premier, hon MECs, my colleagues in the Legislature, officials of the Department; I stand here representing the hon MEC for Social Development, hon Mvana.

Hon Speaker, we are humbled to note the contributions and comments made by members of the Legislature on the processing of this Bill. We also have noticed with humility the contributions made across the length and breadth of our province by the people of the Eastern Cape, as they were in the entire Republic, trying to shape the future of those who are most vulnerable amongst our communities in terms of putting this Bill – packaging and putting their comments into the shaping of this Bill.

We must also observe that since 2004 when the Social Security Act, the Social Assistance Act was being processed and coming into existence, there has been improvement in the administration of social services in our country. We will recall that there were numerous problems before that Act was passed into law, but since then, in the administration of social grants, there has been vast improvement. I think this Bill is intended to act more in term of those efforts.

I think if we look at the role that SASSA has played, members here have been saying that indeed with the creation of that Social Security Agency the administration of social grants has been much, much better. However, the Department has continued to work hard to make sure that within the Department there is oversight of the manner in which the Agency functions. Indeed there is a lot of information that we exchange between the Department and that Agency on an ongoing basis in terms of trying to improve that service.

We have taken note of the comments that have been made. We have appreciated the contributions that communities have been making during the course of public hearings.

I must indicate, hon Speaker, that it is our view that some of the issues that have been raised in the debate here are issues that the Department in any event has been dealing with over a period of time.

There are those areas in which the Department must improve its capacity. No doubt we have to make sure that we have to improve the state of infrastructure in our district offices. Indeed the Department has presented before Cabinet in the recent past a memorandum that seeks to explain how we intend to improve the state of district office management, which amongst other things is intended to address this area.

We also understand that there has to be improvement, and continual improvement at that, in the area of the social welfare services. I am then saying that there will always be funds permitting those areas on which we need to improve so that the most vulnerable amongst our communities can be taken care off.

I have no doubt, hon Speaker, that the communities of the Eastern Cape do support, as has been indicated through the public hearings, this Bill because this Bill is empowering them. There has always been a gap in the area of appeals. How do you seek and gain recourse on the administrative decisions that get to be taken? This Bill is intended to make sure that there is recourse available to them and they can exercise their rights in that regard.

We will also ensure that in the setting up of the tribunal that indeed all the stakeholders that are affected will find participation and their views will be taken into account in terms of that process.

On behalf of the Department and the MEC, hon Speaker, we also pledge our support to the Bill and thank the committee for the work that they did in conducting the public hearings, as well as the comments and contributions from the people of the Eastern Cape. Thank you very much. [Applause.]

Report adopted.

### **CONSIDERATION OF REPORT OF STANDING COMMITTEE ON PUBLIC ACCOUNTS**

Mr M M MHLATI: Hon Speaker, hon Premier, hon MECs, hon Members, hon staff of various departments and members of the public. I am presenting before you the SCOPA report for the accounts of the various departments for the financial year 2007/08.

Not all departments were called to appear before SCOPA. The following departments, i.e. the Office of the Premier, Provincial Legislature, Department of Finance, Sports, Recreation, Arts and Culture, Safety and Liaison, were not called to appear because they received unqualified reports without any matters of emphasis. The committee would like to express a word of appreciation to the Heads of these departments for these achievements.

I am going to go to Vote 3, but I won't deal with the findings. I will only deal with the general comments just before you reach the recommendations.

The Department of Health received an adverse opinion in the year ending on 31 March 2008. An adverse is expressed when the effect of the items raised by the Auditor-General are so material and evasive that the Auditor-General concludes that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements. This is the 14<sup>th</sup> year the Department is receiving a bad audit report.

The findings are from (a) up to (r):

- (a) The committee provided the Accounting Officer an opportunity to explain the gross mismanagement in this Department as reflected in the report of the Auditor-General.
- (b) The responses provided by the Accounting Officer both to formal questions raised by the committee and during the hearing of oral evidence were found to be inadequate. It is therefore the committee's view that the Accounting Officer and his senior management, taking into account the significance of the matters reported by the Auditor-General, failed to account for the Department's financial affairs in the year under review.

Recommendations:

- (a) Provincial Treasury should consider providing funds for a forensic investigation to be conducted into the financial affairs of the Department, taking into account the magnitude of the financial mismanagement reported by the Auditor-General and the failure by the management to account fully for the funds used and to produce supporting documentation to support the expenditure.
- (b) Disciplinary steps must be taken against all officers of the Department who have failed to comply with the provisions of the Public Finance Management Act, as contained in sections 38, 39, 40, 41 and 45 of the same Act, which led to the findings above.

- (c) Treasury should assist the Department to put into place an effective and efficient cash management system.

I go to Vote 4: Department of Social Development:

The Department received a qualified opinion. The committee provided the Accounting Officer an opportunity, both in the formal questions raised by the committee and during the hearing for oral evidence, to explain the inefficiencies in the system of internal controls, which led to the qualification opinion. The responses provided by the Accounting Officer were found to be adequate. It is therefore the committee's view that the Accounting Officer accounted fully for the weaknesses in the internal control system of the Department.

The committee has noted with great appreciation the improvement in the audit report of the Department, from an adverse opinion during the year ended 31 March 2007, to a qualified opinion in the year ended 31 March 2008.

Recommendations:

- (a) The committee recommends that disciplinary steps must be taken against all the officers of the Department who have failed to comply with the provisions of the Public Finance Management Act contained in Sections 38, 39, 40, 41 and 45 of the same Act, which led to the findings above.
- (b) The Accounting Officer must take steps to ensure that the Department has and maintains effective, efficient and transparent systems of financial and risk management and internal controls as required in terms of Section 38.1 of the PFMA.
- (c) The Department should put in place mechanisms to ensure that the use of funds transferred to NPOs and NGOs are monitored and steps must be taken to recover funds that are misused by some of the NPOs and NGOs.

On Vote 5: Department of Public Works:

The Department received an unqualified opinion with an emphasis of matter.

The findings are there from (a) up to (c).

The committee provided the Accounting Officer an opportunity both in the formal recommendations raised by the committee and during the hearing for oral evidence to explain the emphasis of matters raised. The responses were found to be inadequate.

Recommendations:

- (a) The committee recommends that the Accounting Officer must take disciplinary steps against the officers who failed to comply with the procurement processes of leasing and renting of properties, as well as the appointment of consultants without following the Supply Chain Management Policy.
- (b) Disciplinary action must be taken against the manager who failed to ensure that the payment of television licenses is delegated to a particular officer of the Department as required by section 38.1(h) of the PFMA.
- (c) The Department must adopt and implement a bereavement policy to enable it to address instances of deaths within its establishment.

On Vote 6: Department of Education:

The Department received an adverse opinion for the financial year ended 31 March 2008.

The findings are there from (a) up to (i).

The committee provided the Accounting Officer an opportunity to explain the gross mismanagement in this Department as reflected in the report of the Auditor-General. The responses provided by the Accounting Officer, both formal questions raised by the committee and during the hearing for oral evidence, were found to be inadequate. It is therefore the committee's view that the Accounting Officer and his senior management, taking into account the significance of the matters reported by the Auditor-General, failed to account for the Department's financial affairs in the year under review.

Recommendations:

- (a) The committee recommends that Provincial Treasury should consider providing funds for a forensic investigation to be conducted on the financial affairs of the Department, taking into account the magnitude of the financial management reported by the Auditor-General and the failure by the management to account fully for the funds used and to produce supporting documentation to support the expenditure.
- (b) Disciplinary steps must be taken against all officers of the Department who have failed to comply with the provisions of the Public Finance Management Act, as contained in sections 38, 39, 40, 41 and 45 of the same Act, which led to the findings above.

- (c) Treasury must step up assistance on financial management to improve the Department's financial performance.

On Vote 7: Department of Housing, Local Government and Traditional Affairs:

The Department received a qualified audit opinion for the year under review.

The findings are on (a) up to (h).

The committee provided the Accounting Officer an opportunity, both in the formal questions raised by the committee and during the hearing for oral evidence, to explain the inefficiencies in the system of internal control which led to the qualified opinion. The responses provided by the Accounting Officer were found to be adequate. The committee has noted with concern the lack of improvement in the audit report of the Department. The Department received a qualified opinion in the year ended 31 March 2007.

Recommendations:

- (a) Notwithstanding the committee's satisfaction with the Accounting Officer's response, the committee recommends that the Accounting Officer must take disciplinary steps in terms of section 38.1(h) against the officers of the Department who failed to comply with the provisions of the PFMA and the Division of Revenue Act as stated in the findings above.
- (b) In addition, the Accounting Officer must ensure that monies owed to the Department are recovered within interest in terms of section 38.1(c)(i) of the PFMA.

Vote 6: Department of Agriculture:

The Department received a qualified opinion.

The findings are contained in (a) up to (f).

The committee provided the Accounting Officer an opportunity both in the formal questions raised by the committee and during the hearing for oral evidence to explain the inefficiencies in the maintenance of full and proper records of the financial affairs of the department as required by section 40.1(a) read with Section 41 of the PFMA.

Notwithstanding this, the responses provided by the Accounting Officer were found to be adequate. The committee has, however, noted with great concern regression in the audit report of the Department. The Department received an unqualified audit opinion in the year ended 31 March 2007.

Recommendations:

- (a) The committee recommends that the Accounting Officer must institute disciplinary action against the officers who have committed acts which undermine the financial management, internal controls and the Supply Chain Management systems of the Department.
- (b) Furthermore, the performance bonus miscalculations of R157,202.00 and the staff salary-related debt of R696,000.00 must be recovered from the officers involved.

Vote No 9: Department of Economic Affairs:

The Department received a qualified audit opinion.

The findings are on (a) up to (f).

The committee provided the Accounting Officer an opportunity both in the formal questions raised by the committee and during the hearing for oral evidence to explain the inefficiencies identified in the audit report of the Department.

The responses provided by the Accounting Officer were found to be inadequate. The committee has noted with concern the lack of improvement in the audit report of the department. The Department received a qualified opinion in the year ended 31 March 2007.

Recommendations:

- (a) The committee recommends that the Accounting Officer must take disciplinary steps against the officers who committed the transgressions which undermine the financial management and internal controls of the Department.
- (b) Furthermore, the committee recommends that the Department must provide detailed explanation of how the amount of R6.5 million was expended on gifts, donations or sponsorship in excess of the amount of R100,000.00 stipulated in the Treasury Regulations, without the prior approval of the Legislature.

Vote No 10: Department of Roads and Transport:

The Department received a qualified audit opinion.

The findings are (a) up to (e).

The committee provided the Accounting Officer an opportunity both in the formal questions raised by the committee and during the hearing for oral evidence to explain the inefficiencies in the maintenance of the fixed assets register of the Department as required by section 38.1(d) of the PFMA, read with Treasury Regulation 10.1.

The responses provided by the Accounting Officer were found to be adequate.

#### Recommendations:

The committee recommends that the Accounting Officer must take disciplinary steps as required in terms of Section 38.1(h) of the PFMA against the officers responsible for the findings above, which are in contravention of the provisions of the PFMA.

#### General Findings:

- (1) During the assessment of responses submitted by the Accounting Officers and hearings conducted, the committee found the following issues to be generic to all departments. Departments continue to struggle with vacancies, with some departments having vacancy rates of around 50%. Such vacancies were often blamed for the weak internal controls in the departments and other financial management failures noted by the Auditor-General.
- (2) Essential units, especially in the finance sections, are often staffed with unskilled personnel, resulting in errors or omissions in the financial statements. Financial statements are materially amended during the audit process to avoid qualifications.
- (3) There continues to be high levels of staff turnover in the departments. This results in the departments failing to take action against some officers, as they are no longer in their service.
- (4) Internal Audit and Audit Committees in all the departments continue to be ineffective.
- (5) Departments continue to fail to comply with the prescripts of the PFMA, Treasury Regulations and other relevant legislation.
- (6) Departments continue to place huge reliance on consultants.
- (7) Non-submission of supporting documents continues to prevail in the departments.
- (8) Submission of inaccurate and incomplete information is also prevalent.

- (9) Departments continue to be qualified on the same matters as in previous periods, especially the Departments of Health and Education.
- (10) Departments are failing to take disciplinary action against officers as required in terms of section 38.1(h)(i), (ii) and (iii) of the PFMA, read with section 81 of the same Act.

General Recommendations:

The matters stated above were considered to be major factors that contributed to the province's poor performance with regard to financial management. The Provincial Treasury and the Office of the Premier are charged with policy setting and implementation of financial reforms that ensure that public funds are adequately managed in the province.

- (1) The committee is mindful of the endeavors which are underway in the audit turnaround strategy driven by Treasury, especially in the Departments of Education and Health, and recommends that progress reports should be made available to the portfolio committees of the Legislature so that they are kept abreast of developments.
- (2) The committee recommends that MECs should take a more proactive role in conducting oversight of the performance of the Accounting Officers of their departments in terms of the performance agreements signed.
- (3) The committee recommends that MECs should take proper and immediate action against Accounting Officers who fail to implement adequate financial management systems in the departments.
- (4) Furthermore, as far as internal audit and audit committees are concerned, the committee wishes to stress that MECs must ensure that internal audit and audit committees are fully functional, perform their duties in terms of their terms of reference and audit charters and provide value for money in the departments. They must further ensure that recommendations reflected in the audit committee reports via the internal audit receive prior and are fully implemented by the departments.

I thank you, hon Speaker. [Applause.]

Mr SPEAKER: Thank you, hon Mhlali. Hon members, clarity from the committees, the committee members? Any clarities? None. Hon members, any clarities for the MECs? None. We will now have inputs from political parties.

Mr N KULUTA: Hon Premier in absentia, hon MECs and colleagues, officials and members of the public, good afternoon.

Hon Speaker, as the chairperson of the committee has said, the good news is that the Department of Finance; Sports, Recreation, Arts and Culture; and Safety and Liaison, received unqualified reports from the Auditor-General and we applaud officials from these departments, including their political heads, for these achievements. We appeal to officials from other noted departments to copy from this good example.

The Department of Health:

This is the 14<sup>th</sup> year this particular Department receives a bad report from the Auditor-General, in which a sum of R687 million was incurred as irregular expenditure due to procurement processes that were not followed to the latter; and R202 million as a result of officials who approved payments that exceeded their financial delegations; and the list of such irregular expenditure goes on and on.

As Cope, we cannot understand why this Department continues to perform in this fashion, while close to 70% of its budget goes to compensation of employees and as such it has never been without qualified personnel to ensure good governance in this Department.

Officials in this Department have created a chaotic situation where records are not available to substantiate huge transactions, thereby frustrating the audit process. The end result of this chaos is that action is never taken against junior officials who transgress and violate provisions of the Finance Management Act; and this Department has never been without a Chief Financial Officer whose duty it is to ensure that public funds do not go down the drain in this fashion.

Why is action not taken by the Head of the Department against the Chief Financial Officer for failing to perform his/her duties? If the Head of the Department is scared to take action against the CFO, why does the MEC not take action against the HOD? For how long will the poor masses of the people of the Eastern Cape wait for services that will never be delivered, as this is free for all in the Department of Health?

As Cope we still expect heads to roll for all these irregularities in this particular Department for the period under review. Records are still there, these officials are still there and we don't see why action is not taken against them.

As Cope we still expect heads to roll in the Department for all these irregularities. The fact that this Department has a new HOD cannot be an excuse at all because as I have said, records are there and people are still there.

Hon Speaker, we are saying if we allow this particular department to be run as a squad the whole provincial Social Development is in danger. [Laughter.]

On Social Development, the financial drainage in this Department is not as bad as it is in the previous department. An irregular expenditure of R7 million in a small department like this one still remains unacceptable, therefore we want to appeal to senior officials of the Department to take action against transgressors who have flouted section 38 and 40 of the PFMA.

The Department of Education remains the biggest financial parasite on the fiscus of the Province of the Eastern Cape and it has received bad audit reports since its inception.

Without getting into details, hon Speaker - because getting into details will be repeating the presentation of the hon chairperson of SCOPA - even in this Department we demand that something must be done to officials who defraud this Department like nobody's business, to such an extent that scholar transport and nutrition for our kids is no longer in operation as a result of fraud and corruption in this particular Department.

We cannot understand why records, a simple, simple situation like keeping records does not happen in this particular Department so that at the end of the day the Auditor-General is unable to discover their mistakes in this particular Department. We therefore call upon the national Department, especially of Health and Education, to take over control of these particular departments.

In conclusion, the financial situation for the Government of the Eastern Cape remains a frustrating experience and we appeal to the national Department of Education to intervene, as these departments take more than 75% of the total budget of the Eastern Cape.

With those remarks, hon Speaker, Cope supports the report as tabled by hon Mhlati, chairperson of SCOPA.

I thank you. [Applause.]

Mr R S STEVENSON: Hon Speaker, hon MECs, hon members, this report is a tragic indictment on the lack of administrative and political accountability in this province. Year in and year out the same issues continue to haunt departments and nothing changes insofar as the big Departments of Health and Education are concerned. On page 173 of the tabled report, I quote the following:

Departments continue to be qualified on the same matters as in previous periods, especially the Departments of Health and Education.

It creates an impression that the more things change the more they stay the same and in the case of Health and Education nothing changes; it stays the same. It has been mentioned that this is the 14<sup>th</sup> year that Health has received a bad audit report and Education has never received a good audit report. In fact, for the last two preceding years, that is the next two financial years, both departments have continued to receive bad audit reports.

The question that this House needs to ask is why, after all the reports and oversight work done by committees, nothing changes. We cannot carry on year after year in meetings, making findings and recommendations and nothing changes. This points to a failure of oversight methods used by this House. It cannot be business as usual when it is service delivery unusual.

The consequences of bad audit reports are all clear for one to see: a failing health system when none of the sections function properly and an ailing education system that is failing the learners of this province. How many more babies must die; how many Grade 12 learners must fail before the situation is turned around? Action needs to be taken at an administrative and political level. There needs to be the political will on behalf of the ruling party to take decisive action that will turn the situation around. Some people want to pass the buck and call for national intervention. We have had national intervention from time to time over the years and we all remember the IMT process. It doesn't make any long-term change. It needs to come from within.

The Public Finance Management Act empowers Treasury to take decisive action and section 18(g) and 18(i) are very clear in this regard. In 18(i) it says "may do anything which is necessary to fill its responsibilities effectively." I am glad the MEC for Finance is here because I would like to challenge the MEC for Finance to tell us what is going to be different this year; what decisive action is your Department going to take to finally turn these two major departments around; because they cannot do it on their own.

Some suggestions that we would like to make to improve accountability in the province is that the MEC for every department should sign a performance agreement with the Premier. This is something that our President has done at national level with the National Cabinet and we believe this is an excellent precedent which should be followed in the province. If an MEC cannot keep to his agreements or her agreements, he/she must go. This is what political accountability is about. Has the ruling party become so riddled with factions/management that it has become paralysed and cannot act against responsible politicians and administrators?

If a department continues to perform dismally the political head must be fired. This is how democracy works. If he/she survives then so do all

the rotten apples in failing departments. This result in nothing changing and the people continue to suffer.

We would also like to suggest that a skills audit be conducted among senior management in our two big departments to determine whether or not people are fit for purpose. If not, they must be put on terms and dealt with.

Then we would also like to propose that SCOPA reports be debated timeously. We are now dealing with the 2007/08 report when we are halfway through the 2010/11 financial year. We believe that the current reports of the Auditor-General should be debated before the new budget is passed in the New Year. This means the 2009/10 Auditor-General's report should be finalised by this House before the 2011/12 budget is passed. This will make the SCOPA reports that much more meaningful and assist everyone with the implementation of recommendations that take hours and hours and hours of everybody's time.

There is an American academic, Leonard White, who had this to say in relation to the consequences of political manipulation of civil servants' appointments and I quote:

It is reflected in polyfilled highways which crumble under modern traffic conditions, in shoddy goods and worse than amateur services in State institutions which should operate solely on the basis of public trust for unfortunate members of society. In high infant mortality rates and unnecessary suffering amongst those most dependent on the public service. In lax and bumbling enforcement of the law and in sacrifices of the interest of the State and municipality. It is unnecessary and it is impossible to translate these losses into dollars and cents, but it is necessary now as ever before to instill that those losses are real and preventable.

Now this academic made the statement not in 2004, not in 1974, but in 1924. The more we fail to learn from the lessons of history, the more history continues to repeat itself in this province. The time has come for us in this House to reverse the trend of history. The time has come for members of this House to take a firm stand and stop the rot that is sinking two of our big departments.

Hon Speaker, the DA supports the report.

I thank you. [Applause.]

Mr J BICI: Hon Speaker, hon Premier, hon MECs, hon members, officials and members of the public.

Umbutho we-UDM uyachulumanca ukufumanisa ukuba akhona amasebe azamayo noko ukuba makusebenzeke kubhekwe phambili.

*[The UDM is happy to note that there are departments that are making efforts to do the necessary thing and are forging ahead.]*

It is, however, disheartening that year in, year out some departments get bad audit reports. It has become a fashion for certain departments to think that a bad report is a good thing. The frustration is that nobody is brought to book. The departments knowingly breach the laws and regulations relevant to their activities. What is the MEC doing about that? What is the Head of Department doing about that? What is the CFO doing about that? The departments talk of condonation. For how long must these people be condoned and to which law can they refer us which says these people must be condoned?

UDM nevertheless recommends that:

- (1) Bad wood must be removed from the departments.
- (2) Punitive measures must be imposed against the culprits.
- (3) Committees, especially SCOPA, in particular SCOPA, must be given more powers to be able to follow their oversight activities and make them effective and stop these bad audit reports.

The UDM supports the report. [Applause.]

Mr M P GALO: Hon Speaker, the AIC understands that the Legislature's oversight role involves reviewing policy decisions, monitoring policy implementation, evaluating implementation performance and calling MECs to account. Oversight of finances is integral to each of the above. The purpose of oversight therefore is, amongst other things, to deepen democracy, promote good governance, reinforce transparency, but more importantly to hold the Executive accountable.

The AIC also understands that the Provincial Legislatures are representatives of the people as custodian of their resources, if you would take into account the constitutional obligation, section 114. Therefore, if that is the case hon Speaker, the AIC cannot understand as to why the departments in this province would have such a bad audit history in the period under review, where for instance unauthorised expenditure is at the order of the day.

The AIC would like to propose a new legislation that will ensure that the Accounting Officer and those involved are arrested and blacklisted. The MECs must also be brought to book because we cannot understand as to why these happenings are taking place under – I don't want to use the word that I would use. We are saying our leaders must assist us.

Makungenzeki ezi zinto kumasebe kodwa sinabo abaphathiswa. Siyafuna ukutsho ukuba kunyaka-mali olandelayo siza kuphinda sifumane ezi ngxelo zifanayo nezi sizifumana ngoku. Loo nto ke ithethe ukuba eli phondo lethu akukho apho liya khona. Kodwa ke i-AIC iyayixhasa ingxelo. [Kuhwatywe.] *[Things of this nature should not happen in the departments while we have the MECs. We believe that even in the next financial year we will get reports that are similar to those of this financial year. That will mean our province is going to nowhere. Nevertheless, the AIC support the report. [Applause.]]*

Mr X A PAKATI: Hon Speaker, hon Premier, hon Members of the Executive Council, fellow legislators. I have noted with great concern that some among us make observations about the state of affairs on matters they are not familiar with. In some instances they do not attend SCOPA meetings and they have something to say when we are in the Chamber. Be that as it may.

In her State of the Province Address on 19 February 2010, the hon Premier of the province committed the Provincial Government to implement the Clean Audits by 2014 Campaign, spearheaded by the Department of Local Government and Traditional Affairs.

The simple translation of this commitment means the strengthening of systems of accountability and instilling a culture of prudent financial management. What is worrisome, though, is that some department received unqualified audits, but all of them with other matters. Although there is some improvement, much more needs to be done. We in the ANC will not rest until all departments are able to fully account for all resources meant for service delivery.

What is also worth noting is that SCOPA processes come at the tail end of the audit process after else has happened, some kind of an autopsy after the patient had died. We therefore rely on the *bona fides* of the departmental leadership to do things right first time.

Having said all this, we must acknowledge the weaknesses that are prevailing in the accounting systems of Government. In some instances Supply Chain Management systems are deliberately bypassed, with the sole intention of ridding procurement processes for the benefit of government officials and their families. Some are trading among themselves and plead ignorance when they are caught. The disturbing trend is that few or none are brought to book as a consequence. As the ANC, we call upon the departments to monitor their spending patterns and strengthen accountability mechanisms if we are to meet our objectives of clean audits by 2014.

We should also explore the possibility of interacting with other agencies that are engaged in the fight against corruption in order to turn the tide against any possibility of embezzlement of State funds. We must also

not lose sight of the fact that when leadership is not provided by departments, service delivery suffers.

Lastly hon Speaker, the question of the high vacancy rate is a matter of concern. This is often used to justify the failure to monitor and account for funds. Treasury must assist the departments to turn the situation around.

Responding to Cope's accession that at national level there is sufficient capacity to deal with these matters; hon Kuluta of Cope must familiarise himself with the report of the Auditor-General, hence we do not support the taking over of a department by National Government. However, we must put our house in order.

The ANC supports the report. Thanks, hon Speaker. [Applause.]

The MEC RESPONSIBLE FOR FINANCE, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL AFFAIRS: Hon Speaker, Chair of SCOPA, hon Premier, MECs and hon members of this House. Can I start off by saying that on behalf of Treasury, we note the recommendations made by SCOPA.

We also note them precisely because they are an important aspect of strengthening accountability across the board. Most of the issues they are raising are probably issues that are currently receiving serious attention within the provincial administrative system at the present moment. So we really welcome the incisiveness with which they have looked at the issues and challenges that have been faced in the year under review, 2007/08. We think that most of the points they make are accurate and correct.

We must also note that if you look at the audit outcomes for the period that they are talking about, 2007/08 up to now, there have been steady improvements. More departments probably received unqualified reports and I am sure you are aware of the numbers, and I don't want to repeat the numbers here and clearly there is a steady improvement.

We also concur that we have huge challenges in two departments and I think we were the first in this House to say that Education and Health constitute the biggest chunk of the provincial budget. Therefore, if we can't ensure better performance in those two departments it has impact on the overall performance of the province.

So, the points that have been made here today are points that we ourselves have made and we ourselves have put emphasis on. It is also interesting because I think every time we look at departmental performance it is also very interesting that normally the first thing that jumps into people's minds is this notion of heads must roll. Probably we come from different backgrounds. Maybe if that actually show that

thing that you have to ensure that you hang it on one person or other person's shoulders.

The reality, if you look at Education Department and Health, there has been a high turnover of top management generally. If you look at the years that we have been in this House, those who have been in this House, the same with MECs of course. So there is very instability on top. Unfortunately you have a middle management that seems to be both intact and stable. So we believe that... And it is important that therefore when you talk about heads must roll you also must actually be looking deeper than just the top management and have a more thorough analysis of where the problem lies and where the critical areas of interventions are.

The second point we must make is that it is very easy to treat these problems that we have in Education, Health or in any other department in Government as mere problems of the fallibility of the humankind. The problem with that is that you fail to realise that all the problems that we are dealing with are essentially structural problems and systemic problems; that until we look at the very functioning of the two departments, we look at inherent capacities in the critical areas of these departments, we look at their processes, we are not going to be able to have the long-term solution to some of the challenges. That we know.

I mean, they have been listed – the control environment weaknesses, irregular, fruitless and wasteful expenditure, material under-spending of budget and many other points that we have identified. We have come to one conclusion that anything short of a structural systemic intervention is not going to deal with these problems. They will remain with us forever. As long as we personalise them, we still politicise them because the tendency is very easy when confronted with problems of this magnitude, structural problems; we tend to politicise them. In the process of politicising them, we trivialise them and personalise them.

The reality is that these are structural problems. We are dealing with an extenuated problem of accumulated mismanagement that has gone through a period of years, not something that was started yesterday. I am saying therefore that in our approach currently as Government was that let us have a comprehensive turnaround plan that seeks to go into the structural problems that confront these departments and the systemic problems that confront these departments.

The third point that I would like to make in relation to that; in the turnaround plan we clearly have short-term interventions where we are looking at the immediate outcomes and clearly because of where we are as Government, our priority in terms of short-term interventions essentially is managing over-expenditure in the departments and also dealing with outright cases of corruption.

That is why I think the Premier made an announcement earlier on of SIU involvement because we are actually dramatically dealing with the issue of corruption in these departments, but note that apart from those interventions we still see corruption itself as a structural problem. It means that within the system there is a problem of enforcing accountability. In terms of the structures of enforcing accountability it means that there is over-concentration of authority in certain centres and therefore those are the issues that you deal with as you deal with those that are out rightly corrupt within the system.

Also, the second part of the intervention clearly is going to be a medium-term intervention plan that seeks to build critical capacities that can take us beyond the current session into 10 or 15 years where we will build sustainable capacities in these departments. So there is no shortcut in these things. We have set up a technical support unit in Treasury. We have also set up a committee of MECs that focuses on Education and Health.

The aim of doing that is very simple; is to ensure that there is both strong political view of what is happening, as we are building a very strong technical intervention mechanism. All of these things are happening because we believe that all the issues raised by SCOPA are crucial and critical in strengthening our implementation.

My last point then is that if we don't do these things, we do not have a choice. If we don't do these things, wastage and corruption eats into resources that are supposed to get into development. So there is nobody in this House, irrespective of political party, who has a greater interest in ensuring that the resources of the province are more efficiently managed so that they can be directed to where they are needed.

It is therefore our view, collective view that the turnaround plan ultimately should be something that all of us in this House, all stakeholders in the province, should embrace and that is why we have started in the committee, the Finance Committee hon Matomela, to try to actually explain and present the details of the turnaround plans of both department because we believe fundamentally that this should be something that all of us, we own. This is not a matter we must trivialise by making it a political party issue; it is a matter that is so crucial for the livelihood of this province.

I thank you. [Applause.]

Report adopted.

#### **CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON AGRICULTURE ON VISIT TO ARGENTINA**

Mr P NKAYI: Hon Speaker, the Premier, the Executive, hon members, guests; good afternoon. Hon Speaker, the objectives of the visits are

contained in page 83; basically five objectives, which were the basis for the terms of reference, sharing experience and management of agriculture on two countries; in the process identifying and invent best international practice.

Method of Work:

We met with the following organisations:

- AACREA,
- Aapresid,
- Argentine Grain Stock Exchange,
- INTA,
- Expoagro, and
- at a later stage with the Ministry of Agriculture.

Briefly, these organisations objectives are as follows.

Expoagro is a privately owned entity. It is owned by two major media groups in Argentina and is responsible for agricultural products exhibitions. The exhibitions are held annually over a four-day period. The expo is where agricultural manufacturing companies from around the world are invited to display, make stalls and market their goods. The Buenos Aires provincial government is one of the sponsors of Expoagro.

AACREA is a non-profit organisation that was established in 1960. Its main functions are research and development, farmer support and collaboration with INTA and various institutions of higher learning in project development and writing of papers on specific agricultural matters. The organisation researches specific farmer problems or questions and uses a group approach in research and development.

INTA has two main functions and these are national rural extension and national coordination and research. You will find the model of their research and extension on page 86.

Then there is SENASA, an agency under the Ministry of Agriculture, Forestry and Fisheries. Its main function is the management of natural resources for the eradication, prevention and control of diseases and pests.

The agency registers, authorises and closes down entities which work in food production in the form of plants and animals. The agency manages programmes for the inoculation for animals and human consumption. SENASA is also responsible for the control of agri-food imports, exports and agro chemicals. It also assesses the sustainability of plant and animal organisms for human consumption.

The Ministry was converted from a secretariat to a full fledged ministry, showing the intentions of the government of Argentina towards rural development and agriculture.

There is also AAPRESID, a private organisation responsible for the development of no-till production technology. It is a marketer of the technology and has agricultural technicians, scientists who are in the agriculture production chain.

Lastly, there is the Grain Belt. The grain market is a future and spot trading market. It has been in operation for 155 years and is the oldest civil institution in Argentina. The market has indirect communication with the Chicago exchange, which is a benchmark because of its volume of trade. Price setting is based on international and local market activity.

I will now go to the lessons learned.

- (1) Through our engagement with the South African Embassy to Argentina, the committee was made aware of an existing bi-national cooperation agreement between the two countries. The existence of the bi-national agreement also meant that lessons learnt could be channeled properly in the correct structures for them to come into practice.
- (2) The committee also discovered that the Eastern Cape Provincial Department had once visited Argentina through the Executive Council's Social Needs Cluster in December 2006. The visit also included the then Member of the Executive Council for Agriculture, hon G Nkwinti. The Department of Agriculture had meetings with the then Argentine Secretariat on Agriculture, Fishers and Food, and recommendations were drawn on areas of partnership that could be pursued by the then Secretariat of Agriculture and the Eastern Cape Provincial Department of Agriculture.

This was of interest to the committee, in that the committee wanted to see whether the Eastern Cape Government, through the Department of Agriculture, had made any efforts to put the recommendations in practice.

- (3) Expoagro is the biggest annual agricultural show in Argentina. The four-day event draws a variety of participants across the spectrum of the agriculture industry, both nationally and internationally. NAMPO, a South African organisation which runs agricultural trade shows in South Africa is also part of Expoagro. The expo is truly a promotion of the advanced commercial nature of agriculture. Expoagro is a meeting place for farmers, banks, machine-making companies, agriculture technicians and researchers.

- (4) AACREA is a highly skilled networked non-profit organisation which runs farmer support and development groups across the country. The organisation researches specific farmer problems or questions and uses a group approach in research and development. Farmers belonging to AACREA are responsible for at least 50% of agriculture's contribution to the GDP.
- (5) Agricultural extension services at INTA have evolved over a number of decades and are now focused on providing the right information, right marketing and right technology. Agricultural extension services benefit small, medium and large farming enterprises; and are also geared for household farming in rural parts. Compared to South Africa's use of Robert Chambers linear model of extension, INTA uses a triangular on farm research model.
- (6) Rural development and farmer support is developing well. It is supported by PROSAP, an agricultural funding agency. Multinational organisations like the World Bank also participates in the funding of these programmes. PROSAP is also responsible for coordinating rural development and support funding for multinational institutions.
- (7) SMEs face similar funding challenges to those of South Africa, but Argentina through PROSAP has a programme where the federal government is the guarantor of the loans and pays the interest of the loan on behalf of the farmer.
- (8) The Argentine agricultural economy is diverse and has an established agribusiness sector. The diversification helps it contribute greatly to the country's GDP.
- (9) There is a programme for the support of vulnerable communities and is called Pro Huerta. The programme supports 3.5 million people with knowledge, skills transfer and technical expertise to help them improve subsistence farming and food security.
- (10) There is also a programme for rural change. The programme supports mid-sized farmers. It currently supports about 12 farmers who pay a fee for technical support.
- (11) AAPRESID's no-till agricultural technology is highly beneficial for land rehabilitation, water conservation for semi-arid and arid regions because of its ability to conserve water resources.

## Recommendations

The committee recommends that:

- (1) The Department of Agriculture and Rural Development must discuss the lessons learnt by the committee.
- (2) The discussion must include ways in which the department will follow up on the recommendations of its visit it made with HOD Nkwinti in December 2006.
- (3) The department must also consider engaging the Argentine Embassy to South Africa on the ways in which it can interact with similarly structured provinces and take lessons learnt forward.

### Conclusion

The Eastern Cape Portfolio Committee on Agriculture and Rural Development would like to thank the South African Embassy in Argentina, the Argentine Ministry of Agriculture, Fisheries and Food, the Strategy and Communications Unit and all the people who were involved in the presentation for this study tour in ensuring that it becomes a success. The committee has indeed learnt a number of lessons.

Thank you, Chair. [Applause.]

Mr SPEAKER: Thank you, hon member. Clarities from the committee? None. Clarities from the MEC? None. We will now proceed to inputs from political parties.

Ms A S WOODHALL: Good afternoon hon Speaker, Madam Premier, MECs and members, the development of a rural development and agricultural strategy is essential for South Africa and the Eastern Cape in particular; and our focus needs to be on the small and medium emerging farmers. Large commercial farmers do have access to services. Government needs to initially intervene and take care of the small farmer.

The visit to Argentina must have lessons for us and for the visit to have been worthwhile applications of a practical nature need to be made. It was a good choice of country to go to, as Argentina is working on rural development programmes to uplift small and medium sized farms.

I find it interesting that the Expoagro four-day agricultural exhibition is actually a private enterprise, owned by two major media groups in Argentina, with worldwide exposure, both for international agricultural manufacturing companies and the agricultural producers in Argentina. It is also interesting to notice that it has government sponsorship. We do have a link with Expoagro in South Africa through NAMPO. I think this could be developed further.

AACREA is a non-profit organisation involved in research and developing farmer support. It also collaborates with institutes of higher learning. Research in the Eastern Cape is exciting.

We've heard reports from the Department and one gets excited, but it is very limited. We would recommend investigating links with those who would be interested in maybe setting up a similar non-profit organisation to extend the research which we could benefit from and also we've said it before, but the institutes of higher learning and agricultural colleges really do need to be developed. It still amazes me that we don't have a stronger agricultural training programme in our tertiary institutions and also in our schools in the rural areas.

SENASA is under the Argentinean Ministry of Agriculture and manages natural resources and this in relation to disease and pest control. We feel that our Department can learn lessons from the operations of SENASA. We recognise the work that has been done, but there is always room for improvement, particularly in making such services available to the small farmer.

We note the funding for SMEs in Argentina are similar to those in South Africa, but it is also interesting to notice that in Argentina the Federal Government is the guarantor of small to medium sized farmers and the interest is paid on behalf of the farmer, which means the small and medium sized farmers are met halfway in their efforts.

The intervention of ASGISA in rural areas in South Africa are vital. We maybe can learn some more lessons from the Argentinean visit in this area and then apply them.

As we travel around our Eastern Cape rural towns, villages, even the rural parameters of urban areas we are hit hard by the lack of economic activity. We also observe that it is erratic and this is a key factor to the rural poor in recognising the reality of what the situation is. The interventions we presently make, admirable as they are, are inadequate for the present generation. Those lessons learnt by the visit need to be decided upon and implemented, to be fast-tracked and sustainable. We need to put words into action. We have a challenge to improve the economic activity in our province and in fact the country as a whole.

It is interesting to see in *Fast Facts* for July 2010 the 2009 agricultural activity is down by 0.9%. The sale of tractors is down by 15.6%. This is the real framework in which lessons that we learn need application and to make sure that the visit is not classed as fruitless expenditure. Having heard from SCOPA this is an area that we need to be aware of, but we can be optimistic and I do see a very, very vital agricultural industry, and that is a vision that can be a reality in our province. Thank you. [Applause.]

Mr J C CUPIDO: Hon Speaker, Madam Premier, hon members of the House and guests of the House, when reading the report one can understand the portfolio committee's reasoning for visiting Argentina for an agricultural study tour. South Africa and more specifically the Eastern Cape is blessed with multiple agricultural resources, such as crops, livestock, fisheries and forests, and not to mention our variable climate.

During a time period such as this where we are struggling with the ramifications of the current severe drought, we need to learn how to maximise our water usage in agriculture and how to develop the small farmer, helping communities grow sustainable crops or to maintain sustainable livestock.

Argentina, a country that has a similar sized population to South Africa and to an extent a similar climate to the Eastern Cape, has consistently maintained a place as one of the top three farming nations in the world.

During their time there the committee met with several organisational bodies and then reading the report it is clear that they have returned with a wealth of knowledge. Most importantly is the need to help develop sustainable farming communities by supplying proper government support and oversight. Training and oversight are key.

In a society of opportunity we must not just give the farmers land; we must train them; we must nurture them and we must keep oversight over them until they can stand on their own, then we have done our bit. We must not just give them fish. We must teach them to fish, then we are truly helping the poverty-stricken communities to help themselves. With a dynamic ambassador that South Africa has in Argentina, like the hon Tony Leon, we can use that to strengthen ties with the community and learn as much as we can.

The DA supports this report. Thank you. [Applause.]

Mr J BICI: Hon Speaker, hon Premier, hon MECs, hon members, members of the public. The UDM is represented in the Committee for Agriculture and Rural Development, but UDM was not represented in the delegation which went to Argentina because of the quota system. [Laughter.] Be that as it may, UDM has no reason not to accept and believe the report. We take it as genuine until proven otherwise.

The delegation informs us that when they went to Argentina, their visit to Argentina was an eye opener. The committee met with a good number of agricultural entities from which they learned a lot of things regarding agriculture. One only hopes and wishes that what the committee or the delegation learned in Argentina will be put in practice here in South Africa as much as possible. Fortunately the MEC is here and he knows that the committee did go there and he has read the report;

he knows that there are good things we can copy from Argentina. Naturally there are things which cannot apply in South Africa.

The UDM supports the report. Thank you. [Applause.]

Mr M M PETER: Hon Speaker, hon member, Premier and Members of the Executive Council. The ANC views the Portfolio Committee study tour to Argentina to be serving twin clauses which are enshrined in the Freedom Charter, namely the utilisation of land by its tillers and the promotion of peace, friendship and cooperation with the international community. The study also promotes the agricultural strategic priorities adopted by the Eastern Cape Provincial Government to achieve agrarian reform, food security and rural development.

The selection of Argentina as a country for a study was based on a number of reasons. Amongst these was the size of the country, population, GDP size and the emerging market status of Argentina. Geo-political considerations were not high on the committee's agenda, but they did add weight in the decision. Argentina already has bilateral and cooperation agreements with South Africa and the development of agriculture is one of the areas of cooperation.

Achievements have been made where Argentinian national agricultural institutions such as National Institute of Agricultural Technology and Research (INTA) and South Africa Agricultural Research Council (ARC) have made agreements and initiated joint research projects. The aim then was to ensure that bilateral and cooperation agreements find a way to the Eastern Cape because many a time countries make agreements with the National Government, but these agreements take time to filter down to provinces.

Both Argentina and South Africa are found at the tips of the continents – South America and African continent – with relatively similar climatic conditions which helped the committee, as it was able to focus on the climatic effects on productivity. This is one major goal that international south commission intended to achieve.

The sharing of economical colonial background was also made, focusing on land ownership patterns that emerged, the elite owning productive land while the vast majority are forced to become agonised or become productive as rural less citizens in the economy was an issue the committee felt it could investigate. The investigation was to focus on rural development social assistance programmes in respect of the upcoming Rural Development Agency. The visit was forward-looking in that it did not only consider agricultural matters, but looked into provincial structuring of rural development, its funding by government and donor funding programmes.

The visit of Argentina Ambassador to the Legislature to meet the portfolio committee and the Department of Agriculture and Rural

Development was an expression of the fruits born by this study tour to Argentina, but the MEC will elaborate more on this development. The department intends to ensure that lessons learnt by the committee can be taken forward through consolidation of agricultural relationship between Argentina and South Africa.

This debate, hon Speaker, takes us further to the need for a developmental state in South Africa, which must address a number of challenges, which include identifying the kind of institutional restructuring at the level of the State, which would need to undergo to establish an effective development apparatus. In this context the proposed Eastern Cape Rural Development Agency (ECRDA) is necessary in this province to play a catalytic role in facilitating rural development and the promotion of rural livelihoods; a State that must ensure that development finance institutions act in concert to back our overarching developmental approach, particularly as it relates to the transfer of resources from the first to the second economy.

The ANC supports the report. [Applause.]

The MEC RESPONSIBLE FOR AGRICULTURE AND RURAL DEVELOPMENT: Hon Deputy Chair of Chairs, hon Premier, members of the House. We have had a meeting that involved the portfolio committee and the representatives of the Argentinean Embassy in South Africa to discuss the report of the committee after the visit to Argentina. We all appreciated, as hon Bici was saying here, even though we were not there, we all appreciated the initiative and the thought behind the committee's visit to Argentina and we all pledged our support to the issues and programmes and should come out of that visit.

I will just highlight a few areas here, hon Deputy Chair of Chairs, amongst which is the acknowledgement that indeed there are a number of factors that I believe influenced the committee in selecting Argentina for the study tour, of similarities between the two countries, including issues of climate, as well as the general farming practices in Argentina and South Africa, similar land tenure issues, as well as the relationship between the farming communities, as well as the rural poor in Argentina as well as in our own country.

We have also taken note of the bi-national commission that is existing and has been alluded to here between Argentina and South Africa and of importance in this regard is the relationship that we are trying to work out between the work that we do in research, as well as the extension services and the farmer; how do we make sure that that kind of a relationship remains reinforcing to cover the three areas.

The other area is the area of this small farmer development. The third area in this regard is that of economic empowerment of the rural communities. Again we think Argentina has been quite successful in terms of this area.

We have thought, hon Deputy Chair of Chairs, that some of the initiatives in that country are initiatives that we could learn a lot from in South Africa, particularly the Province of the Eastern Cape, some of which have been alluded to in the report. Of particular note is the fact that in Argentina they have devised a special programme for funding provincial agricultural services and if you compare with the state of under-funding that we go through in our own province with regards to those kind of services, you then see the difference. What we should learn from that exercise is how best we can improve our funding regime for agricultural services in the Eastern Cape.

The second area is that of livestock development. You will remember Argentina is one of the livestock farming areas in the whole world, of the leading livestock farming areas in the whole world. Again we were saying that the two countries, particularly Eastern Cape and Argentina can again share experiences in that regard.

We have also in the area of research and technology development; we have noted the no-till production technology where you do your ploughing and the tilling of the land without actually using tilling methods and still you can produce. We have tested this in the province, but I think we still have a long way to go in terms of that because there are certain challenges that are associated with it, but in Argentina this seems to be quite successful.

The area of rural development financing:

Again you would recall that we are just at the preliminary stages of talking about those kind of issues, whereas in Argentina there are dedicated and focused efforts already in that regard.

I would want to conclude hon Deputy Chair of Chairs by indicating that we, in the discussion that we had between ourselves, the portfolio committee and the Argentinean Embassy, committed ourselves to developing a technical cooperation agreement between our province and Argentina in covering the areas that I have referred to above.

We will consider the financial situation that unfortunately is not favourable at the moment for us, but when it improves we are committed to sending a small technical team to Argentina to do work with the Argentinean counterparts to scope of the areas that must go into a memorandum of understanding to take forward this.

I am raising this because during the visit by the MEC earlier on in the previous term that has been referred to, indeed a lot of these issues were appreciated, but what has been lacking is to convert those into a specific plan of how are you going to ensure cooperation between Argentina and ourselves in these areas. As we speak now, that is the area which we need to get into.

In the research work that we do on an ongoing basis between our research station here at Dohne, we do a lot of exchange with Argentina in terms of the research information, but we need to escalate that to programmatic issues of farmer support and farmer development.

We support the report, hon Deputy Chair of Chairs. I think the committee has done good work in this regard.

Thank you very much. [Applause.]

Report adopted.

**CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE  
ON HEALTH ON MTHATHA AND BHISHO  
HOSPITALS FORENSIC REPORT**

Ms V MTONGANA: Deputy Chair of Chairs, hon Premier, Exco, hon Members of the Legislature, ne departmental officials;

The Portfolio Committee on Health visited Mthatha Forensic Pathology to verify allegations published in media on the use of unconventional tools for conducting postmortems and also to meet with the Head of the clinical services of Mthatha Hospital Complex regarding reported deaths of initiates in the OR Tambo and KSD and surrounding areas. The last one was to visit Bhisho Hospital on a fact-finding mission.

Then let me go straight to the first one, which is the death of initiates. Hon Deputy Chair of Chairs, the number of deaths of initiates have continued to rise in spite of resolutions taken in the 2009 Health Summit on circumcision and measures to curb deaths resulting from the practice of the initiation custom. As at the time of the visit, out of the reported provincial figure of 40 deaths, OR Tambo accounted for 31, with the most affected areas being Qawukeni (14 deaths), Nyandeni (8 deaths), Mhlontlo (6 deaths) and KSD (2 deaths).

The following challenges were identified as part of reasons why not all 2009 Health Summit resolutions had been fully implemented:

- The Department of Health had not finalised all the processes related to the transfer of all initiation custom oversight responsibilities to traditional leaders;
- Marginalisation of women in the initiation custom and lack of public awareness of their role – particularly single mothers heading households;
- Reported instances of collusion between departmental officials and unscrupulous traditional surgeons in the illegal issuing of forms meant to legitimise surgeons;

- Undermining of traditional leadership that should be central in the practice and control of the initiation custom;
- Lack of effective intervention in the localised control of, amongst others, the location of initiation schools (*iibhuma*), the material used to build them and the state of hygiene thereof.

Lack of intersectional/inter-departmental coordination was also cited as a challenge in the light of the Department of Home Affairs having designed and issued a form being filled in by ward councilors and village headmen to endorse the cause of death of initiates. This results in cases of death of initiates due to botched circumcisions being wrongfully classified as “natural deaths”.

Interim interventions suggested by the Department of Health to deal with escalating deaths of initiates due to irregular practice of certain aspects of the custom, include mobilising public awareness of the role of all relevant stakeholders – particularly parents – in the well-being of young initiates; strengthening public participation in decision-making on issues related to the custom at a local/ward level; and Local Government taking responsibility for the building of designated and permanent structures in specific and monitored areas to serve as initiation schools for the initial eight days of initiation before initiates are moved to traditional and symbolic structures.

I will leave the findings and go straight to the recommendations as they appear.

#### Recommendations:

- (a) The Department of Health must submit a detailed, time-bound and costed plan of how it intends intensifying efforts at reviewing and implementing these resolutions. The plan must indicate challenges confronted and/or anticipated in the implementation and measures suggested to mitigate them.
- (b) & (c) The Department, with all relevant stakeholders, must engage in a rigorous awareness campaign which will focus on educating parents – especially women – and communities at large about their responsibilities with respect to the initiation custom, and the maintenance of a healthy and hygienic environment in initiation schools.
- (c) The Department must demonstrate measures to resolve the matter. The Department must also, within the ambit of the inter-governmental relations framework, intensify its collaborative efforts with the Department of Home Affairs and other stakeholders around matters related to the management of circumcision-related deaths.

The other area of focus was the visit to Mthatha Forensic Pathology.

The visit was necessitated by media reports that the Mthatha Forensic Pathology Services was using unconventional tools to conduct postmortems on persons who died of unnatural causes.

Mthatha Forensic Pathology Services is a new facility, which is the biggest of all in the province and conducts approximately 2,500 post mortems per year. The facility comprises of 30 body cabinets and cold storage that can accommodate 60 bodies.

Forensic Pathology is a service that was transferred to the Department of Health by the South African Police Service. However, no doctors were allocated for serving as SAPS utilised district surgeons. In addition, vehicles and equipment that were also transferred to the department were old and worn out. Of the 58 total staff establishment, 97% posts were filled, while the remaining 3% was in the stage of being advertised. Challenges confronting the Mthatha Forensic Pathology Services include the following:

- Poor recruitment and retention of forensic pathology specialists. As a result, Mthatha is serviced by two sessional doctors and 14 forensic pathology officers who perform between 20 and 40 postmortems a day;
- Poor and slow procurement regime for equipment and vehicles;
- Inherited old and worn-out equipment and vehicles, some of which are not appropriately fitted with stretchers;
- Non-compliance with effective infection control measures, as a result of the poor procurement of necessary equipment such as protective arm-length gloves, appropriate aprons, geysers for hot water, appropriate floor mops, cleaning material, disinfectant, etc;
- Payment of overtime and other benefits to staff not done timeously and effectively;
- No proper and adequate training given to forensic pathology officers to conduct postmortems. As a result this compromises their evidence-giving in court cases;
- Non-availability of appropriate equipment to conduct postmortems which include needles, electric saws, headrests, etc;

- No supportive employee wellness programmes are designed and offered to staff in spite of the psychological impact of the kind of work they perform.

Findings:

- (a) Forensic pathology officers, instead of trained and qualified medical doctors, conduct postmortems.
- (b) There is no transparency in the processing and payment of overtime and other staff benefits.
- (c) Some unconventional tools or equipment being used during postmortems are inappropriate and those that are appropriate are old and not serviced regularly.
- (d) Unavailability of protective clothing and appropriate equipment is indicative of very poor infection control measures. This can result in the spread of infectious disease and poses health hazards to staff who have experienced at least two fatalities in the past as a result thereof.
- (e) An x-ray machine has not been installed or utilised for more than eight months since its procurement, due to it not fitting through the door.
- (f) This has the effect that x-ray cases have to be transported to Nelson Mandela Academic Hospital.
- (g) There is no heating or hot water system in the institution in spite of the cold storage conditions under which staff works.

Recommendations:

- (1) The Department must, in the light of the challenges related to the recruitment of appropriate doctors, ensure that the sessional doctors conduct critical postmortems – particularly those involving criminal cases.
- (2) The processing and payment of all staff allowances must be done timeously to enhance staff morale and retain critical staff.
- (3) The Department must expedite the acquisition of new equipment and the replacement of old equipment. The effectiveness and efficiency of this facility will benefit by thus improving on its procurement processes since this transaction is long overdue.

- (4) The Department must ensure that there is sufficient and proper equipment and materials in all the institutions to curb the risk of fatalities from poor infection control.
- (5) The Department must ensure that all purchased equipment is installed at designated institutions to ensure that they serve their purpose. This must be done, particularly for the x-ray machine in question, by no later than 15 August 2010.
- (6) The Department must install basic heating and hot water systems to not only mitigate unpleasant working conditions, but also enhance staff morale.
- (7) The Department must advise the committee within 14 days after the adoption of this report on how they are going to address the issues raised relating to Mthatha Forensic Pathology.

#### Bhisho Hospital:

The hospital, since March 2010, has been operating under an acting hospital manager, seconded from Thafalofefe Hospital. At the time of the visit the suspended hospital manager was reporting to the office of the Amathole Hospital Cluster Manager at Grey Hospital.

The vacancy rate of the hospital is 56%, with a particular critical shortage of general assistants, resulting in poor upkeep and maintenance of the hospital.

The hospital renders all services in the district hospital service package, except for 24-hour casualty services, which was relocated to Grey Hospital due to the rationalization of services. The hospital rates 76% in terms of a quality assurance toll that it has designed to measure efficiency, which includes criteria such as bed utilisation rate, caesarian sections performed and availability of pharmaceutical supplies and medicines.

Challenges confronting the hospital include the following:

- Due to previous alleged irregularities, procurement is done at the East London District Office, which affects supply chain turnaround times negatively;
- Chronic staff shortages in critical administrative support and clinical service areas result in heavy workloads and no time allocated for training of candidates or in-service training;
- Budget shortages relating to goods and services in particular, will result in insufficient allocations for critical items such as protective clothing, cleaning material, stationery, surgical

equipment, medicines and food supplies for the whole financial year;

- Poor lighting compromises the safety of night-shift staff and easy identification of the hospital;
- The poor maintenance of equipment and of the hospital building is due to the non-availability of tools and relevant staff;
- There are ambulance services delays, especially in the cases of responding to requests for hospital-to-hospital transfers;
- Staff and equipment shortages in the theatre result in assistant staff performing duties out of their jurisdiction;
- The lack of incentives such as rural allowances negatively affects staff morale; and
- There is a lack of effective transparency in staff placements, job descriptions and delineation of duties.

#### Findings:

- (a) Chronic staff shortages in critical areas and insufficient budget allocations compromise service delivery in the hospital.
- (b) The non-availability of a sufficient budget adversely affects the provision and maintenance of equipment, the supply of protective clothing and other basic hospital necessities.
- (c) Historic challenges of poor administrative and financial management that resulted in *sub judice* cases of irregularities have had the effect of delaying turnaround times for supply chain management processes and of undermining the procurement regime of the hospital.

#### Recommendations:

- (a) and (b): The Department must ensure that it prioritises the recruitment of critical staff and that it makes effective, efficient and economical use of the limited resources at its disposal through properly allocating monies to critical budget items and exercising the necessary innovation and prudence in expenditure.
- (c) The Department must explore more effective and efficient models of designating powers for purposes of improving procurement processes of the hospital and report to the committee on the matter by no later than 30 days after the adoption of the report.

## Conclusion

Deputy Chair of Chairs, in realising the Government priority of quality healthcare, the provincial Department of Health must be seen to make the necessary efforts to improve the administrative and financial management of its resources by means of, among others, instilling a sense of responsibility and innovation in the management of healthcare and support institutions. Thank you, Deputy Chair of Chairs.

The DEPUTY CHAIRPERSON OF COMMITTEES: Thank you, hon Chair of Chairs. Any clarities from members to the committee? Hon Haddon.

Mr D B HADDON: Chairperson, thank you. I would like to know; it states here on page 239 that “there is a lack of effective transparency in staff placements, job descriptions and delineation of duties.” Could we be told what this is and also what plans are in place to rectify this? Thank you.

The DEPUTY CHAIRPERSON OF COMMITTEES: Any other questions from members in the House? Committee.

Ms V MTONGANA: Thank you, Chair. When we visited the Forensic Pathology Unit it was clear that staff members know neither their notches nor the performance management system that they are supposed to know. They say they don’t know. That is what they are saying. They were just employed.

The DEPUTY CHAIRPERSON OF COMMITTEES: Okay. Questions to the MEC? In the absence of questions to the MEC, can we have political parties?

Mr J C CUPIDO: Hon Chair, hon Premier, hon members of the House and guests of the House, the Department of Health has the mandate of Government to see to the well-being of citizens in the Eastern Cape. Sadly, as we are all aware, this Department is under siege. However, it is also the mandate of the Legislature and the Portfolio Committee on Health not to only do oversight, but to come up with workable solutions.

The committee’s findings regarding the Mthatha Forensic Pathology Service are that this is a new facility and also the biggest in the province. It is an inexcusable fact that the wheels of Government and its administration turn painfully slowly. In this case we must ask why this facility is in such a poor state of management and why it became necessary for the Portfolio Committee of Health to become involved.

The fact is that the province here should have picked up and dealt with by the Department of Health before matters got out of hand. We cannot allow citizens to suffer indignity, even in death, because the pathologists are forced to work with unconventional tools. I remember when I was

there, being told that they used a brick to hold the head of one of the cadavers up.

As conveyed at page 3 of the report:

The necessary equipment should be provided as a matter of urgency, while items such as protective clothing for the effective control of infection should be purchased within the next 30 days.

It is simply not fair to expect people to perform well in conditions where they do not have basic heating and hot water systems, especially in this field of work.

According to the findings of the committee, the basic need for staff to perform their duties are not in place. We should all appreciate the nature of the work that pathologists have to perform. We need a retention policy for forensic pathology specialists and back payment should be done within 30 days. It is only fair that employees be trained properly as a matter of urgency while an appropriate employee wellness programme should be implemented.

The Bhisho Hospital which services a large part of the rural poor community, who simply cannot afford private healthcare, has been operating with less than half of its staff complement. The vacancy rate is 56%, which has resulted in poor upkeep and maintenance. Hon Speaker, while it is simply unacceptable to subject our citizens to such poor service, it is also unacceptable to expect staff to remain up-beat and wanting to perform their duties when they have to reason only to become less motivated.

A permanent hospital manager must be appointed as a matter of urgency and vacancies must be filled. For both these recommendations timeframes should be set. Hon Speaker, the nature of the Eastern Cape is much that of the appropriate policies regarding the rural allowances and incentives must become a priority of the Eastern Cape Government.

We need to keep up with the times and be diligent in ensuring that doctors and nurses who are willing to serve the rural areas are compensated at a level to make their work as desirable as working in an urban environment. One thing that works in any government throughout the world is that they take care of their basic services. They take care of their doctors; they take care of their nurses; they take care of their teachers and they take care of their police.

Lastly hon Speaker, the matter of circumcision-related deaths is becoming something that we need to address with the strongest action. Last year the hon Pine Pienaar said that all of the topics that he has had the opportunity to speak about in this House, circumcision must be the most complex and difficult for him. However, we can no longer whisper about it in the passages because it is sensitive. We need to talk about the

issue and find practical and suitable solutions which will stop so many of our young men from dying an untimely death. I would like to emphasise that the DA not only respects cultural practices and cultural diversity in South Africa, but will also do anything possible to protect it.

During the 2009 Health Summit on circumcision various measures to curb deaths resulting from the practice were never fully implemented. Unqualified surgeons, negligent nurses, irresponsible parents and who is medically unfit for the hardships of initiation, continue to have tragic consequences.

One of the main problems is the perception that Government interferes. In a previous speech the hon Pienaar referred to a study by the Human Science Research Council and University of the Free State that found that 70% of initiates felt they would be stigmatised if they opted for medical rather than traditional circumcision. It is clear that traditional circumcision is not only preferred, but will continue to be preferred for many years to come.

We need to involve the Government at large, particularly Health, Education, Social Development and Traditional Affairs, on a rigorous awareness campaign which will not only focus on education, on educating parents, especially women and communities at large about the responsibilities with respect to the custom.

Transferring the responsibility of safe rituals from the Department of Health to traditional leaders will not make the problem of circumcision go away. We need to make sure that the necessary support will be given to the traditional leaders to oversee the custom. I believe our communities and families must take pride and responsibility that standard circumcision schools are maintained and kept at the highest level possible.

The DA supports the report. [Applause.]

Mnu M M MHLATI: Enkosi Sekela-sihlalo woSihlalo. Mandibulise kwiNkulumbuso, abaphathiswa nakumalungu eNdlu yoWiso-mthetho.

I-UDM iyayixhasa le ngxelo naxa ibuhlungu kuba abaphathi abakhoyo ababahoyi abantu ababaphetheyo phaya ezantsi. Sinabaphathi abalapha eBhisho abalawula eza zithili. Phaya ufika asigqwagqwe ngenkcazelo asinika yona. Sincedwe kukuba sithe sifuna ukuya phaya kubasebenzi basichazele ngokwabo ngemeko yendawo abasebenza kuyo.

Yonke le nkcazelo siyifumene kubasebenzi. Uzucinge ke xa kusithiwa umntu makaqhaqhe umntu oswelekileyo kube kungekho nto ayinikiweyo yokuzikhusela. Abanye baba basebenzi bothula abantu ekukudala bazixhomayo - sebebolile. Uthi omnye umsebenzi ungena ngempahla yakho umqhaqhe umntu enuka, ubuye ugoduke sowunuka impahla yakho yonke kuba kaloku akukho nto uzikhusele ngayo.

Akukho manzi ashushu abanokuhlamba ngawo. Uthi bahlinza abantu abanye kubo batyebile banamafutha suke babe ngamafutha nje bonke bona basebenzi. Akukho kwazibulali-ntsholongwane bazinikwayo ukuba bahlambe ngazo.

Iiglavu abazinikwa kuba kusithiwa ziduri. Imbi imeko esayibona phaya nangona bekhona abaphathi abaphethe aba bantu. Ukuhlinza abantu yonke le mihla kuza nasengqondweni. Loo nto yenza ukuba uhambe uhambe ufumane intuthuzelo kuba kaloku uphilela ukuhlinza abantu yonke le mihla. Bathi oogqirha akukho nto bayenzayo. Bona beza nje bephethe incwadi yokubhala. Bathi ngabo abasarha abantu. Ugqirha akaphathi kwasarha. Bathi bona abazange bafundele ukuqhaqha abantu kodwa benza lo msebenzi. Kwakhona akukho sibonelelo basifumanayo ngokwenza lo msebenzi ungengowabo.

Basibonisa nala matye kuthethwa ngawo kwingxelo. Akunakuthi abantu mababethe ngetshizile intloko yomntu ide iqhekeke zikhona izixhobo zeli xesha ekunokwenziwa ngazo loo msebenzi. Imbi into esayibona phaya. Siyathemba ukuba uMphathiswa uya kuba nakho ukwenza ukuba zijongwe zonke ezi ndawo.

Masingabi nabaphathi abahlala eziofisini, abangayiyo kwiindawo ebekumele ukuba bolusa zona. Enkosi Sekela-sihlalo wooSihlalo.  
[Kuhwatywe.] (*Translation of isiXhosa paragraphs follows.*)

[Mr MM MHLATI: Thank you hon Deputy Chair of Chairs. Let me greet the hon Premier, the hon MECs, and the hon members of the Legislature.

The UDM supports this report although it is sad to note that the Managers do not care about the plight of workers at lower levels. We have Managers in Bhisho who supervise the districts. They give us misleading information about the state of affairs in the districts. This time we were fortunate that we insisted that we wanted to speak to the workers so that we could get the information exactly from them about their plight.

We got all this information from the workers. Just imagine a situation where a worker is instructed to perform surgical operation on a corpse while that worker has no protective clothing. Some of these workers carry dead bodies which are badly decomposed. One worker related to us that they got to the laboratory with their clothes, operated on the corpses with the same clothes and went home in the same clothes. There is no warm water for them to wash after handling the corpses. He said they operate on fat people and get covered with the drips of fat. There are no disinfectants given to them so that they can wash.

There are no gloves because the management said gloves are expensive. It was a bad scene that we saw there in the presence of the managers. Performing surgical operations on daily basis can affect a person's state

of the mind. Once a person is affected, they would need counseling just because they live to perform human dead bodies.

The workers said the doctors do nothing. They simple come with notebooks on hands. It is the workers that saw people. The doctors do not even handle saws. The workers do a duty for which they were not trained. And yet, the receive no allowance for doing such a duty.

They showed us the stones mentioned in the report. Just imagine a worker cracking the skull of a dead person with a chisel until it cracks while there are modern utensils to do that. It was a bad experience to hear about those things. We hope that the hon MEC will do something about these conditions.

We should not have managers who sit in offices and not visit their areas of supervision. Thank you hon Deputy Chair of Chairs.]

Mr M DIMAZA: Thanks hon Speaker, or Deputy Chair of Chairs. Hon Premier and hon MECs present, hon members of this House and all protocol observed.

First and foremost, on behalf of the ANC, we wish to express our deepest and sincere condolences to the Bambusiba family members that were brutally killed in one of the villages at Ngqeleni.

May we also take this opportunity to applaud the South African Police Services for their quick response in apprehending those particular four people that are said to be one of the causes of that death. We do hope also, as ANC, the other two that are still at large will not escape the might of the police force of this country.

Hon Speaker, as the ANC we want to applaud the Government of the Eastern Cape for ensuring that the Forensic Pathology Services facility that has been built in Mthatha is as per the National Health Act, Act 61 of 2003. It is our understanding that the Forensic Pathology in Mthatha can as per regulations stipulated by the Act 61 of 2003 can perform the following services:

- It can take responsibility for the collection of the body and removal of the body from the scene;
- It can take custody of the body or bodies from the scene of death until released to the families;
- It can also assist as far as the process of identification of the deceased.

We believe that particular facilities can also provide mediocre legal reports, expert testimony and opinion. The storage of the bodies is as per the same regulations. As the report indications, that is as the ANC,

we are happy with what we have seen as far as the structure is concerned of that particular facility.

However, having said all of the above, we still believe that there are quite a number of areas that are in contravention of the same Act. This needs to be addressed as a matter of urgency.

The first part we wanted to start with is the removal and transportation of the body from the scene of death; from the scene of accident. The service is responsible for the handling and transporting the body in a designated vehicle to a designated facility. The vehicle presently used by Mthatha Forensic Pathology leaves much to be desired. Those vehicles do not meet the requirements as prescribed by Act 61 of 2003.

The area serviced by the facility, we believe, is about 80% rural, thus there is a serious need for the 4x4s - especially for such areas as Ngcobo and Lusikisiki and many others. It is with deep concern that we also note that the same undesignated vehicles are not enough and those that were hired during the World Cup have been taken away – that is from that same facility. As we speak the facility is left with two vehicles.

On post mortem examinations – this is one of the areas that we believe need some improvement. We doubt that all the employees in the Mthatha facility are authorised persons to perform postmortem examinations. Authorised persons mean medical practitioner registered as a forensic pathologist, or a forensic medical officer in terms of the Health Professions Act of 1974, Act 56 of 1974. The HOD as the Accounting Officer of the Department of Health should take these matters seriously and the HOD should act as soon as possible.

We want, hon MEC and the Premier, to highlight one of the facts that as the committee some time when we were in Mthatha making the same visit, we requested some of the officials to be there so that together with the officials we can try and resolve some of these problems, but unfortunately no official arrived.

The third point where we need some improvement; forensic pathology tools and equipment. It is our understanding that the forensic pathologist has a very difficult job of determining the cause of death in a case that is considered suspicious. It is a very detailed job that requires a variety of tools and equipment to help them to come to a satisfactory conclusion.

Based on the above reality, as ANC, we were worried to note that the facility in Mthatha has serious shortage of the tools, especially the following:

- The pair of scissors that is used to open the intestines, which we call the inter-proton;

- Also the needles that are used to sewing the body after autopsy has been completed;
- The skull chisel because some people... There is a chisel which is for that particular purpose. Even the one which was being used there and they use that chisel there because they are not supposed to use it there;
- Skull Pell which is there – well, I will show you tomorrow.

As the ANC we are convinced that the problems encountered in Mthatha Pathology Services are caused *inter alia* by the following:

- The uncaring attitude of the management both at the district level and also at the provincial level of the Department of Health.

I have just forgotten the name of the person who was there when we were there; they indicated that we cannot anymore present our problems to you because you have been here in 2007, you have been here in 2008, you have been here in 2009; no improvement; no improvement.

When we asked that particular official from Bhisho – we can give the MEC the name if the MEC wants the name – when we asked that official she agreed that they have been there and there has been no improvement on very, very small things; very, very small things; because our understanding, that is why we are saying there is no need to blame the question of finances as far as this matter is concerned. The budget for this, they said it, it is there and the budget is enough; the only problem is the question of then as management they are very much not serious and they take that particular facility not serious.

- The breakdown in fundamental communication between management and workers has exacerbated the problem.

Here we wanted to refer to the question of when the workers want explanations as far as that condition of service is concerned, those particular workers receive threatening letters instead of them as workers being addressed properly. That is where the problem is. If there is a break of communication obviously where must the workers go?

For instance, when we were there and those workers reported to us, the following visit in that particular area, six of the workers received other six threatening letters – that is from that particular manager – why they spoke to us as the committee.

Based on the above poor management and many other cases similar to this, as the ANC we fully support the commission of the process,

evaluating the competence of public health institution managers. We will support any decisive decision or action that will be taken by the MEC of Health on appointments that are irregular, especially where there are unsuitable appointed managers with track records of mismanagement and incompetence.

The Manager in that particular facility. I think that one needs some action as soon as possible.

As far as the question of the deaths of the initiates – very few. As the ANC, we note that our ancient sacred right of passage from boy to manhood has been brought into disrepute by people posing as *iingcibi* [traditional surgeons] and *amakhankatha* [men looking after the initiates], resulting in the deaths of quite a lot of these young boys.

This cultural practice has its own unique ways, places, seasons, methods, rules and regulations. If not followed, it can and does have disastrous consequences. We want to argue against the debate that continues to call for the custom to be discontinued. There are those who want the same to be modernised by using hospitals and involving western trade doctors. The same people who want to discontinue the custom pointed out that where the rules are followed no harm visits the boys, even if it is done in culturally designated places.

What we are appealing for is very simple. The parent must take responsibility; finish and klaar. If the parents do take responsibility there is no problem as far as this particular matter is concerned.

As the ANC, we want to appeal to parents and guardians not to outsource the work to *amakhankatha* and untrained persons; that the process be centrally controlled and managed, especially in that particular area that we call Pondoland. Let the custom achieve its intended objectives of moulding boys to manhood in the true sense of the word, not weaklings who would not be relied on in times of stress and frustrations.

Our appeal is very simple; it is that everyone must take responsibility whether these boys go to initiation in December or in June. In the olden days, it was rare for boys to go to initiation during hot seasons in December. The time to go to initiation is during cold seasons. The father of the household must know what needs to be done. The problems experienced eMampondweni it is because we need just to remove those things and have it centrally controlled.

As the ANC we accept this report. Thank you. [Applause.]

The MEC RESPONSIBLE FOR HEALTH: Madam Chair, hon Premier, hon MECs and colleagues, members of the Legislature, I also would want to welcome the committee report and its very thorough recommendations, well thought out. As the Department, from where I

sit, will ensure that we come back and respond to the committee on the recommendations that have been made.

Just a few issues perhaps that I must engage in or perhaps respond to by way of providing further clarity on them. Maybe we should start with the issue of the Forensic Pathology Services. I accept the very well articulated views that the committee has expressed in this regard. Indeed it is a management function that has failed us in this matter and nothing else. To the extent the acting manager – there was a designated or an appointed director of that function who left and there was appointed an acting person – something that has been going on for years. I have since directed that that matter be put to rest. Clearly the person in that acting capacity has been unable to provide the necessary leadership required on the matter. The post has since... I have directed that the post be advertised so that a competent person gets appointed to actually lead that particular.

Secondly, with respect to just inaction in terms of just procurement; from the time the committee had visited the place we activated very frantically the procurement of the necessary tools to help the questions of infection control and other things, the safety of the workers that work in that environment and such has already been delivered to that facility. One of these past days, perhaps last week, we saw one of the officials, the manager concerned, acknowledging receipt of such equipment. So that matter, that aspect of it has been attended to, but there is also a greater one that has to do with ensuring that it is adequately staffed so as to be able to do the kind of professional service that must be delivered by that facility.

Thirdly, the same exercise must be visited upon all other facilities because again it became apparent that the tools to support, the equipment necessary has been purchased in fact only when those were opened. There was never a replacement of such equipment. We said let us then go through all of them for that to take place.

So, when we report I will be able to indicate as to what progress with respect to either facilities in terms of ensuring that they are properly equipped, including where the x-ray machines were bought and never installed and therefore do not operate, yet they were bought.

Clearly it is a question of leadership, the management that it gives when facilities, when even tools to support the work being done properly, are just not taken to the logical conclusion. So we accept the committee's recommendation in that regard.

Perhaps in the beginning of this financial year when we presented the budget here, we tabled a plan which was anchored on five basic pillars. Critically, there was the need to overhaul the manner of providing the service, the manner in which we are going about dealing with the business that we are about. We made the point at the time that we

intended to follow a model of healthcare delivery that was excessively reliant on cure rather than on prevention.

As a result, even when there was the exercise that was done at the time, which was referred to as the STP that was done at the time, it concentrated on hospital; it was about hospitals. The model we have even now, even that has determined how many staff members we needed in each facility, is based on the assumptions of that excessively hospital-centric approach to delivery of health care, which experience and practice on the ground has shown that it is grossly inadequate; it is a flawed approach.

The overhaul is that we should place emphasis on primary healthcare. In fact clearly in Bhisho Hospital we have many people, some of them doctors, that have no business being in Bhisho; they ought to be next to where the patients are because healthcare delivery does not take place at head office; it is taking place in the facilities closest to people so that we have more people in the district hospitals, so that we make the system effective at that level and we have lesser people that have to go to higher levels of care in terms of the structure, the hierarchy that we have.

I am trying to get to the issue of the vacancy rates that we are often bombarded with all the time. I do want members to look at it with a bit of caution. It may be based on assumptions that in fact are not cogent really because of the approach that we have since adopted that we must follow. In fact the organisational structure of the department at the moment is being reviewed so as to make sure that it talks to giving prominence to primary healthcare as an approach.

You may ask yourself the question why the department is overspending in the area of compensation of employees, yet it has such a vacancy rate that we hear about in each and every facility. There is something that doesn't add up. The system itself needs to be reviewed so that we can properly align the services with the personnel that you need for those services to be delivered. In fact even some of the clinics, in terms of the complement of staff that must be found in the clinics, you might just find there is no uniformity. This is what we have to ensure that we standardise so as to be able to really effectively address that matter.

Now, I am acknowledging the point about vacancy rates as reported, but I am just saying let us be open to the possibility that it may just be a reflection of what is there, but in reality it may be that we need to review.

Let us take the case of Bhisho Hospital, as well as Grey Hospital here in town. Does it make sense to have both facilities doing exactly the same things? Is it not that you may need to say what services you are going to do in Grey Hospital and what services are you going to render there, such that there isn't these duplications sometimes that is there. I am just talking to these because they are just adjacent to one another.

So, there is some need to reconsider the platform itself so that we can devise a means to achieve efficiency, effectiveness, without having to stretch beyond the means, the issue of the support needed to make those more effective.

I think the last point I would like to talk to is – again I am very, very elated in that – that at least at last we have now found common ground. The death of initiates really is not a health matter. It comes about and in fact even with traditional leaders, we have come to this conclusion; even the complaints at the Bill, the Act that was passed by this House, that Act was necessary because it was attempting to intervene in an area where there was total disregard of very basic things that contribute to the situation not getting any better.

There had to be an Act just to try to regulate a part to say what should be the conditions that must be met by this initiate before we make that initiate go through the whole course. It was not to take over the function. We have been at pains to say we are not taking over the responsibility, the function; we have no business to do with that.

In fact, we managed to even bring closer our friends – Local Government – to say traditional leaders, you work close with them; please make them appreciate that; as the Department of Health, we have no business; we have absolutely nothing to do with that. We only have to deal with people who show, who present themselves in our facilities, but because they were presenting themselves in greater numbers we had to look at the source because primary healthcare is about not dealing with the symptoms; go to the cause; where the cause is, the defects that are there, we say let us look at that, the cause of this is because the family structure, the family life at home has broken down, the cultures and values; there is no sense of community where these matters are themselves the responsibility of the community. Let us fix that.

Of course we said we needed to have a drive, a mobilisation that must in fact be multi-sectoral and the Premier's Office, we approached the Premier's Office and it was so supportive to appreciate that the Premier's Office needs to lead this campaign that must draw into it traditional leaders, that must draw into it all other community leaders so that we say – I think it is titled "*ibuyambo*". That has nothing to do with health. We only deal with you when you show up in the facilities; then we have a problem. I think I am very happy with the formulation that at least we have now come to agree about how we must deal with the matter.

Madam Chair, we welcome the report and we will really act on it.  
Thank you very much. [Applause.]

Report adopted.

The DEPUTY CHAIRPERSON OF COMMITTEES: Hon members, there is a request that for tomorrow's sitting members should bring ATC No 13, which we are using today, for other reports because the two reports that are going to be discussed tomorrow are in ATC No 13.

The House adjourned at 17:30.