

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

2014/15 THIRD QUARTER REPORT OF THE DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS (VOTE 5)

1. INTRODUCTION

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

The consideration and scrutiny of the Third Quarter Report for the 2014/2015 financial year is a tool the Committee use to determine whether the department has proper plans and programmes to realise its strategic objectives and ultimately to deliver basic services to the citizens of Mpumalanga.

The Committee tables this report, in accordance with the provisions of the Rules and Orders of the Mpumalanga Provincial Legislature, as an account of its oversight work done for consideration and adoption in order to monitor the performance of the department for the 2014/2015 financial year.

2. METHOD OF WORK

The Honourable Speaker of the Legislature referred the 2014/15 Third Quarter Report to the Committee for deliberations and report back to the House, in accordance with Rule 131 and Rule 218 of the Rules and Orders of the Mpumalanga Provincial Legislature.

The Research Section, after analysing the 2014/15 Third Quarter Report briefed the Committee on the progress made by the department in implementing the third quarter targets as set out in the 2014/15 Annual performance plan. The Committee was briefed on 11 March 2015. The Committee met with the department on 19 March 2015 to deliberate on the department's third

quarter report. Subsequently, the Committee considered its draft Committee Report on 25 March 2015.

3. MEC'S OVERVIEW OF THE 2014/15 THIRD QUARTER REPORT

The MEC tendered an apology for the meeting as he was attending a MINMEC meeting in Cape Town. However, the Committee raised a concern that the apology of the MEC was not submitted in writing.

4. ANALYSIS OF THE SECOND QUARTER REPORT

4.1. BUDGET ANALYSIS

4.1.1. Spending per Programme

The Department has been allocated **R1 071 404 000** for the 2014/15 financial year in terms of the 2014/15 Appropriation. For the third quarter, it managed to spend **R 584 455 000**, which is 55% of the allocated budget and falling below the 75% benchmark by 20%. The expenditure in all the programmes was very low at 0% and 45% for Programme 9 and Programme 6 (Environmental Affairs and Agricultural Economics programmes) respectively. The Rural Development Programme overspent the allocated budget for the year by 4%. The expenditure on Farmer Support and Development programme, which includes major conditional grants for the province (Comprehensive Agricultural Support Programme and Illema- Litsema grant), was also very low at 54%. Table 1 below indicates the spending of the department per programme.

Table 1: Spending per program

PROGRAMME	Budget 2014/15 R'000	Adjusted Budget 2014/15 R'000	Expenditure R'000	Percentage %
1. Administration	135 299	128 175	84 087	66%
2. Sustainable Resource Management	62 473	74 599	45 485	61%
3. Farmer Support and Development	449 956	513 011	279 469	54%
4. Veterinary Services	114 541	109 941	71 945	65%
5. Research and Technology Development Services	47 900	44 131	29 440	67%
6. Agricultural Economics Services	42 762	16 321	7 315	45%
7. Structured Agricultural Education and Training	71 365	65 015	42 695	66%
8. Rural Development Coordination	147 108	23 017	23 986	104%
9. Environmental Affairs	-	81 208	33	0.04%
TOTAL	1 071 404	1 055 418	584 455	55%

The Committee requested the department to provide a reason for the over expenditure of the budget on Programme 8. The department reported that the Programme's budget was adjusted due to the alignment to National Programme Structure, whereby Sub-Programme 8.2 was moved to Sub-Programme 3.1.

4.1.2. Conditional Grants

Table 2 below indicated the spending on conditional grants

CONDITIONAL GRANT	BUDGET 2014/15 R'000	ADJUSTED BUDGET 2014/15 R'000	EXPENDITURE AS AT 31/12/2014 R'000	SPENT AS AT 05/01/2015 %
CASP	135 810	135 810	24 233	18
LAND CARE	6 105	6 105	2 090	34
LILIMA / LETSEMA	46 062	46 062	45 883	100
EPWP	11 274	11 274	4 365	39
DISASTER RELIEF	-	14 700		0
TOTAL	199 251	213 951	76 571	36

The Committee requested the department to indicate the implications of the low expenditure on Conditional Grants. The department reported that:

- a) The 18% expenditure on the CASP conditional grant is mainly as a result of capital infrastructure projects currently under implementation;
- b) The land care grant spent 34%. The department anticipates the expenditure on this grant to improve since the department has appointed a service provider to supply fencing material for the land care projects;
- c) The expenditure on the EPWP grant is directly linked to the expenditure on the Masibuyele Emasimini and the land care programme. The expenditure will improve in the fourth quarter due to the progress that would be made in the implementation of the land care projects and the Masibuyele Emasimini Programme.
- d) The disaster relief budget was appropriated during the adjustment. Service providers have been appointed to repair the damaged infrastructure. The expenditure will improve during the fourth quarter.

5.1.3. Spending per Economic Classification

Table 3 below indicates the spending of the department per Economic Classification:

Economic Classifications	Budget 2014/15 R'000	Adjusted Budget 2014/15 R'000	Expenditure R'000	Percentage %
1. Compensation of employees	487 148	532 619	337 628	63
2. Goods and services	233 277	208 124	98 437	47
3. Current transfers and subsidies	299 139	247 005	107 810	44
4. Payments for capital assets	51 840	67 670	40 580	60
5. Total	1 071 404	1 055 418	584 455	55

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

- a) The low expenditure on Compensation of Employees was due to vacant funded posts that have not been filled. Furthermore, the department reported that expenditure reported, excluded an amount of R44 million for the Environmental Affairs Programme which was still accounted for in the Department of Economic Development and Tourism.
- b) The expenditure on Goods and Services was low due to among others, the expenditure of Environmental Affairs of R8 million that is still accounted for under the Department of Economic Development and Tourism. The budget was adjusted to the department in the fourth quarter. In addition, the department reported that the impact of the slow expenditure on conditional grants negatively affects the spending on the operational budget on goods and services;
- c) The spending of 43.6% on Transfers and Subsidies is a result of the low spending on the conditional grants, as indicated in 4.1.2 above.

5.2. PROGRAMMES AND SUB-PROGRAMMES

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

5.2.1. PROGRAMME 1: ADMINISTRATION

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

The Committee made the following observations on Programme 1:

- a) **Spending Pattern**

The programme had a budget allocation of **R128 175 000** and spent **R 84 087 000** which is 66% spending. The programme failed to reach the benchmark of 75% by 9%. Table 4 below, outlines the spending of the programme.

Table 4: Spending outline of the programme

Administration	Adjusted budget R'000	Actual expenditure as at 31 December 2014	% spent
Compensation of employees	82 779	58 628	71%
Goods and services	37 817	20 247	54%
Transfers and subsidies	5 378	4 012	75%
Payments for Capital assets	2 199	1 200	55%
Total	128 175	84 087	66%

b) Programme Performance

This programme achieved 9 of its 14 targets (64%) in the 3rd quarter of the 2014/15 financial year.

The programme has not achieved five targets that were planned for the quarter and this includes **(Development of legislation and policies, Resolving 2 legal cases, Handling labour related cases, Assessment of employees on performance management, and Connecting remote offices to government network)**.

Although there is a House Resolution on compliance in terms of assessment of employees on performance management, the department is still failing to assess the 1 681 employees that were targeted in the Annual Performance Plan. This target was also not achieved in the previous financial years and also in the 1st and 2nd quarter of 2014/15 financial year.

The department had the following vacant Senior Management positions:

- Chief Director – Planning, Monitoring and Evaluation;
- Director – Monitoring and Evaluation
- Director – Communications
- Director – Internal Audit
- Director – Labour Relations

The department reported that these positions were advertised and interviews were conducted. By the end of the third quarter, they awaited the approval by the Executive Council. Subsequently, the Executive Council has taken a decision to stop the appointment of all vacant funded posts.

5.2.2. PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

The purpose of this programme is to ensure that communities are provided with agricultural infrastructure development services to ensure sustainable development and management of agricultural resources. The programme plays a key role in promoting the expanded Public Works programme (EPWP) in the rehabilitation of degraded land.

The Committee made the following observations on Programme 2:

a) Spending Pattern

The programme was allocated a budget of **R74 599 000**. The expenditure for the third quarter was **R45 485 000** or 61% of the allocated budget. The programme failed to reach the benchmark of 75% by 14%. Table 5 below outlines the spending per sub-programme:

Table 5: Spending per sub-programme

Sustainable Resource Management	Adjusted budget R'000	Actual expenditure as at 31 December 2014	% spent
Compensation of employees	43 942	28 904	66%
Goods and services	8 589	5 218	61%
Transfers and subsidies	22 068	11 363	51%
Payments for Capital assets	-	-	-
Total	74 599	45 485	61%

b) Programme Performance

Programme 2 achieved 74% (17 out of 23) of its targets in the third quarter of the 2014/15 financial year.

Six targets were not achieved during the quarter and this includes **(Issuing of certificates for completed infrastructure, Completion of 9 livestock production infrastructure projects, Completion of 1 agro-processing facility, Completion of 10 borehole infrastructure projects, Provision of irrigation system to 2 sugar cane projects, and Improving 1 027 farm land hectares through conservation measures.**

The department provided one reason for the non-achievement of the above-mentioned targets. The reason was reported to be the re-planning process that the department had to undertake immediately after the swearing in of the new administration.

5.2.3. PROGRAMME 3: FARMER SUPPORT AND DEVELOPMENT

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

The Committee made the following observations on Programme 3:

a) Spending Pattern

The programme was allocated a budget of **R513 011 000**. The expenditure for the quarter was **R 279 469 000** or 54% of the allocated budget. The programme failed to reach the benchmark of 75% by 21%. Table 5 below outlines the spending per sub-programme:

Table 5: Budget per sub-programme

Farmer Support and development services	Adjusted budget R'000	Actual expenditure as at 31 December 2014	% spent
Compensation of employees	150 029	110 726	74%
Goods and services	103 873	46 320	45%
Transfers and subsidies	219 559	88 765	40%
Payments for Capital assets	39 550	33 658	85%
Total	513 011	279 469	54%

The Committee noted with concern the slow expenditure on the programme and requested the department to indicate the reasons for the under expenditure and the measures that will be put in place to ensure that the expenditure in the programme is improved.

The department reported that the under expenditure on goods and services was attributed to the ERP budget. In addition, the department reported that they only appointed Agricultural Advisors in January 2015 because of the discussions that took longer than expected with the Department of Agriculture Forestry and Fisheries (DAFF) on whether the appointments should be on contract or permanent basis. Furthermore, the department reported that the under expenditure on Transfers and Subsidies was due to the re-planning process that the department had to undertake which led to the late appointment of service providers to implement the planned targets.

To respond to the concern of the Committee on how the department was going to ensure that the expenditure in the programme was improved, the department reported that:

- On the ERP budget, the discussions on the appointment of the Agricultural Advisors on contract basis have been concluded with DAFF. The appointment of advisors have already been completed and will improve the expenditure trend;
- On the implementation of projects, the department has appointed Consulting Engineers to enhance capacity and support the Project Management Unit (PMU);
- The department has appointed the Agricultural Research Council (ARC) and the University of Pretoria to train farmers and officials as a measure of fast tracking the reported under spending.

b) Programme Performance

Programme 3 has achieved 50% (5 out of 10) of its targets in the 3rd quarter of the 2014/15 financial year.

The programme did not achieve five targets that were planned for the quarter and the targets include (**The number of smallholder farmers supported, Number of training programmes provided to farmers, Number of farmers attending training programmes, Area (ha) ploughed and planted for subsistence farmers, and the Number of EPWP jobs maintained through ME**).

In addressing the under-performance on the **Area planted and ploughed for subsistence farmers** target, the department reported that, the tractor repairs programme has been intensified, new tractors have been purchased and delivered, and private contractors have been appointed to assist with the implementation plan. The Committee requested the department to indicate the number of tractors purchased and the total cost of the new tractors in the 2014/15 financial year. The department reported that they had purchased 20 tractors and 68 sets of related implements at a cost of **R34 289 947.27**.

The Committee noted that the proposed surrender during the appropriation indicated projects that will no longer be implemented in the 2014/15 financial year. The projects included **New Forest** and **Dingleydale Irrigation Scheme** that surrendered R11 500 million. The project was also not implemented in 2013/14 financial year and its budget was surrendered due to accruals. The Committee requested the department to explain the reason for the non-implementation of the project in the two consecutive financial years and the plans that will be put in place to ensure that the project is revitalized as planned. The department reported that the funds for the implementation of these projects were surrendered to Treasury due to budget re-prioritisation. The

Department of Rural Development and Land Reform has taken over the implementation of these projects

With regards to the Number of EPWP jobs maintained through Masibuyele Emasimini Programme, the department reported that as of February 2015, **3 158** EPWP jobs were created through the implementation of the food gardens programme.

5.2.4. PROGRAMME 4: VETERINARY SERVICES

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

The Committee made the following observations on Programme 4:

a) Spending Pattern

The programme has a budget allocation of **R109 941 000** and spent **R71 945 000** which is 65% of the allocated budget. The programme failed to reach the benchmark of 75% by 10%. Table 6 below outlines the spending of the programme:

Table 6: Spending of the programme

Veterinary Services	Adjusted budget R'000	Actual expenditure as at 31 December 2014	% spent
Compensation of employees	89 318	64 120	72%
Goods and services	11 352	7 824	69%
Transfers and subsidies	-	1	%
Payments for Capital assets	9 271	-	0%
Total	109 941	71 945	65%

The Committee noted that the programme has not spent anything on Payments for capital assets. The programme has spent **R1000.00** on Transfers and subsidies and that money was not budgeted for in the 2014/15 financial year. The department reported that the R1000 expenditure relates to the payment of leave gratuity, which was allocated under the item by error. In addition, the department reported that they will use the March adjustment period to correct the expenditure.

b) Programme Performance

The department achieved 57% or 13 of the 23 planned targets in this programme.

The programme did not achieve 10 of the planned targets (**Number of animal vaccinations, Animals tested for diseases surveillance purposes, Number of cattle dipped for external parasite control, Number of primary animal health care interactions held, Number of veterinary extension services health, Number of abattoir inspections conducted, Number of awareness campaigns- sessions held, Number of export establishments registered, Number of specimens tested, and The number of tests performed**).

The vacancies in the programme were reported as one of the reasons for the poor performance that has been experienced during the quarter. The department has reported resignation of veterinary public health practitioner and state vet posts (Gert Sibande) in Veterinary Public Health and Food Safety. This programme has been struggling with the high number of vacancies and this affected the attainment of the planned targets.

To respond to the concern of the number of vacant positions in the programme the department reported that they had already filled 10 Animal Health Technician posts. Furthermore, the department reported that 6 State Veterinarian Positions have been filled.

5.2.5. PROGRAMME 5: TECHNOLOGY, RESEARCH AND DEVELOPMENT

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

The Committee made the following observations on Programme 5:

a) Spending Pattern

The programme was allocated **R44 131 000** and managed to spend **29 440 000** or **67%** of the allocated budget. The programme failed to reach the benchmark of 75% by **8%**. Table 7 below outlines the spending of the programme:

Table 7: Spending per sub-programme

Technology, Research and development	Adjusted budget R'000	Actual expenditure as at 31 December 2014	% spent
Compensation of employees	35 229	25 249	72%
Goods and services	8 326	3 893	47%
Transfers and subsidies	-	-	-
Payments for Capital assets	576	298	52%
Total	44 131	29 440	67%

The Committee requested the department to indicate the reason for the underspending of the budget on goods and services. The department reported that the under-expenditure on goods and services was mainly because of the Fruit-Fly awareness campaign, which took off in time but the appointment of the ARC for the supply of traps took time.

b) Program Performance

The department managed to achieve 6 of the 9 planned targets for the quarter, that is, 67% achievement of planned targets.

The programme did not achieve 3 of the planned targets which include (**Number of articles in popular media, Number of breeding cattle stock introduced at research stations, and the Number of breeding small-stock sheep introduced at research stations**). The programme has cited delay in the delivery of livestock as the reason for the non-achievement of the planned targets.

The Committee requested the department to indicate the measures that will be put in place to ensure that all the targets are achieved in the programme as planned. The department reported that they will continuously monitor the implementation of the planned targets. In addition, the department reported that the programme will be able to perform on all research related targets. Planned targets under the Livestock Improvement programme will not be achieved because of non-responses by the livestock breeders.

5.2.6. PROGRAMME 6: AGRICULTURAL ECONOMICS

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

The Committee made the following observations on Programme 6:

a) Spending Pattern

The programme had a budget allocation of **R16 321 000** and spent **R7 315 000** which is 45% spending on the budget allocation for this programme. Table 8 below outlines the spending of the programme:

Table 8: Spending of the programme

Agricultural Economics	Adjusted budget R'000	Actual expenditure as at 31 December 2014 R'000	% spent
Compensation of employees	6 320	4 277	68
Goods and services	4 947	1 542	31
Transfers and subsidies	-	-	-
Payments for Capital assets	5 025	1 496	30
Total	16 321	7 315	45

The Committee requested the department to indicate the reasons for the under-spending programme. The department reported that the under expenditure was on Compensation of Employees because of the high vacancy rate in the Programme that is attributed to the high staff turnover of economists. In addition, the department reported that the second contributing under expenditure was on the Fresh Produce Market, which took longer to take off however MEGA has finalised the appointment of service providers and expenditure will improve in the fourth quarter.

b) Programme Performance

The programme achieved only 25%, 2 of the 8 planned targets.

The programme has not achieved 6 of the planned targets (**Number of agribusiness provided with agricultural economic services to access markets, Number of clients provided with agricultural economic advice, Number of agricultural economic studies conducted, Number of enterprise budgets updated, Number of farmers linked to financial institutions, Number of macro-economic reports developed per municipality**). The Committee noted that the non-achievement of some of the targets was reported to be poor planning of the targets when the Annual Performance Plan was developed at the beginning of the financial year.

The Committee requested the department to indicate the measures that will be put in place to ensure that all targets in the Programme are Specific Measurable Attainable Realistic and Time bound (SMART). The department reported that six of the indicators are National driven indicators that are defined at that level. On those indicators, the department will continue to liaise with DAFF and contribute towards refining to ensure that they are SMART. On the provincial indicators, the department will review the indicators that are ambiguous. Furthermore, the department reported that they were in the process of reviewing the targets to ensure that they are SMART, which will be submitted for final approval in the APP.

5.2.7. PROGRAMME 7: STRUCTURED AGRICULTURAL TRAINING

This programme is responsible for the provision of agricultural training services at the Higher Education and Training (HET) and Further Education and Training (FET) levels.

The Committee made the following observations on Programme 7:

a) Spending Pattern

This programme was allocated **R65 015 000** and managed to spend **R42 695 000** in the third quarter. The department therefore spent 66% of the allocated budget for this programme. Table 8 below outlines the spending of the programme:

Table 8: Spending of the programme

Structured Agricultural Training	Adjusted budget R'000	Actual expenditure as at 31 December 2014 R'000	% spent
Compensation of employees	47 435	33 908	71
Goods and services	8 031	4 859	61
Transfers and subsidies	-	-	-
Payments for Capital assets	9 549	3 928	41
Total	65 015	42 695	66

The Committee requested the department to indicate the reasons for the under spending of the budget on Goods and Services and also on Payments for Capital Assets. The department reported that the slow expenditure on Goods and Services was mainly as a result of the transfer of the Colleges to the University of Mpumalanga. Most of the maintenance and staff activity did not take place. Furthermore, the department reported that the slow progress of contractors in Marapyane for the fencing, broiler houses as well as sheep handling facilities has resulted in slower than planned expenditure under the programme.

b) Programme Performance

The programme has achieved 3 of the 3 (100%) targets planned for the quarter.

5.2.8. PROGRAMME 8: RURAL DEVELOPMENT COORDINATION

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

The Committee made the following observations on Programme 8:

a) Spending Pattern

The programme was allocated a budget of **R23 017 000**. The expenditure for the quarter was **R 23 986 000**, which translate to 104% spending. Table 9 below outlines the spending per sub-programme:

Table 9: Spending per sub-programme

Rural development	Adjusted budget R'000	Actual expenditure as at 31 December 2014 R'000	% spent
Compensation of employees	14 772	11 783	80
Goods and services	8 245	8 534	104
Transfers and subsidies	-	3 669	-
Payments for Capital assets	-	-	-
Total	23 017	23 986	104

The Committee noted with concern the over expenditure on the budget for Compensation of Employees and Goods and Services. The department reported that they moved Sub-Programme 8.2 to Programme 3 as Sub-programme 3.1 to align to the National Programme Structure and as an advise received from DAFF.

The Committee also noted that the department spent R3 669 000 on Transfers and Subsidies. The money was not budgeted for in the 2014/15 financial year. The department reported that they had initially budgeted R83 725 000 on Transfers and Subsidies. However, during the budget adjustment, the budget was adjusted to Programme 3.1 to align with the National Programme Structure. In addition, the department reported that the expenditure is as indicated in the second quarter, whilst the budget was with the sub-programme.

b) Programme Performance

The programme had 17 targets and managed to achieve 9 of the targets, which translates to 53% achievement of planned targets.

The programme has not achieved 6 of the planned targets which include **(Number of cabinet and Legislature outreaches coordinated, Number of farm assessments completed, Number of hectares ploughed and planted for land and agrarian reform beneficiaries, Number of jobs**

created and sustained through land reform, Number of mentorship initiatives implemented and maintained, Number of community facilitation projects conducted).

The Committee noted that the department reported that, 38 graduates have been linked and maintained through land reform farms. In the previous financial year, the graduates were appointed without the necessary working resources and were unable to support the land reform farms as expected. The Committee requested the department to indicate if the 38 graduates have the necessary working resources to support the land reform farms as planned. The department reported that the graduates placed have not yet received the working tools as per the plan. The tools that were planned to be distributed to the graduates were cell phones, 3G's and laptops which will be allocated in the next financial year. The department currently focused on training and exposing the graduates to the agricultural farm environment and considering that their appointment coincided with the planting session, they were expected to quickly adapt so as not lose the knowledge of the planting season.

5.2.9. PROGRAMME 9: ENVIRONMENTAL AFFAIRS

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

The Committee made the following observations on Programme 9:

a) Spending Pattern

Environmental Affairs	Adjusted budget R'000	Actual expenditure as at 31 December 2014	% spent
Compensation of employees	62 795	33	0.05
Goods and services	16 913	-	0
Transfers and subsidies	-	-	0
Payments for Capital assets	1 500	-	0
Total	81 208	33	0.04

b) Performance of the Programme

The programme has achieved 5 targets out of the 13 targets that were planned for the quarter.

The Committee noted that the programme has reported on programme performance indicators that are not in the 2014/15 Annual Performance Plan that was tabled in the Legislature. The department reported that a revised APP was submitted in the Legislature on 05 August 2015.

6. FINDINGS

After considering the 2014/15 Third Quarter Report of the department, the Committee made the following findings:

- 7.1. The spending by the department was below the 75% benchmark. The department spent 55% of its allocated budget during the third quarter. Furthermore, Programme 8 has overspent its budget allocation for the quarter and all the other programmes have underspent their budget allocations.
- 7.2. The department achieved 58% of its planned targets for this quarter (69 out of 120 planned targets);
- 7.3. The department filled 10 out of the 14 Animal Health Technicians vacant positions. However, 10 Senior Management positions were reported to be still vacant.
- 7.4. Although there is a House Resolution on compliance in terms of assessment of employees on performance management, the department is still failing to assess the 1 681 employees that were targeted in the Annual Performance Plan. This target was also not achieved in the previous financial years and in the 1st and 2nd quarter of 2014/15 financial year.
- 7.5. The department has appointed private contractors to assist with the implementation of the Masibuyele Emasimini Programme.

8. RECOMMENDATIONS

The Committee recommends that:

- 8.1. The department must closely monitor the spending of all programmes in comparison with service delivery to ensure that service delivery is not compromised by the under spending. Furthermore, the department must ensure that there is no march-spike on the budget in the fourth quarter without the accompanying service delivery being rendered.
- 8.2. Implement and closely monitor the acceleration plan that will assist the department in ensuring that all the planned targets are achieved. In addition, the department must review their planned targets to ensure that they are Specific Measurable Attainable Realistic and Time bound.
- 8.3. **Concerning the vacant positions that:**

- a. The department must request permission from Provincial Treasury to fill the 4 vacant Animal Health Technicians positions. Furthermore, the department must submit a progress report to the Committee in this regard.
- b. The department must prioritise and fill the funded vacant Senior Management positions immediately after the moratorium on the filling of funded vacant positions is lifted. Furthermore, the department must adhere to the Employment Equity Act when the positions are filled.

8.4. Achieve the target of assessing 1 681 employees by the fourth quarter.

8.5. Ensure that the appointed private contractors have the required capacity to render the service on behalf of the department. In addition, the department must closely monitor the private contractors to ensure that the community receive the services on time.

9. CONCLUSION

The Chairperson takes this opportunity to thank the Members of the Portfolio Committee for their active participation and constructive contributions during the deliberations on the Department of Agriculture, Rural Development, Land and Environmental Affairs' Third Quarterly Performance Report for the 2014/2015 financial year.

In addition, the Chairperson extends a word of thanks to the HOD and senior management officials for availing themselves to deliberate on matters pertaining to the department.

The Chairperson would also like to thank the support staff for contributing to the work of the Committee.

Unless otherwise stated a report detailing progress in the implementation of all recommendations in this report should be forwarded to the Committee by 29 May 2015 and thereafter on a quarterly basis.

HON. VV WINDVOEL (MPL)

DATE

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

