**12. Report of the Portfolio Committee on Environment, Forestry and Fisheries on the Strategic Plan 2019/20—2023/24, Annual Performance Plans (APPs) 2019/20 and the Budget Vote 27 of the Department of Environmental Affairs (DEA), dated 10 July 2019.**

1. **Background**

The Portfolio Committee on Environment, Forestry and Fisheries (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plan, Annual Performance Plans and Budget allocations of the Department of Environmental Affairs (hereinafter the Department) and having been presented the high-level strategic goals of the *four* entities reporting to it, tabled by the Minister of Environment, Forestry and Fisheries and in terms of the Public Finance Management Act (Act No 32 of 2003), reports as follows:

1. **Introduction**

The Portfolio Committee invited the Department to present the overview of their medium term strategic plans, annual performance plans and the budget allocation for the 2019/20 financial year as well as medium term expenditure framework allocations for 2020/21 and 2021/22, respectively.

* 1. **Overview of the Department of Environment Affairs and its Entities**

The mandate of the Department of Environmental Affairs (DEA) is to ensure the protection of the environment and conservation of natural resources, balanced with sustainable development and the equitable distribution of the benefits derived from natural resources for current and future generations. This is to be achieved while giving effect to the right of the nation to an environment that is not harmful to their health and wellbeing as stated in *Chapter Two,* *section 24* of the Constitution of the Republic of South Africa, which stipulates specifically that “all South Africans have the right to an environment that is not harmful to their health or wellbeing, and to have the environment protected for the benefit of the present and future generations” through relevant legislation. It is in this context that the Department embraces the value of being proactive in fostering innovative thinking and solutions to environmental management, premised on a sustainable development approach that recognises the centrality of people in all the facets of environmental management*.*[[1]](#footnote-1)Moreover, placing people at the centre of environmental management is critical for sustainable management and for ensuring the integrity of measures that are put in place to secure the protection and sustainability of the nation’s environmental assets.

The Department maintains that it is a high performing organisation and serves with integrity, as the custodian and ambassador for South Africa’s environment that should be bequeathed to future generations in a manner that encourages its sustainability indefinitely.[[2]](#footnote-2) As a result, the Department had established a very good record of *unqualified audit opinions* ever since it came into existence as a separate Department in the 2010/11 financial year. However, the Department started experiencing challenges in meeting audit requirement as it relates to Modified Cash Standards (MCS) when the Department failed to table its 2015/16 Annual Report in Parliament at an opportune time for consideration by the Portfolio Committee on Environmental Affairs (PCEA). Nevertheless, the Department resolved the dispute that it had with the Auditor-General and succeeded to obtain an *unqualified audit opinion*, although the 2015/16 Annual Report was presented in Parliament only after the adoption of the Committee’s *Budgetary Review and Recommendation Report* (BRRR). Of concern though was the retrogression of the Department in its audit outcomes in the subsequent 2016/17 and 2017/18 financial years where the Department attained *adverse audit findings*. Those findings were due to disputes between the Office of the Auditor-General South Africa (AGSA) and DEA, regarding the different interpretations with regard to the application of Modified Cash Standards, insofar as transfer payments for the Expanded Public Works Programme (EPWP) projects were concerned.

* + 1. **Legislative mandate**

The core business of the Department is underpinned by the Constitution of the Republic of South Africa and all other relevant pieces of legislation that derived from it. The constitutional directive “*to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures*” gave rise to the formulation and adoption of notably the National Environmental Management Act (NEMA) (Act No 107 of 1998). NEMA has undergone several amendments and has provided the bedrock for enacting the following “*specific environmental management acts*” (SEMAs), or issue-specific legislation on biodiversity and heritage resources; oceans and coasts; climate change and air quality management; and waste and chemicals management. Those applicable SEMAs comprise National Environmental Management: Biodiversity Act No 10 of 2004; National Environmental Management: Protected Areas Act No 57 of 2003; National Environmental Management: Air Quality Act No 39 of 2004; and National Environmental Management: Integrated Coastal Management Act No 24 of 2008; National Environmental Management: Waste Act No 59 2008; and National Environmental Management: Waste Amendment Act No 26 of 2014, *inter alia*. Furthermore, there are many other government policies and legislation, which affect the South African environmental sector both directly and indirectly.

The Department fulfils its mandate through formulating, coordinating and monitoring the implementation of national environmental policies, programmes and legislation with the additional support from its entities, such as the iSimangaliso Wetland Park Authority (iSimangaliso), the South African National Biodiversity Institute (SANBI), South African National Parks (SANParks), and the South African Weather Service (SAWS). The Department is structured into *seven* Programmes to ensure the effective achievement of its constitutional mandate. The *seven* different programmes and their purposes are reflective of the different focus areas and subsectors of environment management. The objective of the current programme structure is to ensure that specific attention is given to each focus area of the Department’s constitutional mandate, while acknowledging the interrelationship and ensuring an integrated approach. Notwithstanding, the current structure of the Department described below is expected to change in light of the most recent reconfiguration in the National Government that led to the integration of Forestry and Fisheries branches into the Department, giving it the new name of the Department of Environment, Forestry and Fisheries (DEFF).

**Programme 1: Administration** provides leadership, strategic centralised administration and executive support, corporate services and facilitates effective cooperative governance, international relations and environmental education and awareness.

**Programme 2: Legal, Authorisations, Compliance and Enforcement (LACE)** promotes the development of an enabling legal regime, licensing and authorisation system that ensures enforcement and compliance.

**Programme 3: Oceans and Coasts** promotes, manages and provides strategic leadership on oceans and coastal conservation, including relevant research and specialist services, as they pertain to the costal and oceans environment.

**Programme 4: Climate Change, Air Quality and Sustainable Development**

The purpose of the Programme is to improve air and atmospheric quality, lead and support, inform, monitor and report efficient and effective international, national and significant provincial and local responses to climate change, and promote sustainable development..

**Programme 5: Biodiversity and Conservation** ensures the regulation and management of all biodiversity, natural heritage and conservation matters in a manner that facilitates sustainable economic growth and development.

**Programme 6: Environmental Programmes** is the largest departmental programme (in terms of budget allocation) and deals with the implementation of expanded public works programme and green economy projects in the environmental sector.

**Programme 7: Chemicals and Waste Management** manages and ensures that chemicals and waste management policies and legislation are implemented and enforced in compliance with chemicals and waste management authorisations, directives and agreements.

1. **linkages between the Departmental Priorities and the National Development Plan Vision 2030**

The National Development Plan (NDP) Vision is that by 2030, South Africa’s transition to an environmentally sustainable, climate-change resilient, low-carbon economy and just society will be well underway. To achieve this requires, first and foremost, attaining of the NDP outcomes relating to the transformation of society and an economy, which is internationally competitive, equitable, job-creating and sustainable (resilient, green and low-carbon), *inter alia*. Thus, the NDP explicitly acknowledges that the transition to an environmentally sustainable future, which is carbon constrained would require the decoupling of economic growth from natural resource degradation and depletion. There is therefore a need to build human capital and technological base for implementation of programmes that will grow the economy without increasing South Africa’s emissions profile.

The strategic priorities of the NDP that directly bear on the work of the Department are as follows:

* Ecosystems are sustained and natural resource are used efficiently;
* An effective climate change mitigation and adaptation response;
* An environmentally sustainable, low-carbon economy, resulting from a well-managed just transition;
* Enhanced governance systems and capacity; and
* Sustainable human communities.

Consequently, the Department’s key outcomes in respect to the NDP include the following:

* **Environmental Economic Contribution Optimised:** This entails facilitating sustainable socio-economic growth and development by catalysing, optimising and scaling up the contribution of the environmental sector to economic prosperity;
* **Ecological Integrity Safeguarded and Enhanced:** To realise this key outcome requires the Department to provide leadership in promoting and ensuring environmental sustainability through the management, utilisation, conservation, protection and valuing of the Republic’s natural resources;
* **Socially Transformed and Transitioned Communities:** The Department envisages driving socio-economic transformation and transition by optimising the fair and equitable sharing of benefits and enabling social development; and
* **Global Agenda Influenced and Global and Local Obligations Met:** The Department would play a significant role in ensuring that international cooperation that it engages in is supportive of South Africa’s environmental and/or sustainable development priorities. This is indeed a noble objective, considering that the impacts of environmental disturbances do not recognise political boundaries or environmental improvements in a country do not only benefit the country where the improvements are made, particularly in terms of climate change mitigation as well as air and water pollution reduction. The ongoing biodiversity diplomacy in the southern African region and beyond, in minimising wildlife loss due to poaching, is a case in point.

**3.1 Medium Term Strategic Plans and Annual Performance Plans (APPs) of the Department and its Entities for 2019/20**

As the national partner to provinces in a concurrent function, the Department leads the environmental sector by setting the policy and legislative framework and the norms and standards required for environmental protection and environmentally sustainable development in the country. This role is evident through the large numbers of policy and legislative instruments initiated, processed and administered by the Department.

To account for the Department’s strategic role, including the above, the Portfolio Committee was briefed by the Department on 3rd July 2019, on the Department’s Strategic Plan (2019/20−2023/24), Annual Performance Plan and Budget for the 2019/20 financial year. In addition, the Department presented the high-level strategic goals of the *four* departmental entities, but not the APPs of the entities, as they were not invited to appear before the Committee due to time constraints. The Committee was of the view that the APPs and the budget of the *four* entities would be better addressed during the engagements that lead to the compilation of quarterly reports. The purpose of the Committee’s most recent meeting with the Department was to ascertain whether the allocated budget to the Department (and hence its entities) was aligned to achieve the Department’s strategic goals and APPs, and also to determine whether the budget is aligned with the Government’s strategic priorities for the current 2019/20 financial year, which are underpinned by the NDP.

This report, therefore, captures the key findings and recommendations of the Portfolio Committee after its engagement with the Department.

* 1. **Department of Environmental Affairs**

The Department provides leadership in environmental management, conservation and protection to ensure the sustainability of the South African environment for the benefit of South Africans and the global community in perpetuity.

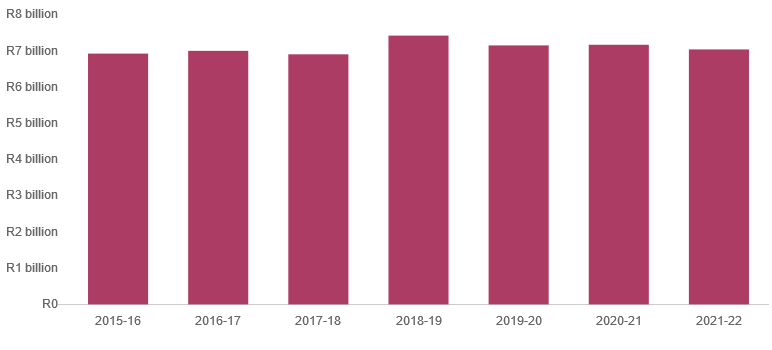
* + 1. **Departmental Strategic Goals**

The Department’s strategic goals over the medium term are to:

* Ensure Environmental Economic Contribution is optimised to facilitate sustainable socio-economic growth and development by catalysing, optimising and scaling up contribution of the environmental sector to economic prosperity, thereby contributing to an environmental sustainable, low-carbon economy as a result of a well-managed just transition;
* Ensure Environmental/Ecological Integrity is safeguarded and enhanced by providing leadership in promoting and ensuring environmental sustainability through effective management, utilisation, conservation, protection and valuing of our natural resources, including management of threats to environmental integrity (climate change, waste and chemicals, atmospheric pollution and alien invasive species);
* Socially transform and transition communities to enable sustainable socio-economic growth and development by catalysing, optimising and scaling up the contribution of the environmental sector to economic prosperity contributing to an environmentally sustainable, low-carbon economy as a result of a well-managed just transition;
* Ensure Global Agenda is influenced and obligations are met by enhancing regional and international cooperation supportive of South Africa’s environmental/sustainable development priorities and influence the global environmental agenda; and
* Build a capable and efficient Department to improve departmental service delivery capacity and capabilities through creation of a harmonious and conducive working environment and provision of delivery platforms such as ICT infrastructure and services, development and implementation of an effective Human Resource Strategy to attract, develop and retain a skilled, transformed and diverse workforce that performs in line with the Department’s culture and values, aligning and transforming business processes and systems to support strategy execution and sound corporate governance, thereby optimising efficiencies and strategic agility.
  + 1. **Budget allocation to the Department and its Entities**

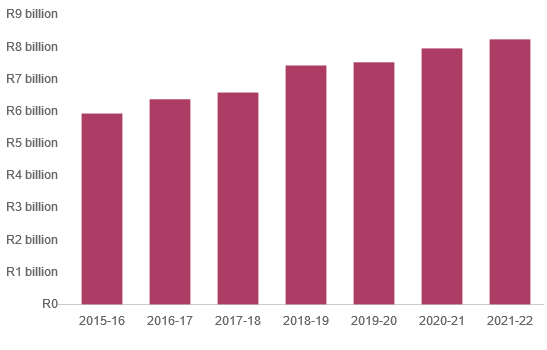
Public spending on ensuring environmental sustainability, as indicated by the budget allocation to the Department of Environmental Affairs, that is, Vote 27: Environmental Affairs in the current 2019/20 financial year is about 0.4 per cent of the overall government expenditure of R1.83 trillion. This level of funding for Environmental Affairs at about 0.4 per cent has been running since 2015/16, from where there has not been a significant deviation upwards despite mounting environmental challenges. Thus, the Department of Environmental Affairs’ budget essentially remained unchanged between 2015/2016 and 2019/20, as the budget assigned to the Department hovered around 0.4 per cent of the total government expenditure, as per the consolidated fiscal framework.[[3]](#footnote-3) This comparatively low funding of environmental protection was also observed by the *Statistics South Africa*, which stated that the South African Government spent 0.7 per cent of its total budget in 2014/15 on environmental protection. However, in comparing this figure with other countries, the proportion spent on environmental protection across 35 countries belonging to the Organisation for Economic Co-operation and Development (OECD) was 1.3 per cent. Those topping the OECD list were the Netherlands (3.2 per cent) and Japan (2.9 per cent).[[4]](#footnote-4) Australia’s government spent 2.4 per cent of its total budget on environmental protection, while the United Kingdom devoted 1.8 per cent. Interestingly, the two Latin American countries on the list, Columbia and Costa Rica, which are both developing countries like South Africa, spent 1.4 per cent, respectively.[[5]](#footnote-5)

The following *Figure 1* depicts spending on Environmental Affairs from 2015/2016 to 2019/20 as well as projections for the two outlier years (2020/21 & 2021/22). The values in the Figure are adjusted for inflation (meaning they are real rand values), whereas *Figure 2* below shows nominal values, without adjustment for inflation.

**Figure 1: Spending on Environmental Affairs from 2015/2016 to 2019/20 in real terms***Source*: National Treasury (2019) Department Budgets for 2019-20.

Unlike the above graph (*Figure* 1), which shows no significant deviation in budget allocation between 2015/16 and 2019/20 as well as the proposed allocations for the two outlier years, the graph below in *Figure 2* shows a growing trend from 2015/16 to 2021/22, including the outlying years. This growing trend in the budget of Environmental Affairs is merely based on the amount of allocations, without due consideration of the true ‘worth’ of these allocations. The assumption in these nominal increases is that the value of, for example, R10 in 2018/19 is the same in 2019/20, which is false and hence the need to correct this by adjusting for inflation, which may vary from year to year. The graph in *Figure 2* flattens out as in *Figure 1* when the ‘seemingly’ increasing allocations are adjusted for inflation. This point is further illustrated in *Table 1*, which shows the Department’s total allocation in 2019/20 relative to the past 2018/19 financial year.

**Figure 2: Spending on Environmental Affairs from 2015/2016 to 2019/20 in nominal terms**

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*Source*: National Treasury (2019) Department Budgets for 2019-20.

The Department’s total budget showed a significant nominal increase from R6.6 billion in 2018/19 to R7.5 billion in 2019/20. This explicitly shows an increase of about 0.9 billion, translating into approximately 14 *per cen*t nominal growth. However, this significant nominal increase collapses to only 0.5 billion or 8.3 per cent increase in the Department’s overall budget during the period under review despite the ever-increasing challenges in South Africa’s environmental sector, as shown by high incidents of poaching, land degradation and air pollution in Air Quality Priority Areas (air pollution hotspots). *Five* of the Department’s programmes (*Administration; Legal, Authorisations, Compliance and Enforcement; Climate Change, Air Quality & Sustainable Development; Environmental Programmes; and Chemicals and Waste Management*) achieved positive budget increases in real rand terms, whereas *two* of the Department’s programmes (*Oceans and Coasts & Biodiversity and Conservation*) realised budget reductions of R9.9 million and R15.5 million in real terms in the current (2019/20) financial year, respectively. The reduction of about R10 million in the budget of the *Oceans and Coasts Programme* relative to the past (2018/19) financial year is indeed significant, considering the scope of work that is to be undertaken across this Programme’s *five* sub-programmes (*Oceans and Coasts Management, Integrated Coastal Management and Coastal Conservation, Oceans and Coastal Research, Oceans Economy and Project & Specialist Monitoring Services*).[[6]](#footnote-6) These dynamics in budget allocation in nominal and real rand terms are presented in the following *Table 1* that captures the Environmental Affairs budget in the current 2019/20 financial year.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | | | | **Nominal Rand change** | **Real Rand change** | **Nominal % change** | **Real % change** |
| R million | **2018/19** | **2019/20** | **2020/21** | **2021/22** | **2018/19-2019/20** | | **2018/19-2019/20** | |
| Administration | 822.0 | 891.9 | 951.7 | 1 011.6 | 69.9 | 25.8 | 8.50 | 3.14 |
| Legal, Authorisations, Compliance and Enforcement | 189.3 | 207.5 | 219.9 | 233.5 | 18.2 | 7.9 | 9.61 | 4.20 |
| Oceans and Coasts | 492.0 | 507.2 | 537.7 | 568.8 | 15.2 | -9.9 | 3.09 | -2.01 |
| Climate Change, Air Quality & Sustainable Development | 414.3 | 445.9 | 470.8 | 498.3 | 31.6 | 9.6 | 7.63 | 2.31 |
| Biodiversity and Conservation | 773.4 | 797.3 | 852.9 | 907.8 | 23.9 | -15.5 | 3.09 | -2.01 |
| Environmental Programmes | 3 364.3 | 4 085.5 | 4 299.6 | 4 359.7 | 721.2 | 519.3 | 21.44 | 15.43 |
| Chemicals and Waste Management | 550.3 | 594.3 | 628.5 | 663.8 | 44.0 | 14.6 | 8.00 | 2.66 |
| **TOTAL** | **6 605.6** | **7 529.6** | **7 961.1** | **8 243.5** | **924.0** | **551.8** | **13.99** | **8.35** |

Source: National Treasury (2019) *Estimates of National Expenditure.* National Treasury, Pretoria.

Contrary to the preceding concern (in the above section), the Department plans to continue supporting research voyages to Antarctica, Marion Island and Gough Island. These expeditions support long-term biological, environmental and meteorological research.[[7]](#footnote-7) However, this year’s (2019/20) budget allocation to the *Oceans and Coastal Research sub-programme* surprisingly shows a reduction of R3.0 million, which is certainly expected to weaken the nation’s ocean research initiatives despite the recognition that ocean and coasts ecosystem services are important as they directly and indirectly impact on human livelihoods, food security and agriculture, trade and industry. Oceans provide critical, multi-dimensional support for life on Earth and play a critical role in Earth sustainability and hence will play a central role in society's shift toward a more sustainable future. Notwithstanding, oceans face serious threats on multiple fronts due to over-exploitation of marine life, changes in upstream land use, hydrological cycles and pollution, climate change and its associated effects on sea level rise, ocean temperature redistribution and acidification, and other emerging challenges. In addition, ocean governance has special challenges associated with political and legal arrangements within and beyond areas of national jurisdiction. Monitoring marine environmental and ecological conditions, limited knowledge regarding the links between ocean environmental conditions and ecological structure, function and services, and understanding how various governance interventions affect goods and services that oceans provide to humans, could pose a huge challenge to a resource-constrained country like South Africa. These issues may strongly influence food security and livelihood viability for hundreds of millions of people who depend on ocean resources.[[8]](#footnote-8) The hidden nature of vast5 ocean resources means that countries which have the financial wherewithal are the ones, which exploit their ocean and coastal resources better or more optimally.

The *Legal, Authorisations, Compliance and Enforcement (LACE) Programme* is the least funded departmental programme despite the enormity of the responsibility for compliance enforcement, which lies in this small, yet critical Programme. Although there is nothing unusual about the budget allocated to the *LACE Programme* in the current final year relative to the past, as the Programme actually realised about an R8-million rand increase in budget in real terms, the demand on the Department to stem the relentless tide of environmental crimes in the country, raises a legitimate concern when the budget of the Programme is taken into account. For example, the *LACE Programme* is responsible for inspecting “environmental authorisations”[[9]](#footnote-9) to ensure that those activities, which were authorised or permitted to be undertaken by developers are being implemented as required. However, tracking the inspection targets that the Department had set for itself yields some interesting results: 158 inspections were conducted in 2015/16, that rose to 190 in 2016/17, dropped to 183 in 2017/18, declining further to 155 in 2018/19 and rising sluggishly to 160 in the current 2019/20 financial year, which is the new target in the Department’s APP. It would be appropriate to determine the reason for these fluctuations, whether they are not budget-related. Secondly, it would also suffice to determine the relationship between the annual number of “environmental authorisations” issued and the proposed number of targets, for instance: What proportion of “environmental authorisations” are actually being targeted for inspection by the Department annually?

Rhino poaching, which is part of environmental crimes, which amass between $70 billion and $213 billion per year, is of a major concern to South Africa. Illegal trading in protected wildlife and plants operate parallel to a wide range of legitimate industries. In some instances, such as within China and other Asian countries, the demand for rhino horn or animal parts is cultural, making it difficult to stop. “Many criminal networks are making phenomenal profits from environmental crime. It is a financing machine.”[[10]](#footnote-10) Thus, South Africa needs a well-resourced monitoring and law enforcement capacity to limit the activities of those highly organised criminal syndicates from continuing to pillage the country’s natural heritage resources, especially in terms of rhinos, abalone, cycads and now elephants. It was reported that elephant poaching was on the increase, with 58 elephants poached in the Kruger National Park from 1st January to 31st August 2018.[[11]](#footnote-11)

At 769-recorded rhino fatalities due to poaching in South Africa in 2018, poaching numbers are still high, as per the South African Department of Environmental Affairs’ release of the 2018 poaching numbers this past February. The number shows a decrease of 259, considering that 1 028 rhinos were poached in 2017. However, this positive sign does not mean rhinos are now thriving in the wild. It shows at least *two* rhinos were killed each day in 2018, and if the 2018 trend were to continue for 2019, then a significant number of rhinos could have already been killed this year. Furthermore, the decline in the number of poached rhinos could demonstrate that the ongoing anti-poaching work is having an effect, or it may also demonstrate that with significantly fewer rhinos surviving in the wild, it is getting harder for poachers to locate their prey. Thus, more action is needed to stop the illegal trade and ensure that rhinos have a positive future. This means supporting anti-poaching work as well as good overall management of rhino populations by ensuring high-quality biological management, are paramount.[[12]](#footnote-12) The *Chemicals and Waste Management Programme* is still not in full control of waste management in South Africa as shown by the high number of illegal dumping sites of both general and hazardous waste. This requires Environmental Management Inspectors (Green Scorpions) to effectively monitor and enforce compliance, and hence the need for more budget to be allocated to the *Legal, Authorisation, Compliance and Enforcement Programme*.

* + 1. **Strategic Priorities per Programme for 2019/20**

The Department spent 96 per cent of its allocated budget for the 2017/18 financial year, below the baseline of 99.97 per cent due to delay in clarifying the 2016/17 audit outcome, which in turn hindered transfer payments for Expanded Public Works Programme projects. Improper classification of these transfer payments earned the Department *adverse audit outcomes* in the past two consecutive years (2016/17 & 2017/18). The Department also failed to submit its annual reports for 2015/16 and 2016/17 on time for consideration for the Committee’s BRRRs. Consequently, the Portfolio Committee in the *Fifth Parliament* became increasingly concerned about the Department’s audit comes and intervened by facilitating meetings between the Office of the Accountant-General, National Treasury and the Department with the aim of resolving this matter of poor departmental audit outcomes. It was hoped that the thorough engagements with all concerned parties, especially during the processing of the Department’s last 2017/18 Annual Report had successfully concluded this protracted matter, and the Department is now on a good footing to regain the lost ground and start earning clean audit reports.

**Programme 1: Administration**

The purpose of the *Administration Programme* is to provide leadership, strategic centralised administration and executive support, corporate services and facilitate effective cooperative governance, international relations and environmental education and awareness.

The strategic objectives of this *Programme* for the 2019/20 – 2023/24 period include:

* Enhanced environmental sector performance and profile;
* Facilitate intergovernmental planning, implementation and monitoring with the aim to improve sector performance (local government support);
* Improved stakeholder engagement/participation, education and awareness initiatives (environmental behavioural change);
* A capable and efficient Department by improving departmental service delivery capacity and capabilities through the creation of:
* Secure, harmonious and conducive working environment;
* Adequate, appropriately skilled workforce acutely aware of employment equity requirements needed;
* Equitable and sound corporate governance;
* Efficient and effective information technology systems; and
* Enhanced international cooperation supportive of South Africa’s environmental and sustainable development priorities and resource mobilisation.

The Committee was satisfied with the Department’s APPs presented under the *Administration Programme* as well as by the responses given to the questions raised, especially on what the Departmental was doing to prevent poor audit outcomes from recurring in the 2018/19 financial year. Another question related to whether the *two* per cent target for people living with disabilities could not be increased to ensure that more of the people living with disabilities were employed in the Department. The Department responded that a roadmap was presented to the Portfolio Committee on Environmental Affairs in the *Fifth Parliament* for obtaining and maintaining clean audits, and that the same could be presented to the current Committee. The Minister noted that this matter of clean audit was receiving her personal attention. The Department further stated that the *two* per cent target for people living with disabilities was given to it by the Department of Public Service and Administration.

**Programme 2: Legal, Authorisations, Compliance and Enforcement (LACE)**

The purpose of this *Programme* is to promote the development of an enabling legal regime, licensing and/or authorisation system that promotes enforcement and compliance with relevant environmental legislation. Thestrategic objectives for this *Programme* are to:

* Improve compliance with environmental legislation by ensuring effective compliance and enforcement;
* Coherent and aligned multi-sector regulatory system and decision support across government;
* Manage threats to environmental quality and integrity; and
* Strengthen knowledge, science and policy interface.

The Portfolio Committee raised a question on how did the Department dealt with the mercury recycling company, the Thor Chemicals, which was importing mercury to Durban where there was mercury spillage, affecting a nearby river and community. The second question related to the Durban Harbour where plastic bags and plastic bottles were floating in the harbour, threatening marine life, according to recent media. The Committee requested the Department to assist in reducing the backlog of Environmental Health Practitioners who needed a year of community service to qualify to be Environmental Health Practitioners and register with the HPCSA. The Committee further requested the Department to look at the EHPs Scope of Practice, which would qualify them to be EMIs (Environmental Management Inspectors) in order for them to assist the Department. The Department responded that they were using the Basel Convention to prohibit the importation of mercury waste from other countries. The Department requested the Thor Chemicals to clean the spillage and ensure that mercury gas was kept safe and trapped underground and was being monitored. The Durban Harbour matter was referred to the local municipality to enforce its by-laws. Conversely, the Department promised to look into the issue of the Community Environmental Health Practioners in consultation with the National Department of Health and the HPCSA in order to reduce that backlog.

The Committee also raised a clarity question on whether the Department had been able to establish links between the number of dockets that the Department successfully processed and handed over to the National Prosecuting Authority (NPA) and the success rate of convictions. The Department responded that there were indeed linkages between the number of dockets handed over to the NPA and the success rates of convictions. However, the Department was not only interested in determining those connections, but that the Department was working with the Department of Justice and Correctional Services to determine those success factors, which led to successful convictions. The Department further indicated budgetary constraints as the reason that led to the reduction in the number of dockets successfully processed and handed over to the NPA from the baseline of 50 to 46 in the current period under review.

The final question concerned what the Department was doing in South Durban Petrochemical Industrial Complex where resident and surrounding communities experience severe pollution. The Committee heard that air pollution is a local government competence and as a result, the Department works with the local authorities in eThekwini Metropolitan Municipality to assist them to fully execute their mandate, in terms of local air pollution control in South Durban.

**Programme 3: Oceans and Coasts**

The purpose of the *Oceans and Coasts Programme* is to promote, manage and provide strategic leadership on oceans and coastal conservation. The strategic objectives of this *Programme* for the 2019/20 financial year include:

* Threats to environmental quality and integrity managed;
* Strengthening knowledge, science and policy interface; and
* Ecosystems conserved, managed and sustainably used.

Members of the Committee raised two questions under the *Oceans and Coasts Programme*, especially around the *Ocean Economy* (*Operation Phakisa*), whether there had been sufficient awareness, particularly in rural areas where traditional chiefs hold the view that they own the coastal land and the adjacent sea. The Department responded that there are many state agencies working in concert on the realisation of the Ocean Economy due to the crosscutting nature of this work, and that the Department was working through the South African Maritime Safety Authority (SAMSA) in raising public awareness. The second question relates to the rational for the reduction in the number of peer-reviewed articles from 24 publications in the baseline year to 16 in the 2019/20 financial year. The Department attributed this to the high number of ageing senior researchers who were exiting the system and the slow pace of emerging or novice researchers who take longer to publish a peer-reviewed article relative to well-established researchers. This appears to be a national phenomenon, affecting academic research productivity – it is not limited to the Department.

**Programme 4: Climate Change and Air Quality Management**

The purpose of this *Programme* is to improve air and atmospheric quality, lead and support, inform, monitor and report efficient and effective international, national and significant provincial and local responses to climate change. The South African Weather Service’s mandate contributes to this *Programme*. The strategic objectives of this *Programme* for the 2019/20 financial year include:

* Coherent and aligned multi-sector regulatory system and decision support across government;
* Threats to environmental quality and integrity managed; and
* Minimising negative impacts on health and/or well-being.

*Three* questions were raised in this *Programme*, with the first question seeking clarity on the status of the Chief Executive Officer (CEO) of the South African Weather Service (SAWS), who was on suspension for almost a year now. The Committee was informed of the cumbersome disciplinary processes governing the matter in terms of the SAWS Act. The Committee would like the matter of suspension of the CEO to be concluded to provide certainty in the organisation for all concerned parties, considering the crucial role that SAWS plays both nationally and internationally, especially on the African Continent in terms of safety of international aviation. The second question related to the reasons for the reduction in the number of government-owned air quality monitoring stations that report data to the South African Air Quality Information System (SAAQIS), from the baseline of 120 to 110. The response was that the reduction was to realistically ensure that those 110 air quality monitoring stations would indeed transmit data live to SAAQIS. In fact, the functionality of air quality monitoring stations had been a matter of public concern in air quality priority areas (or the so-called air pollution hotspots). The previous Portfolio Committee on Environmental heard during one of its oversight visits to the Gauteng and Mpumalanga provinces that, of the approximately 145 national monitoring stations, only about 50 per cent were functional and only about 20 per cent consistently produced data of acceptable quality. For example, in the Highveld Priority Area, of the 31 monitoring stations, only *five* consistently produced data of acceptable quality according to the draft mid-term review of the HPA Air Quality Monitoring Plan released for comment in February 2017.

**Programme 5: Biodiversity and Conservation**

The purpose of this *Programme* is to ensure the regulation and management of all biodiversity, heritage and conservation matters in a manner that facilitates sustainable economic growth and development. The South African National Parks, South African National Biodiversity Institute and the iSimangaliso Wetland Park Authority also contribute to this *Programme*. The strategic objectives of this *Programme* include:

* Coherent and aligned multi sector regulatory system and decision support across government;
* Ecosystems conserved, managed and sustainably used;
* Improved access, fair and equitable sharing of benefits; and
* Strengthened knowledge, science and policy interface.

The Committee did not raise any major concern about the APPs presented under the *Biodiversity and Conservation Programme*, except some clarificatory questions, pertaining to how the Department secured the 500-hectare land for planting indigenous trees in the baseline year (2018/19), and how the Department intended obtaining similar size of land for planting indigenous species in the 2019/20 financial year. The Department indicated that communities made the land available for planting indigenous species of economic value and the Department merely assisted them with the planting of relevant indigenous species that could be of bioprospecting value. They expected to do the same in the year under review. Another question related to the type of training that the Department would offer to the 400 biodiversity beneficiaries. The Department stated that it provided training in bioprospecting, business development and how to run biodiversity-based SMME. Those trainings were often long, running for at least two weeks and were offered throughout the country. A suggestion was made to the Department to assist communities in planting marijuana to assist them in deriving economic value out of the use of this valuable resource, considering the legalised use of the *Cannabis species* in South Africa.

Furthermore, the Committee raised a clarity question on whether the Department included Traditional Health Practitioners as they harvested their herbs from the veld, and the possibility that this might affect protected indigenous plants. The Department indicated that they had already considered the matter of traditional use in access to local biodiversity, and fair and equitable sharing of benefits arising from their use.

**Programme 6: Environmental Programmes**

The purpose of this *Programme* is to ensure the implementation of the Expanded Public Works Programme (EPWP) that has important implications for the environment and to conceptualise and implement green economy projects in the environmental sector. The strategic objectives of this *Programme* for the 2019/20 financial year are to:

* Improve socio-economic benefits;
* To ensure that ecosystems are conserved, managed and sustainably used;
* Threats to environmental quality and integrity managed; and
* Enhancement of sector monitoring and evaluation.

Discussion points raised in this *Programme* related to operational matters, such as whether some of the 165 wetlands that the Department intended rehabilitating in 2019/20 were damaged by mining operations; adherence to minimum wage conditions; what the Department was doing in terms of borer beetles; and the reference to ‘full time equivalents’ (FTEs) or ‘work opportunities’, rather than ‘jobs’. The Committee heard that none of the wetlands was damaged by mining nor the Department met the requirements of minimum wage; and that the Department was working with the universities of Rhodes and Pretoria to sign an agreement for them to develop a biological control agent for the borer beetles. The Committee further heard that *Working on Land* and *Working on Ecosystems* would be combined into a single programme, and that the usage of ‘FTEs’ and ‘work opportunities’ was dictated upon by the nature of the programme , i.e., the Expanded Public Works Programme that the Department implements. It is a reporting criterion. The Committee raised a clarity question on ensuring the safety of rural communities from veld fires as they are the most affected. The Department indicated that they train communities on veld fire prevention.

The Committee commended the Department on the Occupational Health Safety Act compliance as it cuts across all their programmes.

**Programme 7: Chemicals and Waste Management**

The purpose of the *Chemicals and Waste Management Programme* is to manage and ensure that chemicals and waste management policies and legislation are implemented and enforced in compliance with the chemicals and waste management authorisations, directives and agreements. The strategic objectives of this *Programme* for the 2019/20 financial year are to:

* Manage threats to environmental quality and integrity;
* Minimise negative impacts on health and wellbeing;
* Coherent and aligned multi-sector regulatory system and decision support across government;
* Enhanced sector monitoring and evaluation; and
* Growth in industries that depend on environmental services.

The Committee raised the issue of waste as a resource as it contributes to the economy, noting that waste separation at source is not implemented in South Africa. Consequently, the country is running out of landfill sites and those available are a health hazard, especially to the waste pickers who are found at landfill sites or collect contaminated waste from household waste bins. The Committee drew attention to Japan’s waste management as one of the best practices, as the Japanese Government subsidised waste recycling companies to collect, separate and recycle waste. Japan has few labelled waste separation bins, but their cities are very clean. As a result, the Committee advised the Department to learn from Japan, which managed to change the behaviour of communities, considering that behavioural change is a huge task. The Department further indicated that there is a “*Draft Guidelines on Separation of Waste at Source*”, and pointed out that some municipalities tried to implement the separation at source, but they have failed because many municipalities do not have the infrastructure to support separation at source. The Department further talked about the serious incident of pollution caused by the Thor Chemicals in the Durban area due to the inability of the company to recycle mercury waste, as it claimed.

The Committee also indicated that government departments are the major producers of waste, particularly e-waste and suggested that the Department should interact with the Department of Public Works and Infrastructure, as they are the custodian of government buildings in order to separate waste at source and recover resources for energy and thus protect the environment. This should include all government departments that are major producers of all types of waste. The Committee raised the issue of e-waste policy that is lacking although it is covered partially in the National Environmental Management: Waste Amendment Act No 26 of 2014. The Committee would also like the resourcing of behavioural change activities/campaigns through health education and awareness programmes. Finally, the Committee indicated that waste management hierarchy should be used to evaluate the implementation of waste minimisation at source through waste separation at source, including the implementation of the 3Rs (Reuse, Recycle & Recover).

1. **Entities reporting to the Department**

The Department presented the high-level strategic goals of the *four* departmental entities (South African Weather Service [saws], iSimangaliso Wetland Park Authority [IWPA], South African National Biodiversity Institute [SANBI] & South African National Parks [SANParks]), but not the APPs of the entities, as they were not invited to appear before the Committee due to time constraints. The Committee was of the view that the APPs and the budget of the *four* entities would be better addressed during the engagements that lead to the compilation of quarterly reports, commencing in the second term of Parliament.

1. **Committee Observations**

Having considered the inputs by the Department, the Committee has made the following observations:

* The Committee notes that the South African environment is a vehicle for agriculture and tourism, which are a core part of our national economic engine. The way in which we respond to the challenges of climate change would influence whether we can continue to export our agricultural produce to our traditional markets up-north without being subjected to *carbon border tax adjustment*. Similarly, the way how we manage our biodiversity and maintain our status as an iconic biodiversity conservation-destination country would define whether we continue to receive increasing numbers of international tourists or not. Therefore, we can no longer afford to allocate only about 0.4 *per cent* of our overall budget to Environmental Affairs, considering the supportive nature of this sector to other economically viable sectors and also the positive impact the environment has on our well-being or health, which is succinctly stated in *Chapter Two*, *section 24(a)* of our Constitution that “*Everyone has the right to an environment that is not harmful to their health or wellbeing*.” The need to protect the environment is further amplified by *section 42(b)*, from where the Department of environment, Forestry and Fisheries drew it mandate. The need to appropriate more funds to the environmental sector than the *0.4 per cent* has already been supported by our Constitution.
* The Committee appreciated the information presented by the Department on its budget allocations and annual performance plans, particularly the linkages between its strategic goals with our development blue-print, the National Development Plan Vision 2030;
* The Committee noted the *adverse audit opinion* for the 2017/18 financial year and what was being done to improve the audit outcome to an unqualified one. The Committee appreciated the turn-around strategy currently formulated by the Department to comply with the required Modified Cash Standards;
* The Committee expressed concern regarding the delays in the transfer of Forestry and Fisheries functions to the Department that would only occur in October 2019. This meant that the Committee could not interface with forestry and fisheries matters, but further noted that this responsibility falls outside the scope of the work of the Minister and hence the Department;
* The Committee appreciated the work that the Department is doing with the Local Government sphere, in terms of capacity development to effectively execute their environmental mandate;
* The Committee also noted the *two* per cent target of employment of people living with disabilities, which the Committee felt should be increased;
* The Committee noted that the Department is unable to holistically tackle the multidisciplinary and intersectoral nature of sustainable development on its own and considers it imperative for DEFF to submit a request to Cabinet for the establishment of a Presidential Council on Sustainable Development;
* The Committee also noted the backlog of the Community Environmental Health Practioners and wanted to know how the Department could assist these young graduates with internship programmes;
* The Committee noted the lack of awareness campaigns regarding the *Oceans Economy*, particularly for rural communities and lack of relevant information around who was in charge of the coast; and
* The Committee expressed concerns about why communities around the Tsitsikamma MPA were still being denied the fishing rights and access to the sea via the Eesterivier.

1. **Committee Recommendations**

Having considered the strategic plan of DEA, its annual performance plans and budget allocations, the Committee considered them realistic and achievable despite budgetary constraints. The Committee was also acutely aware of the capability of the Department to prudently use the allocations made to it to fully implement its strategic plan, annual performance plans, indicators and targets that it set for itself, as shown by the Department’s ability to consistently spend at least 96 per cent of its budget in the past successive financial years. Notwithstanding, the Committee recommends as follows:

* The current state of the South African environment shows a need to increase funding to at least 1.0 *per cent* of the overall government expenditure annually for the obvious reasons that climate change is altering the structure and function of our natural ecosystems; environmental crimes threaten to undermine South Africa’s conservation gains; land degradation is damaging soil, waterways and biodiversity; coal mining putting increasing pressure on nature; invasive species continue to pose a significant threat to biodiversity, *inter alia*.
* The Department should present its *turn-around strategy* on the implementation of the Modified Cash Standards in order to obtain a clean audit by the end of the 2018/19 financial year in the next quarter;
* The Department should make a detailed presentation on the status of air quality in South Africa in the next quarter;
* The Department is encouraged to look at Japan’s waste model, which focuses primarily at waste separation at source. Where possible, the Department should facilitate interaction between our government departments, municipalities and their Japanese counterparts in the area of waste management to gain useful insight and perspectives.
* The Department is encouraged to set achievable indicator to implement *Operation Phakisa on Waste* to reduce waste landfill sites through waste management hierarchy and National Waste Management Strategy.
* The Department should present a roadmap for effectively dealing with the Asbestos Waste Disposal, with realistic timetables.
* The Department, in collaboration with the departments of Health and Cooperative Governance and Traditional Affairs, is encouraged to look into the scope of the work Environmental Health Practitioners to reduce the backlog of Environmental Health Practioners and create employment for these young graduates.
* The Committee would like to be briefed on the progress of the suspension and disciplinary action against the CEO of SAWS, as the Committee would like this issue to be concluded within three months.
* The Committee would like a comprehensive presentation on the state of air quality in Air Quality Priority Areas, including the efficacy of air quality monitoring stations.
* The Department should prioritise the *Ocean and Coasts Programme* in terms of funding, considering the proven and potential value of our seascape and embedded resources.
* The Annual Performance Plans and the Budget of the entities should be presented to the Committee in the second quarter to enable the Committee to undertake proactive oversight of these entities.

The Portfolio Committee on Environmental Affairs recommends to the House to adopt the Department of Environmental Affairs’ Budget Vote 27 allocation for the 2019/20 financial year, with the allocation of ***R7.529 billion***.

**Report to be considered**

1. Department of Environmental Affairs (2019) Department of Environmental Affairs Strategic Plan 2019/20 — 2023/24. Department of Environmental Affairs, Pretoria. [↑](#footnote-ref-1)
2. Ibid [↑](#footnote-ref-2)
3. National Treasury (2015) *Estimates of National Expenditure.* National Treasury, Pretoria. [↑](#footnote-ref-3)
4. OECD (2017) Government at a Glance 2017*.* Structure of general government expenditures by function 2015 Excel file. OECD, Paris. [↑](#footnote-ref-4)
5. Statistics South Africa (2016) Government spending: how much goes to environmental protection? Statistics South Africa, Pretoria. [↑](#footnote-ref-5)
6. National Treasury (2019) *Estimates of National Expenditure.* National Treasury, Pretoria. [↑](#footnote-ref-6)
7. Ibid. [↑](#footnote-ref-7)
8. Rudd, M.A., (2014) Scientists’ perspectives on global ocean research priorities. *Frontiers in Marine Science*, 1(36): 1-20. [↑](#footnote-ref-8)
9. In terms of *section 1* of NEMA, an environmental authorisation is defined as “the authorisation by a competent authority of a listed activity or specified activity in terms of this Act, and includes a similar authorisation contemplated in a Specific Environmental Management Act”. [↑](#footnote-ref-9)
10. United Nations Environment Programme (2014) UN Report: Environmental Crime a Multi-Billion Dollar Industry [Internet]. Available from <<http://www.planetexperts.com/un-report-environmental-crime-multi-billion-dollar-industry/>> (Accessed on 30th June 2019). [↑](#footnote-ref-10)
11. Department of Environmental Affairs (2018) Department of Environmental Affairs highlights progress on the implementation of the Integrated Strategic Management of Rhinoceros [↑](#footnote-ref-11)
12. Save the Rhino (2019) Rhino info [Internet]. Available from <<https://www.savetherhino.org/rhino-info/poaching-stats/>> (Accessed on 30th June 2019). [↑](#footnote-ref-12)