

## **PORTFOLIO COMMITTEE ON HOME AFFAIRS BUDGETARY REVIEW AND RECOMMENDATION REPORT- 2020/21 FINANCIAL YEAR, DATED 24 NOVEMBER 2020**

### **1. INTRODUCTION**

As specified by section 5 of the Money Bills Amendment Procedures and Related Matters Act (MBAP) of 2009, the National Assembly, through its Committees, must annually assess the performance of each national department. A Committee must submit the Budgetary Review and Recommendation Report (BRRR) annually to the National Assembly which assesses the effectiveness and efficiency of the department's use and forward allocation of available resources and may include the recommendations on the use of resources in the medium term. In this regard, the Portfolio Committee on Home Affairs (the Committee) oversees the Budget and Performance of the Department of Home Affairs (DHA), the Government Printing Works (GPW) and Electoral Commission (IEC).

The DHA strategic planning process for 2020/21 was finalised prior to the declaration of a national state of disaster on 15 March 2020 with the subsequent COVID lockdown with effect from 26 March 2020. The Committee thus only received briefings by the DHA, IEC and GPW on the budgets and plans in May 2020 and on COVID 19 adjusted budgets in July along with the quarterly performance reporting up until the end of the first quarter of 2020/21 given related delays.

Although the DHA Strategic Plan (2020 to 2025) and Annual Performance Plan (2020/21) were tabled in Parliament on 12 March 2020 as per directive of the Leader of Government Business. On the 23rd of April 2020 the President announced that a risk adjusted strategy would be implemented through which government would take a deliberate and cautious approach to the easing of the lockdown restrictions and reiterated that the action to be taken must be measured and incremental.

The Department of Planning, Monitoring and Evaluation (DPME) issued a communique on 6 May 2020 indicating that the impact of the COVID-19 national state of disaster and the nation-wide lockdown has necessitated the alignment of government planning and non-financial performance reporting processes. In alignment with the 2020/21 adjustment budget process, national institutions would be expected to revise and re-table the 2020/21 Annual Performance Plan and 2020-25 Strategic Plans. This was done by the DHA on 8 July 2020. The Committee was briefed on these plans on 23 October.

Subsequently, the Minister of Finance, issued a Notice in the Government Gazette of 31 March 2020 (No 437), in terms of Section 92 of the Public Finance Management Act (PFMA) which, inter alia, exempts Executive Authorities from tabling the annual reports and financial statements of the respective departments and institutions within six-months after the end of the financial year, as set out in the PFMA. These documents are usually tabled by the end of September.

Instead, the Notice stated that the Executive Authorities must table these documents within two months after the normal deadline i.e. by the end of November owing to the lockdown imposed to curb the Covid-19 pandemic. This extension has had an effect on the work and programme of the Assembly, especially the consideration of the Budget Review and Recommendation Reports (BRRRs) and Medium-Term Budget Policy Statement (MTBPS). The Money Act requires that these assessments must, inter alia, make reference to departmental annual reports and financial statements. These assessments are usually conducted in early

October. In terms of the MTBPS, the Money Act also states that BRRR's must be submitted to the<sup>6</sup> House and, if adopted, conveyed to the responsible minister prior to the adoption of the reports on the MTBPS. The Minister of Finance tabled the MTBPS on 28 October.

The Speaker wrote to the Leader of Government Business (LOGB) and the Minister of Finance in which she asked that annual reports be tabled as soon as possible, and that departments must ensure that Members have the required information to interrogate departmental performance. In response, the LOGB requested Ministers to prioritize the tabling of annual reports, preferably before 16 November. The DHA and GPW in correspondence to the Speaker of Parliament on 10 October indicated that such reports would only likely be tabled at the end of November given delays in the auditing of foreign missions due to international COVID restrictions. Correspondence was not received from the IEC on why it did not submit its Annual report by the revised deadline.

The Committees was thus also affected by the late submission of annual reports and finalised this report without the inclusion of annual reports on 24 November. Once the BRRRs have been tabled, the House will then consider the reports for consideration in later budget processes.

### **The Portfolio Committee on Home Affairs**

In line with the core objectives of Parliament, the mandate of the Committee is to consider and pass legislation; oversee and scrutinise executive action; facilitate international participation; and facilitate co- operative government and facilitate public participation and involvement. On the basis of the oversight and legislative encounters of the Committee from the end of 2019, the 2020 State of the Nation Address and within the broader National Development Plan 2030; key issues in the DHA, IEC and GPW are put forward by the Committee:

#### **The Report of the Committee is based primarily on the following activities:**

- ☐ 29 Committee Meetings and deliberations since the last BRRR which includes briefings by the national and provincial DHA, the IEC and GPW. In addition, the committee met with the Department of Public Works, National Treasury, Department of Communications, the State Information Technology Agency, Fireblade Aviation and various Migrant Stakeholders.
- ☐ Briefing and submissions by several public and private stakeholders and related consideration on four pieces of legislation/draft legislation.
- ☐ Scrutinising Strategic and Annual Performance Plans, the State of the Nation Addresses, policy documents, Estimates and revised estimates of National Expenditure, Medium Term Expenditure and budget and revised allocations, as well as other external briefings and reports.
- ☐ Conducting 2 oversight visits to Gauteng and one joint oversight visit to the border line between Limpopo and Zimbabwe near Beit Bridge border posts.
- ☐ Committee Members' engagement in their constituencies and electronically.

### **The Department of Home Affairs**

The mission of the DHA is to ensure the efficient determination and safeguarding of the identity and status of citizens and regulation of migration to ensure security as well as to promote and fulfil South Africa's international obligations. This mandate is administered through the following three overarching budget programmes:

**Programme 1 - Administration:** The programme provides leadership, management and support services to the Department of Home Affairs.

**Programme 2 – Citizen Affairs:** The programme provides secure, efficient and accessible services<sup>7</sup> and documents for citizens and lawful residents. This programme's budget also includes the transfers to the IEC and GPW.

**Programme 3 - Immigration Affairs:** The programme facilitates and regulates the secure movement of people into and out of the Republic of South Africa through ports of entry; determines the status of asylum seekers and regulates refugee affairs. It also confirms and provides enabling documents to foreign visitors legally residing within the Republic of South Africa and enforces immigration legislation and effects deportations.

## 2. THE DEPARTMENT'S STRATEGIC PRIORITIES AND MEASURABLE OBJECTIVES

### Progress on the 2014 to 2019 MTSF

The DHA reported achieving 4 of the 8 targets set for (50%) the last 5 year strategic period. Table 1: Progress by the DHA for the 2014 to 2019 MTSF period was reported as follows

MTSF Commitment 2014 to 2019	Progress	Challenges
Establishing and putting into operation the Border Management Authority by 2017/18		<ul style="list-style-type: none"> <li>A major dependency for the establishment and operationalization of the BMA was the passing of legislation, which is linked to funding.</li> <li>It is anticipated that the BMA Bill will be finalized by Parliament by early 2020.</li> </ul>
Phased implementation of the Integrated Border Management Strategy (IBMS) in conjunction with other departments and organs of state		Achieved
Review of the policy on international migration and the amendment of relevant legislation in support thereof (Immigration and Refugees Acts)		<ul style="list-style-type: none"> <li>Delays were experienced with the Socio-economic Impact Assessment System (SEIAS).</li> <li>SEIAS is an essential prerequisite to the next phases for the drafting of the Immigration Bill, and its subsequent consultation process with the identified clusters.</li> </ul>
Registration of 810 000 or 74% of births within 30 calendar days		Achieved
The rollout of biometrics to all ports of entry equipped with the enhanced movement control system (EMCS)		<ul style="list-style-type: none"> <li>The interim biometric solution was rolled out to 10 ports of entry and selected counters at Cape Town harbour.</li> <li>Capacity limitations within the Information Services Branch.</li> <li>Connectivity challenges at 38 ports of entry.</li> <li>The further rollout was positioned against the priority of piloting the newly developed full biometric solution in the 2018/19 financial year.</li> </ul>
Ensuring that 85% of critical skills visas are adjudicated within 4 weeks		Achieved
Developing the National Identity System (NIS) by 2018/19 and having it operational by 2019/20		<ul style="list-style-type: none"> <li>The delay with the NIS was mainly due to complexities around the supply chain management processes in the appointment of a preferred service provider.</li> </ul>

MTSF Commitment 2014 to 2019	Progress	Challenges	8
		<ul style="list-style-type: none"> <li>• Dependency on service providers and a lack of internal IT capacity.</li> </ul>	
The establishment of the DHA contact centre and two visa premium centres were achieved in the 2015/16 and 2016/17 financial years respectively		Achieved	

Table 2: Progress by the DHA against 5 Year Strategic Objectives for 2014 to 2019

Strategic Objective	5 Year Target	Progress
An integrated and digitized National Identity System (NIS) that is secure and contains biometric details of every person recorded on the system	NIS operational by 2019/20 (as per MTSF)	<ul style="list-style-type: none"> <li>• This target was not achieved due to:</li> <li>• Supply Chain Management challenges in the appointment of a preferred service provider.</li> <li>• Dependency on service providers and lack of adequate IS capacity in DHA.</li> </ul>
Ensure that systems are in place to enable the capturing of biometric data of all travellers who enter or exit SA legally	100% of all designated ports of entry equipped with interim biometric systems capable of processing travellers (at ports of entry equipped with EMCS) by 2018/19 (as per MTSF)	<ul style="list-style-type: none"> <li>• The target was not achieved.</li> <li>• Capacity limitations within the Information Services Branch.</li> <li>• Connectivity challenges at 38 ports of entry.</li> <li>• The further rollout was positioned against the priority of piloting the newly developed full biometric solution in the 2018/19 financial year.</li> </ul>
Movement of persons in and out of the country managed according to a risk-based approach	SA's borders effectively defended, protected, secured and well-managed through: <ul style="list-style-type: none"> <li>• Policy and legislation development (Immigration and Refugees Bills submitted to Parliament for approval by 2018/19 as per MTSF, BMA legislation finalized)</li> <li>• Policy implementation (Integrated Border Management Strategy implemented as per APP, 2 Borderline surveys conducted, 400 Law enforcement operations/inspections conducted, 25 ports of entry and refugee reception infrastructure improvement)</li> </ul>	The achievement of the target is dependent on the establishment of the BMA and the development of legislation to give effect to the White Paper on International Migration
Enabling documents issued to foreigners efficiently and securely	Full compliance with service standards set for enabling documents issued to foreigners (permanent residence applications – specific sections, business and general work visas and critical skills visas) by 2019/20 <ul style="list-style-type: none"> <li>• 85% for Permanent Residence Permits</li> <li>• 90% for Business and General Work Visas</li> </ul>	The target was achieved up to the 2018/19 financial year. The DHA is on track for achieving the 2019/20 targets

Strategic Objective	5 Year Target	Progress 9
	<ul style="list-style-type: none"> <li>85% for Critical Skills Visas</li> </ul>	
Refugees and asylum seekers are managed and documented efficiently	Establishment of public-private partnership process complied with (Request for Proposal submitted to National Treasury for approval)	The target was discontinued in the 2018/19 financial year pending agreement on a viable funding model in conjunction with National Treasury
Eligible citizens are issued with enabling documents relating to identity and status	Enabling documents issued to 100% of identified citizens (births registered within 30 calendar days and smart ID cards issued to a projected 3 810 000 citizens)	The target was achieved up to the 2018/19 financial year
	Full compliance with service standards set for enabling documents issued to citizens for adult passports (new live capture system) by 2019/20	The target was achieved up to the 2018/19 financial year. The DHA is on track to achieve the 2019/20 target
Secure, effective, efficient and accessible service delivery to citizens and immigrants	A professional DHA cadre established through training of nominated staff in relevant initiatives to transform the DHA into a highly secure and modern department (100% of nominated staff trained)	The target was achieved up to the 2018/19 financial year
	DHA repositioned as a modern, secure and professional department by 2019/20 (fifth phase)	The target was achieved up to the 2018/19 financial year
Ethical conduct and a zero-tolerance approach to crime, fraud and corruption	Counter Corruption Strategy of DHA implemented in respect of Prevention, Detection, Investigations and Resolution by 2019/20 (100% of identified interventions implemented as outlined in the APP)	The target was achieved up to the 2018/19 financial year
Good governance and administration	No audit qualification by 2019/20	The achievement of the target is subject to the audit outcome for 2019/20. Unqualified outcomes were recorded for the last three financial years. At the time of this report the audits for 2019/20 were still outstanding.
Collaboration with stakeholders in support of enhanced service delivery and core business objectives	Communication Strategy implemented in respect of Corporate Communication Services, Media Relations and Public Awareness Engagement	The target was achieved up to the 2018/19 financial year

### Strategic Plan Outcome Targets 2020 to 2025

In support of achieving the strategic objectives of the DHA, government priorities and the NDP, the DHA identified the following MTSF commitments for delivery by the end of 2025:

Outcome	Indicator	Baseline 31 March 2020	5 Year Target (2025)	Responsible
Secure management of international migration resulting in South Africa's interests being served & fulfilling international commitments	Risk-based & strategic immigration approach implemented against predetermined measures that ensure sovereignty, national security, public safety, stability & development	BMA legislation enacted.	BMA incrementally rolled out as per the BMA Roadmap 2032 to: <ul style="list-style-type: none"> <li>• 36 ports of entry</li> <li>• 10 segments of the land borderline &amp; 2 community crossing points</li> </ul>	Border Management Authority (BMA)
		Transaction Advisor appointed for the redevelopment of 6 priority land ports of entry.	Construction & redevelopment of six land ports of entry as one-stop border posts completed by 2025.	BMA
		<ul style="list-style-type: none"> <li>• BMCS piloted at 2 additional ports of entry</li> <li>• Draft Immigration Bill (including amendments to the Refugees Act) submitted to Minister for approval</li> <li>• 160 law enforcement operations/ inspections conducted to ensure compliance with immigration &amp; DHA legislation.</li> </ul>	A risk-based & strategic approach to immigration implemented in respect of: <ul style="list-style-type: none"> <li>• Legislation implemented to support the White paper on International Migration</li> <li>• Secure entry, documented stay &amp; departure of persons through the rollout of biometric functionality &amp; law enforcement operations.</li> </ul>	(Immigration Services & Information System (IMS / IS)
Secure management of international migration resulting in South Africa's interests being served & fulfilling international commitments	Risk-based & strategic issuing of visas & permits against predefined, percentage-based targets to grow the economy by 2024/25	100% compliance with set service standards for: <ul style="list-style-type: none"> <li>• Permanent residence permits</li> <li>• Business &amp; general work visas</li> <li>• Critical skill visas</li> </ul>	100% compliance with set service standards for risk-based & strategic issuance of visas & permits to grow the economy by 2024/25 as outlined in the annual performance plans for: <ul style="list-style-type: none"> <li>• Permanent residence permits</li> <li>• Business &amp; general work visas</li> <li>• Critical skill visas</li> </ul>	IMS
	Risk-based & strategic visa system implemented	The pilot of e-Visa (Phase 1 - temporary residence visa for tourist module) in 6 missions	E-Visa rolled out to all selected countries (106) by 2025	IS

Outcome	Indicator	Baseline 31 March 2020	5 Year Target (2025)	Responsible
Secure & efficient management of citizenship & civic registration to fulfil constitutional & international obligations	Percentage of identified citizens & holders of PR permits to which enabling documents are issued by 2024/25.	100% (3 810 000 - Smart ID cards)	Enabling documents issued to 100% of identified citizens (including naturalized citizens) & holders of permanent residence permits (births registered within 30 calendar days & smart ID cards issued to a projected 19 050 000 by 2025).	Civic Services (CS)
	Legislation in operation in respect of the new Marriage Act	Green Paper on the recognition of marriages submitted to the Minister for approval.	New Marriage Act implemented to regulate all marriages.	Infrastructure Planning & Support (IPS)
	Percentage of compliance with service standards set for adult passports issued (new live capture system) by 2024/25.	100% compliance with set service standard	100%	CS
Efficient asylum seeker & refugee system in compliance with domestic & international obligations.	Effective & efficient recording & monitoring of asylum seekers & refugees.	New PI	Asylum Seeker & Refugee System implemented	IS
Secure population register to empower citizens, enable inclusivity, economic development & national security.	National Identity System (NIS) operational as per requirements.	Specifications for NIS approved by DG.	NIS is operational by 2025.	IS
	Legislation in operation to regulate the collection, storage, accessing & processing of personal information.	Official Identity Management Policy submitted to Cabinet for public consultation	Population Register Act implemented to regulate the collection, storage, accessing & processing of personal information	IPS
DHA positioned to contribute positively to a capable & developmental state.	Measures implemented to reflect a repositioned DHA that contributes positively to a capable & developmental state.	White Paper on Home Affairs approved by Cabinet for implementation in December 2019.  A final draft of the DHA Bill submitted to Cabinet for approval for public consultation.	DHA Act implemented to effect the repositioning of the department as a secure & modern department.	IPS

Outcome	Indicator	Baseline 31 March 2020	5 Year Target (2025)	Responsible <sup>1,2</sup>
		New PI	Service Delivery Model implemented in line with repositioned DHA.	IPS
		DHA Access model approved by MMM	DHA Access Model implemented in support of the repositioning of the DHA.	IPS
		Communication Strategy implemented as per the communication plan.	Communication Strategy implemented as per the communication plan.	IPS
		Counter corruption strategy implemented as per set targets	Counter Corruption Strategy for DHA implemented in terms of initiatives outlined in Annual Performance Plans.	Counter Corruption & Security Service (CCSS)

### DHA Covid 19 Adjusted Strategic and Annual Plan for 2020-2025

The revision of the DHA planning instruments takes the form of an Addendum as per the Revised Framework for Strategic Plans and Annual Performance Plans (DPME, 2019) and supported by the DPME during the National Planning Forum held with departments and entities on 29 June 2020. The revised Strategic Plan and Annual report of the DHA was reported to the Committee on 23 October 2020 as follows:

The addendum must be read in conjunction with the approved Strategic Plan 2020/25 and Annual Performance Plan 2020/21 as the overall strategic direction and priorities for the DHA remains the same. The Addendum reflects changes in the following areas:

- Relevant legislative and policy mandates, including the DHA contribution to the National Strategic Plan on Gender-Based Violence and Femicide 2020 - 2030.
- Situational analysis.
- The 5-year strategic plan targets (2020 to 2025).
- Annual Performance Plan (APP) targets for the 2020/21 financial year.

	SP 2020/25 (5 Year)	APP (2020/21)
No of targets	16	28
No of Targets Unchanged (Annual for APP)	14	5
No of Targets changed (Annual for APP)	2 (Change to the number of enabling documents to be issued over 5 years for Civic Services; and a change to the 5 year target dealing with the Population Register Act – this act will be incorporated into the Civil	19



	Registration and Citizenship Act)	13
Targets discontinued / relegated to lower level	-	2
New targets	-	4

In addition to the DPME recommendations for review, the following was considered in the review process:

- The reduction of the DHA baseline by R562 million for 2020/21.
- Manpower and resource considerations (reduction) in offices as well as limited services to be rendered during the various lockdown levels, e.g. the staff compliment available for each of the lockdown levels per office / business unit, number of staff with comorbidities, number of staff older than 60 years, etc).
- COVID-19 implications in respect of client and staff management to set meaningful and realistic targets, e.g. social distancing measures inside and outside of offices, the potential reduction in number of clients visiting offices, processing capacity of each office, potential closure of offices due to COVID-19 infections, etc.
- The impact of the lockdown in respect of the delay in reopening of the economy, schools, stakeholders and partners in DHA service delivery (e.g. VFS offices in South Africa and abroad).
- The emerging of new priorities, e.g. developing a new policy on Nationality (Citizenship), International Migration and Refugee Protection and the impact of the establishment of the Border Management Authority (BMA) on the DHA and other affected departments.
- Long term impact of the “new normal” on the DHA Repositioning Programme in respect of service delivery, operating and organisational models as well as work practices in general.
- The implementation of post COVID-19 cluster recovery plans to support economic growth, ensure the integrity of the state and the protection of the poor and vulnerable.
- The drafting and implementation of the revised and re-tabled plans will be subjected to auditing prescripts by the Auditor-General of South Africa (AGSA) and public oversight structures.
- Possible risks relating to the interruption of service delivery, for example the closure of DHA offices due to COVID-19, reverting back to previous lockdown levels, and therefore on the setting of targets.

#### **The Department’s Contribution to the National Development Plan (NDP)**

The major focus of the NDP remains the same from previous years given the long term, 2030, scope of the NDP and is to confront the triple challenge of poverty, inequality and unemployment by achieving higher growth rates. The DHA contributes the following to the NDP:

- Facilitating the acquisition of the critical skills so as to facilitate the building of a capable state.
- Playing a role in enabling regional development by working with SADC countries to improve the efficient, secure and managed movements of people.
- Providing citizens with identity documents that give them access to rights and services.
- Through the modernization programme, seeking to reduce fraud and the cost of doing business.

### **3. 2020/21 ANNUAL PERFORMANCE PLAN (APP) AND BUDGET OF THE DHA**

#### **Annual Performance Plan**

As indicated, the DHA, IEC and GPW presented on their progress against strategic priorities for the 2014-2019 MTSF, an overview of proposed targets for the next 2020-2025 MTSF, planned objectives and targets for the 2020/21 APP in early May 2020 based on the Budget presented to the Committee in early March 2020. The 2019/20 financial year was the last year of the 2014 to 2019 Medium Term Strategic Framework cycle – with the DHA only meeting half of its 8 MTSF commitments. Specific focus

and attention should thus be placed on the identified strategic challenges and implementation of strategic responses to mitigate the impact of unachieved targets as well as improvement in organisational and financial planning and performance.<sup>14</sup>

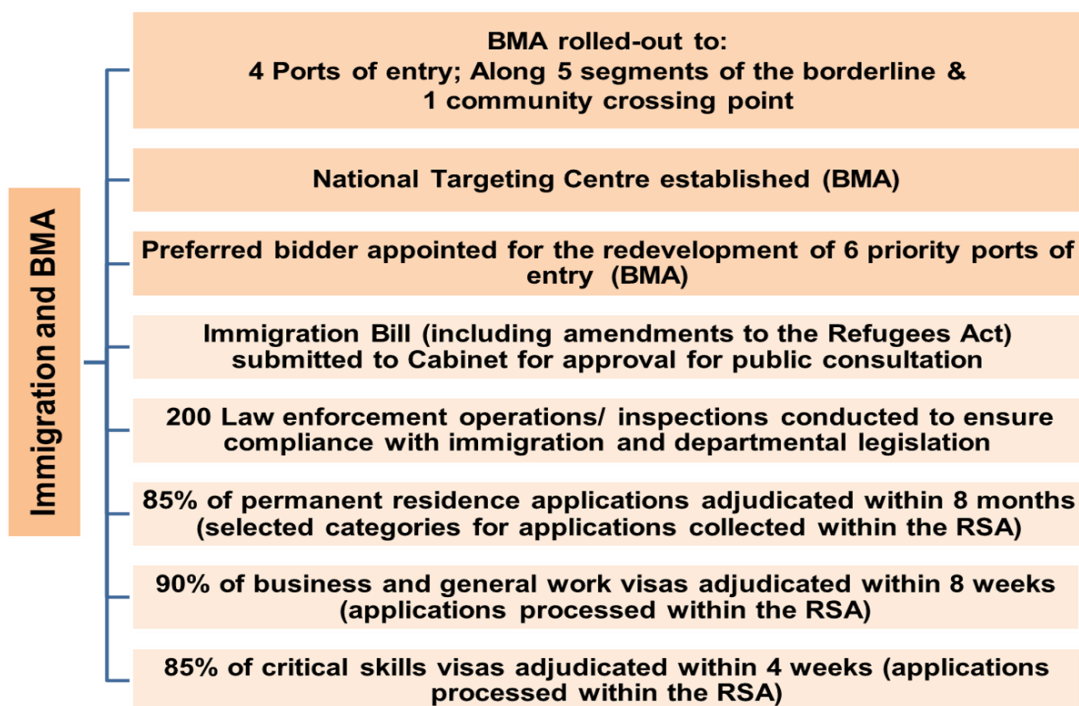
The mandate of the DHA is derived from the Constitution and various acts of Parliament and policy documents. The vision, mission, mandate and values of the DHA, remain consistent with previous years as well as proposed targets for the next 2020 to 2025 MTSF.

Subsequent to the Covid 19 related lockdown; adjustments to the Budget, Strategic and Annual Plans were tabled by the DHA, IEC and GPW in July and October 2020. A summary of the initial plans across the three branches/budget programmes of the DHA as well as the followed Covid related amendments are presented below:

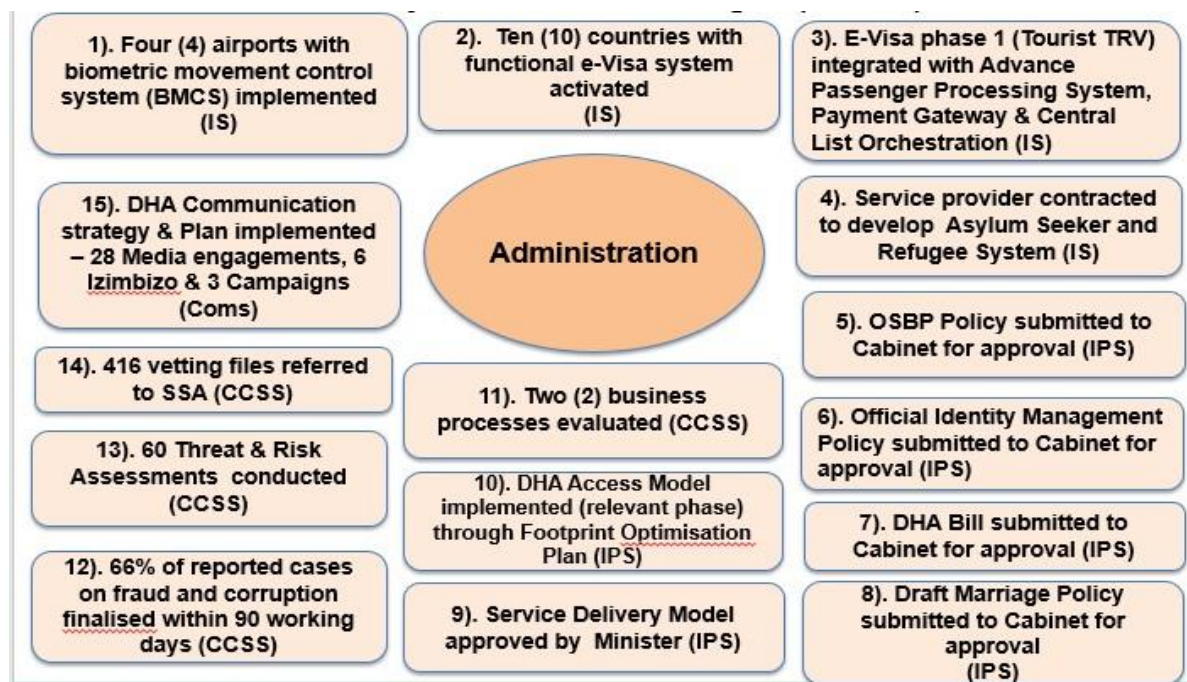
#### Civic Services (CS) Annual Performance Plan (APP) Targets 2020 to 2021

<b>Early Birth Registration</b>	• 810 000 births registered within 30 calendar days
<b>Smart ID Cards</b>	3 million smart ID cards issued to citizens (including naturalised and holder of permanent residence permits) 16 years of age and above
<b>Adult Passports</b>	• 90% of machine readable passports (new live capture system) for adults issued within 13 working days for applications completed and processed within the RSA

#### Summary of BMA and Immigration Services Annual Performance Plan (APP) Targets 2020/21.



### 3.1.3 Summary of Administration Annual Performance Plan (APP) Targets 2020 to 2021<sup>15</sup>



#### Covid Adjusted 2020/21 Annual Performance Plan

The DHA was severely impacted on by the introduction of the risk adjusted strategy. The various lockdown levels are characterised by:

- The provision of limited DHA services at each of the levels
- A reduced staff compliment in front and back offices and
- Uncertainty regarding the duration (commencement and ending) of the various lockdown levels.

The DHA was not able to register new births, issue smart ID cards or green barcoded identity documents during level 5. Birth registration commenced only in May 2020. Immigration Services were also negatively impacted on by the risk adjusted strategy in respect of the lack of / reduction in receipt of applications for visas and permits and the reduced processing capacity for the adjudication of various categories of visas / permits. The asylum seeker management environment was not operational during the lockdown.

The revision of the civic and immigration service targets is accompanied by a high level of risk such as the possibility of the country or sections of the country returning to previous lockdown levels, a second or even further spikes in the infection rate and the possible closure of a significant number of offices due to the prevalence of COVID-19.

The planning review process was conducted with the following considerations:

- Lockdown regulations stating imperative rules to support social distancing.
- Specific services to be rendered during each of the lockdown levels.
- Capacity levels during various stages of the lockdowns (front office and back office).
- Compliance to performance information standards and for audit purposes.
- Stakeholder dependencies and how the services they render will impact on DHA services during COVID-19 (e.g. Government Printing Works for the printing of passports, SKYNET for the transportation of enabling documents, the banking sector for the intake of passport and smart ID card applications and VFS Global).

- Reduction in the DHA budgetary baseline.
- Risks and the possible negative impact thereof on service delivery.

The review process was made difficult due to the uncertain and fluid environment as well as numerous risks to be considered. The country moved in a quarter from level 5 to level 4 and then to level 3 and each level presented different conditions with different rules and regulations which directly impacted on DHA products and services. The focus of the annual performance plan review is on the 2020/21 financial year, starting from Quarter 2. The performance for quarter 1 of 2020/21, where applicable, was used as a baseline in reviewing the targets. The review of the outer year targets will be dealt with through the strategic planning cycle for the 2021/22 financial year and the annual performance plan to be tabled in March 2021. The assumption is that the DHA may be able to render its full suite of services with effect from 1 April 2021.

The DHA Exco and management were of the view that the best approach to deal with the revision of plans in an uncertain, complex and fluid environment was to adopt a “scenario approach” for the remainder of the 2020/21 financial year. The exercise was challenging especially for Civic and Immigration Service targets dealing with turnaround times and quantity (numbers) due to measures introduced to deal with the COVID- 19 pandemic.

Branch	No of Targets (APP)	No of Annual Targets Changed	No of Annual Targets Unchanged	No of Annual Targets Discontinued / Placed in DHA Annual Operational Plan	New Targets
IMS	6	3	1	1 - Immigration Bill (including amendments to the Refugees Act) submitted to Cabinet for approval for public consultation” (Replaced by a Policy Discussion Paper on International Migration and Refugee Protection)	2 (Policy Discussion Papers on International Migration and Refugee Protection)
BMA	4	3	1	0	0
CS	6	4	0	0	2 (Policy Discussion Papers on Citizenship and Civil Registration)
IPS	5	4	1	0	0
IS	3	2	1	1 - (e-Visa rollout to 10 countries) Placed in the DHA Annual Operational Plan due to restrictions on travel for installation of the system (backend activities), conducting of change management and ensuring that the system is functional in missions	0

CCSS	4	3	1	0	0	17
Total	28	19	5	2	4	

#### Lockdown Level 5:

During lockdown level 5 the DHA was allowed to deliver limited civic services as published in the Government Gazette together with directions on temporary measures in respect of entry into or exit from of the Republic to prevent and combat the spread of COVID -19. Normal visa or permitting services were not rendered. Civic services rendered were:

- Registration of deaths at local Home Affairs' offices.
- Issuing of Temporary Identity Certificates (TICs) at local Home Affairs' offices. Those who had lost or misplaced their IDs/ smart cards had to apply for the TICs in this period as applications for IDs / smart cards were not accepted.
- Reissuing of birth and death certificates for those who may have misplaced or lost their documents.

The civic services rendered during level 5 do not form part of the normal annual performance plan targets as these services are delivered on the same day (on the spot delivery / issuance).

#### Lockdown Level 4:

During lockdown level 4 the DHA was allowed to deliver limited civic services as published in the Government Gazette. It also included temporary measures in respect of entry into or exit from of the Republic for emergency medical attention for life threatening conditions, for the return of South African citizens and the repatriation of foreign nationals to their countries of nationality or residence in order to prevent and combat the spread of COVID -19. Normal visa or permitting services were not rendered under level 4.

Civic services rendered were:

- Registration of births, excluding late registration of birth. Children not registered due to the level 5 national lockdown were to be registered at local Home Affairs offices. No late registration of birth was done during alert level 4 of the national state of disaster. However, children who were born between 26 February 2020 and 3 May 2020 were deemed not to fall in the category of late registration of birth. Children born from 4 May 2020 had to be registered within the mandatory 30 days of birth.
- Registration of deaths at local Home Affairs' offices as was the case during level 5 of the national state of disaster.
- Issuing of Temporary Identity Certificates (TICs) at local Home Affairs' offices. Those who had lost or misplaced their IDs/ smart cards had to apply for the TICs in this period as applications for IDs / smart cards were not accepted.
- Collection of smart ID cards and green barcoded ID books. New applications were not accepted.
- Reissuing of birth and death certificates for those who may have misplaced or lost their documents.
- Passport services only to persons who were engaged in the delivery of essential goods across SA borders and for those who travelled outside of the Republic for medical services.
- During level 4 the registration of births was allowed with effect from 1 May 2020.

The Civics branch included three targets in the approved APP for 2020/21, i.e. smart ID cards, early birth registration and passport issuance (adults).

- Smart cards and passport targets are significantly dependent on the input process to be able to achieve the set targets which are output based. In order to issue smart cards and passports, the front offices must



be able to function with full establishments, stable systems and automated features such as capturing online biometrics to issue smart cards and passports.

- Birth registration of children within 30 days can continue from level 4 and downwards. In conditions where health facilities and DHA offices are infected and closed for periods, the birth registration target will be negatively impacted.
- The immigration targets most affected by the COVID-19 pandemic are the adjudication of permanent residence permits, business and general work visas and critical skill visas.
- The collection and processing of these visas / permits were not allowed under lockdown levels 5 and 4.
- The targets deal with the efficient processing of applications received. Due to the lockdown the number of applications received was significantly reduced and even came to a halt. The closure of VFS offices and other economic activity had a significant impact on the number of applications received. The DHA back office processing capacity was also impacted on during the lockdown.

### **DHA Budget Vote 2020/21**

Over the medium term, the DHA will focus on repositioning itself as a modern and secure organisation; improving and expanding client interfaces and service delivery imperatives; establishing and operationalising a border management agency; streamlining and securing international migration; and establishing public private partnership (PPP) in support of key infrastructure projects.

The DHA plays a crucial role in safeguarding the identity and status of citizens and regulate immigration to ensure security, promote development and fulfil South Africa's international obligations. The department is currently overhauling its IT infrastructure, introducing the E-VISA regime, piloting the One-Stop Boarder Posts, and Parliament is due to pass the Boarder Management Authority (BMA) Bill.

The 2020/21 financial year budget supports the long-standing policy priorities of the DHA. Some of the key highlights of Vote 5 include:

- To maintain the issuance of smart identity cards and registration of birth as an entry to the National Population Register (NPR). The DHA targets to issue 9 million smart identity cards over the MTEF. In this regard, DHA has allocated an amount of R7.5 billion for Service Delivery to Provinces to achieve this target.
- The Department has embarked on the program to simplify the issuance of permits and visas. This will be achieved by removing unnecessary barriers to requirements. In this regard, the DHA has entered into visa waiver agreements with selected countries while also rolling out the e-visa system starting with Kenya and India, with the intention to extend it to Nigeria and China. The Department has allocated R 759.6 million for this purpose.
- To improve and expand client interface, the DHA requires adequate and skilled personnel. Therefore, R7.1 billion is set aside over the medium term for expenditure on compensation of employees.
- The DHA is planning to incrementally implement the Border Management Agency (BMA) during the MTEF. The processing of the BMA Bill is in its final stages, and is likely to be signed into law during 2020/21 financial year. As such, an amount of R109.5 million has been set aside over the MTF period.
- In line with the implementation of the BMA, the Department continues to streamline and secure international migration. The DHA is introducing an advanced passenger processing system, which would enable passenger screening at the point of departure, instead of arrival. Over the medium term, the Department will allocate additional R606 million for the Admission Service sub-programme in the immigration programme, and R486 million for the advanced passenger processing system over the same period.

**Table 3: Overall Budget 2019/20 and 202/21 – Department of Home Affairs**

Programme	Budget		Nominal Increase / Decrease in 2020/21	Real Increase / Decrease in 2020/21	Nominal change in 2020/21	Real change in 2020/21
R million	2019/20	2020/21				
1. Administration	R2 540,5	R2 349,1	-R171,4	-R270,4	-7,53%	-11,43%
2. Civil Affairs	R5 692,9	R5 066,6	-R626,3	-R838,8	-11%	-14,75%
3. Immigration Affairs	R1 294,3	R1 614,0	R319,7	R251,7	24,7%	19,45%
<b>TOTAL</b>	<b>R 9 527,7</b>	<b>R9 029.7</b>	<b>-R478,0</b>	<b>-R858,6</b>	<b>-5,23%</b>	<b>-9,22%</b>
<b>Nominal Increase/Decrease</b>		<i>Is when inflation is not taken into account</i>				
<b>Real Increase/Decrease</b>		<i>Is when inflation is taken into account</i>				

**Source: National Treasury (2020)**

The DHA receives only a share of 1.2 percent from the R1.95 trillion. For the 2020/21, the Department receives an allocation of R9.029 billion compared to the R9.527 billion adjusted allocation for 2019/20. As stated previously, the adjusted budget includes revenue generated by the Department. Without inflation (nominally), the Department's budget decreases by 5.2 percent from the previous year. This allocation is much lower in real terms as the Department is allocated a decrease of 9.2 percent, which translates into decrease of R858.6 million in real rand value. The Department's responsibilities keep increasing considering the BMA, One-Stop-Boarder-Post and modernisation of its IT infrastructure.

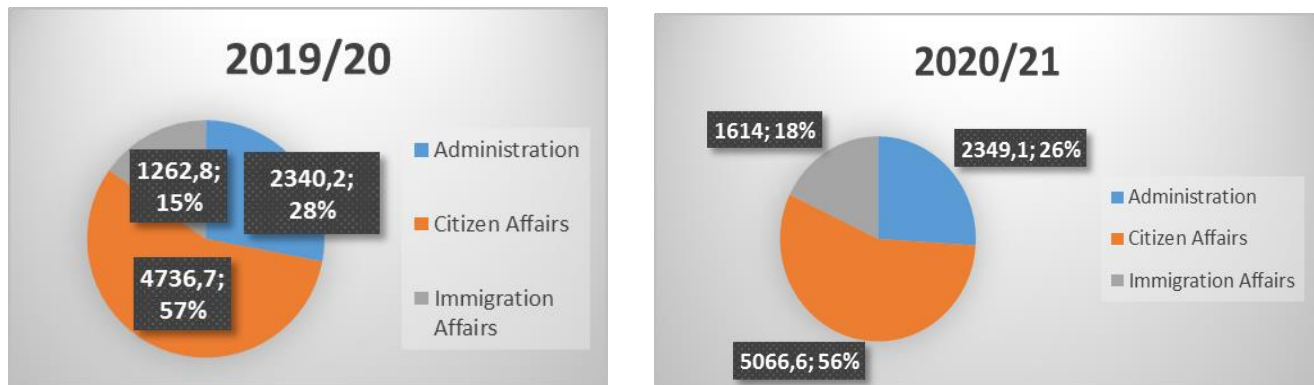
Only the Immigration Affairs Programme which shows a real increase of R251.7 million (19.5 percent). This increase could be attributed to the implementation of the One-Stop Boarder Post, the E-Visa regime and the procurement of the Advanced Passenger Processing System. Both Administration and Civil Affairs programmes have been allocated a smaller budget from the adjusted allocation of 2019/20. However, given the fact that the Department's revenue collected will be appropriated in September 2020, its respective programme budgets are likely to increase.

The Administration Programme budget is reduced by R 270.4 million (11.43 percent) in real rand value when taking into consideration inflation. Programme 2: Civil Affairs experiences the largest budget reduction by R838.8 million (14.75 percent) in real terms. In terms of economic classification, the main cost drivers for the Vote is compensation of employees (COE) at 42.8 percent (R3.892 billion), goods & services at 30.3 percent (R2.734 billion) and transfer payments to the Electoral Commission at 26.4 percent (R2.218 billion).

### **Allocation per programme**

Figure 2 below shows a comparison of the proportional allocations per main programme between 2019/20 adjusted and 2020/21 voted funds. The Citizen Affairs programme retains its above 55 percent share of the total budget. There is an increase in terms of percentage share for Immigration Affairs up from 15 percent in 2019/20, to 18 percent whereas there is a decline 2 percent for Administration from 28 percent in 2019/20 to 26 percent in 2020/21 financial year.

**Figure 1: comparison of the split of the Department of Home Affairs budget between programmes**



#### Programme 1: Administration

The Administration programme is entrusted to provide leadership, management and support services to the department.

**Table 4: Programme 1: Administration**

Programme	Budget		Nominal Increase/Decrease in 2020/21 Rand)	Real Increase/Decrease in 2020/21 (Rand)	Nominal Percent change in 2020/21	Real Percent change in 2020/21
R million	2019/20	2020/21				
<b>Ministry</b>	42.6	38.7	-3,9	-5,5	-9,15%	-12,98%
<b>Management Support Services</b>	248.3	207.5	-40,8	-49,5	-16,43	-19,95
<b>Corporate Services</b>	795,3	587,2	-208,1	-232,8	-26,17%	-29,28%
<b>Transversal Information</b>	909,6	940,9	31,3	-8,4	3,44%	-0,92%
<b>Technology Management</b>						
<b>Office Accommodation</b>	544,8	574,7	29,9	5,7	5,49%	1,04%
<b>TOTAL</b>	<b>2 540,6</b>	<b>2 349,1</b>	<b>-191,6</b>	<b>-290,6</b>	<b>-7,57</b>	<b>-11,44%</b>

Source: National Treasury (2020)

The *Administration* programme receives R2.349 billion for 2020/21 compared to an adjusted appropriation of R2.539 billion the previous year. The current allocation translates into a decrease by 7.57 percent (or R191.6 million) before inflation, and 11.4 percent (or R290 million) when inflation is considered. With the exception of the *Office Accommodation* sub-programme, all others decline in real terms. The *Office Accommodation* sub-programme budget shows an increase of R 6 million (1.04 percent) in real terms. This sub-programme will fund the refurbishment of its existing mobile unit fleet and procuring an additional 15 units in the 2020/21 financial year. Over the medium term, expenditure will, however, decrease as funds will be shifted to Programme 2 to increase IT capacity in provinces.

In terms of economic classification expenditures, the biggest cost drivers in this programme are the following current payments:

- Compensation of employees – R547.4 million (22.8 percent)



- Goods and Services – R1.785 billion (76.5 percent). The mobile unit fleet will be refurbished and additional units purchased to expand the DHA client interfaces, and continue the IT modernisation processes (including a paperless live capture system).

## Programme 2: Citizen Affairs

The Citizen Affairs branch is responsible for providing secure, efficient and accessible services and documents to citizens and lawful residents. It ensures that entry to the population register happens within 30 days of a child's birth. It maintains the number of smart identity cards and it has target at least 3 million per year. Citizen Affairs targets to issue 90 percent of machine-readable adult passports through the new live capture process within 13 working days.

**Table 4: Programme 2: Citizen Affairs**

Programme	Budget		Nominal Increase/ Decrease in 2020/21	Real Increase/ Decrease in 2020/21	Nominal Percent change in 2020/21	Real Percent change in 2020/21
	2019/20	2020/21				
R million						
<b>Citizen Affairs Management</b>	25,5	19,3	-5,9	-7,0	-23,41%	-26,64%
<b>Status Services</b>	1 084,2	91,9	-992,2	-996,2	-91,52%	-91,88%
<b>Identification Services</b>	316,4	322,8	6,4	-7,2	2,02%	-2,28
<b>Service Delivery to Provinces</b>	2 096,7	2 248,9	152,2	57,4	7,26%	2,74%
<b>Electoral Commission</b>	2 012,7	2 218,9	206,2	112,7	10,24%	5,60%
<b>Represented Political Parties' Fund</b>	157,8	164,7	6,9	0,0	4,37%	-0,03
<b>TOTAL</b>	<b>5 693,0</b>	<b>5 066,6</b>	<b>-626,4</b>	<b>-839,9</b>	<b>-11,0%</b>	<b>-14,75%</b>

Source: National Treasury (2020)

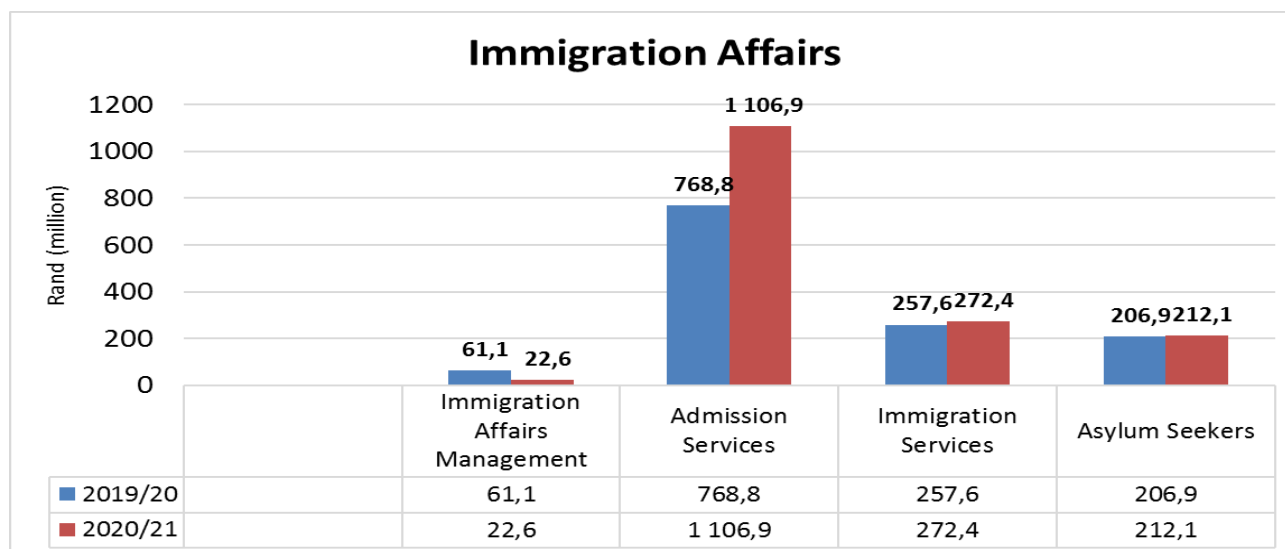
The *Citizen Affairs* branch budget declines from R 5.693 billion in 2019/20 adjusted allocation, to R5.066 billion in the 2020/21 financial year. This is a reduction of R626.4 million (or 11.0 percent) in nominal terms and R839.9 million (or 14.75 percent) with inflation. The *Electoral Commission* and *Service Delivery to Provinces* sub-programmes shows increases in both nominal and in real terms. The *Electoral Commission* increases from R2.012.7 billion in 2019/20 to R2.218 billion. This is growth of 10.24 percent in nominal terms, and 5.6 percent real terms. Whilst the *Service Delivery to Provinces* sub-programme shows an increase from R2.096 billion in 2019/20 to R2.248 billion in 2020/21 financial year. With inflation, this represent a 2.74 percent increase from the 2019/20 adjusted budget.

The increases on both sub-programmes could be attributed to the preparation of the local government election due to take place in 2021. As per norm, the *Electoral Commission* will shortly initiate the voter registration campaign and will need additional resources to prepare for the local government election. The *Service Delivery to Provinces* sub-programme will increase efforts to issue identification documentation to potential voters.

### Programme 3: Immigration Affairs

The immigration affairs branch facilitates and regulate the secure movement of people through ports of entry into and out of the Republic of South Africa. It also determines the status of asylum seekers and regulate refugee affairs. Programme 3 has four sub-programmes under it.

**Table 5: Comparison between 2019/20 and 2020/21 Immigration Affairs budget**



Constituting only 17.8 percent of the Department's budget, the *Immigration Affairs* programme has the lowest spending area. However, the programme's budget increases from R1.294. billion in 2019/20, to R1.614billion in 2020/21. This is the only main programme within the Department which allocation grows in both nominal and real terms from the adjusted allocation of 2019/20.

**Table 6: Programme 3: Immigration Affairs**

Programme	Budget		Nominal Increase/ Decrease in 2020/21	Real Increase/ Decrease in 2020/21	Nominal Percent change in 2020/21	Real Percent change in 2020/21
R million	2019/20	2020/21				
Immigration Affairs Management	61,1	22,6	-38,5	-39,5	-63,01%	-64,57%
Admission Services	768,8	1 106,9	338,1	291,4	43,98%	37,91%
Immigration Services	257,6	272,4	14,8	- 3,3	5,75%	1,29%
Asylum Seekers	206,9	212,1	5,2	- 3,72	2,51%	-1,81%
<b>TOTAL</b>	<b>1 294,4</b>	<b>1 614,0</b>	<b>319,6</b>	<b>251,6</b>	<b>24,7%</b>	<b>19,44%</b>

Strong growth in this programme is driven by t the *Admission Services* sub-programme (37.91 real growth) On the contrary, the *Immigration Affairs Management* sub-programme has been drastically reduced to R22.6 million from R61.1 million the previous year.

Growth in the *Immigration Affairs* programme is intended to fund the establishment of the Border Management Authority – which will incrementally assume responsibility for enforcing border law at ports of entry-, as well as establishing new immigration-related systems. A passenger name record system and advanced passenger processing system will be funded through the *Admission Services* sub-programme.

## ADJUSTED DHA BUDGET

The Minister of Finance delivered the Special Adjusted Budget on 24 June 2020. The Special Adjusted Budget focused on the government response strategy to the novel Corona Virus (also known as COVID-19) pandemic. COVID-19 has had devastating effects throughout the world, and South Africa has not been spared. The pandemic has forced many countries into lockdowns, consequently slowing down public and private economic activities. At the time of writing, South Africa was on level 3 national lockdown after President Ramaphosa invoked the National Disaster Act (No 57 of 2002) as a response to Covid-19 on 26 March 2020.

As of 7 July 2020 there were 215,855 recorded infections in South Africa with 3,502 deaths. The economic impact due to the pandemic is equally devastating. The global economy is expected to contract by 5.2 per cent, while South Africa's economic growth has been revised from the initial expected growth of 0.9 per cent, to contract by 7.2 per cent in 2020. In addition, South Africa's official unemployment rate has increased by 1 per cent to 30.1 in the first quarter of the year while the Gross Domestic Product (GDP) continued to contract for the third consecutive quarter, falling by 2 per cent.

It is evident from these economic indicators and the Special Adjusted Budget, that COVID-19 will have a significant impact on public service delivery by government. It could be deduced that due to the national lockdown, many government departments are unlikely to have met their first quarter targets, which in turn, will have a negative impact on the achievement of Annual Performance Plans for 2020/21.

Despite the Coronavirus pandemic, Parliament is still expected to continue with its oversight function to ensure effective budget spending and safeguarding service delivery. This Special Adjusted Budget report is based on briefings received by the DHA, IEC and GPW and related deliberations on 7 and 14 July 2020 and the Special Adjustment Budget presented by the Minister of Finance on 24 June 2020. The Committee reports as follows, as adopted on 14 July 2020:

### **The implications of the covid-19 pandemic on the mandate of the DHA**

The Department is operating with a skeleton staff in compliance with national lockdown regulations. During national lockdown level 1 and 2, the Department was offering the following services:

- ☐ Issuance of uncollected Identification Documents,
- ☐ Issuance of temporary Identification Certificates,
- ☐ Registration of birth and death,
- ☐ Reissue of birth and death certificates,
- ☐ Issuance of passports to those in export and cargo transport.

The Department has added the marriage services by appointment only in the national lockdown level 3. The limited services already had an impact on the Department's ability to achieve some of its Quarter Four targets, and there is a high probability that it may affect the Department's ability to achieve its set targets for the 2020/21 financial period. For instance, the Department will not be able to meet its objectives for issuing 3 million Identification Cards in this financial year because the services are still not yet offered.

Immigration Issues, Government had initially closed 35 of the 53 land ports of entry as a precaution to respond to COVID-19, leaving open only the ports of entry important for the movement of goods such as the Beitbridge and Lebombo Border Posts. After the announcement of national lockdown, all borders were closed to ordinary peoples' movement, and only a few are open for the transportation of essential goods. Subsequently, visas to all other countries were revoked when the country entered into the national lockdown as no one is allowed to enter or exit the country, except in exceptional circumstances such as repatriation and emergency medical grounds.

24  
Holders of temporary residence visas, which expired from mid-February 2020, and had not renewed their visas before the national lockdown, will not be declared illegal or prohibited persons under a blanket extension till end of July 2020. Additionally, those who opt to return to their countries of origin or residence after the lockdown instead of renewing their visas will not be declared undesirable upon departure. In essence, all immigrants who are legally in the country in possession of necessary documents will not be penalised if their documents expired during the national lockdown. No foreign national will be allowed unless in exceptional circumstances.

On 23 May 2020, the Department had announced that South Africans who wish to leave the Republic are permitted to depart only for work; study; family reunion; take up permanent residency and receive medical attention.

Budget and spending implication, COVID-19 has forced many governments departments to restructure their budget allocation for the 2020/21 financial year even before the announcement of the Special Adjusted Budget. The Department had already diverted R 9 million of its 2019/20 budget for COVID-19 related expenditure such as the procurement of Personnel Protective Equipment. The Special Adjusted Budget reduces the Department's allocated budget at the start of the financial year by R562 million. This budget reduction could have a significant impact on the Departments ability to achieve some of its annual targets, however the Department indicated, the Pandemic related lockdown would have far more of an effect given the restrictions on services and reduced service delivery related revenue.

### **Analysis of the Revised Budget On Each Program**

The Special Adjusted Budget has significantly reduced the Department's budget allocation when compared to the two previous allocations. The 2019/20 final adjusted allocation was R 9.52 billion and the main appropriation in 2020/21 was R 9.02 billion. The Special Adjusted Budget further reduces the Department's allocation to R 8,46 billion, or by R562 million. The Special Adjusted Budget could potentially have posed a significant risk in the Department's ability to achieve its annual performance plans and the five years' strategic objectives. The DHA, however opted for a targeted approach rather than a blanket 17% cut across all branches and earmarked funds. Rather than a one-size fits all approach, the targeted approach focused on the following budget cuts:

- ☐ Where no contractual commitments were made
- ☐ No new staff appointments were made
- ☐ Where upgrades and improvements could be delayed
- ☐ Where service delivery is least affected (accommodation, travel and subsistence, uniforms; ID for Africa);
- ☐ Where payments can be delayed (Property)

In nominal terms (without considering inflation), the Special Adjusted Budget reduced the Department's allocation by R 562 million when compared to the 2020/21 main allocation, and a further R 1.06 billion when compared to the previous year. When inflation is considered, the Department's budget is reduced by R 856.6 million (-9,22 per cent) when compared to the main allocation and R 1.4 billion (-14,767 per cent) when compared to the previous year in real rand value. The most substantial reduction was at Immigration Affairs, where the reduction amounts to R 256.8 million. The Administration Programme and Citizen Affairs had their allocation reduced by R 183.04 million and R 122.11 million, respectively.

The Citizen Affairs programme retained its 55 per cent share of the total budget. There was an increase in terms of percentage share for Immigration Affairs up from 15 per cent in 2019/20, to 18 per cent whereas there was a decline of 2 per cent for Administration from 28 per cent in 2019/20 to 26 per cent in 2020/21 financial year.

When the Special Adjusted Budget is compared to 2019/20 financial year in real terms, the Department's overall budget is reduced by R 1.397 billion (14,7 per cent). Despite the significant reduction in allocation, the Immigration Affairs programme still shows a marginal real increase of R 5,6 million (0,44 per cent). Both

Administration and Citizen Affairs programmes now have a much-reduced allocation in the Special Adjusted Budget<sup>25</sup> when compared to 2019/20. The Administration Programme budget was reduced by R 445,8 million (17,7 per cent) in real terms, while the Citizen Affairs programme experienced the most substantial budget reduction by R 956,9 million (17 per cent).

**The Administration Programme** was allocated R2 349,1 billion in the main appropriation. The amount is reduced by R 183 million (5.4 per cent) in the Special Adjusted Budget to R 2.17 billion. In this programme, the main cost drivers are the Compensation of Employees (COE) and Goods & Services, which are classified under the current payments, and it is a centralised budget for the Department. COE was allocated 42.8 per cent (R3.89 billion) of the entire main budget at the start of the 2020/21 financial year. The COE budget is reduced by R 100 million to R 3.79 billion (44,8 per cent) in the Special Adjusted Budget. The Department has suspended the appointment of new staff until later in the financial year. Most of the Department's reduction came from Goods & Services, which was reduced by R427 million in the Special Adjusted Budget to R 2.3 billion. The Department is engaging the Department of Public Works and Infrastructure to renegotiate the reduction of office space rentals to compensate for the reduced budget.

**The Civil Affairs Programme** was allocated R5.067 billion in the main appropriation. The amount is reduced by R122 million (2,4 per cent) to R 4.94 billion in the Special Adjusted Budget. The main cost drivers in terms of economic classification in this programme is the transfer subsidy to the Electoral Commission, which was allocated R 2.23 billion in the main appropriation.

**The Immigration Affairs Programme** was allocated R 1.29 billion in the main appropriation. This programme had the most substantial reduction with its budget being reduced by R 256.85 million (19,8 per cent) to R 1.357 billion in the Special Adjusted Budget. Some of the reduced allocations were earmarked for the Passenger Name Recognition System, which was allocated R150 million and is suspended until the 2021/22 financial year.

**The IEC** budget has been reduced by R 35 million in the Special Adjusted Budget. Despite the reduced budget; the IEC recently reported that they were on track in preparations for the 2021 Local Government Elections. They would however be additional work to be done to amend the Electoral Act (No 78 of 1998) as per the June 2020 Constitutional Court Judgment in the *New Nation Movement vs President of the Republic of South Africa*, which has not been budgeted for. Despite the budget cuts, the IEC was able to maintain the three programmes as presented before the Committee.

The IEC is funded for 90 percent of their staff component and will retain the full additional allocation for the voter management devices. The devices are critical for the successful delivery of the Local Government Election since voters are registered in the correct ward. There would still be two registration weekends ahead of the Local Government Elections, however, the IEC would review this if there would be additional budget cuts. The IEC is targeting to register around 25 million voters.

None of the necessary by-elections or other small elections administered by the IEC would be set aside despite the increased time allowed by the electoral court to complete these.

**The GPW** did not receive funds from the National Treasury (NT), however, the Minister of Public Service and Administration has instructed all government departments to review their Annual Performance Plans (APP). The GPW indicated that the GPW remains in good financial health despite significant reduced revenue.

The financial situation of the GPW is dependent on the operations of the DHA. For instance, the productions of passports for April, May and June 2020 were projected at zero percent and the projection will decrease to 10 percent of the initial target for July, August and September 2020. It would further decrease to 40 percent of targets for the rest of the financial year.

In terms of the projected production of the Smart ID Cards, it was reported that the production decreased to 10 percent of planned projections for April, May and June 2020. For July, August and September 2020 the projection of the Smart ID Cards will be decreased to 33,3 percent and for the remainder of the financial year, it would decrease to 50 percent. These projections are depended on what happens at the DHA.

GPW had initially budgeted R580 million for capital expenditure and the amount has been decreased<sup>26</sup> to R300 million. The GPW is also projecting a loss of R83 million.

## Observations

Regarding the **Department of Home Affairs**, the committee welcomes the assurance that despite its R562 million budget reprioritisation, measures have been put in place to ensure budget cuts will not drastically affect service delivery in the short term. The department's approach will ensure that cuts are not based on a one-size-fits-all approach, but are targeted to minimise impact on service delivery. This includes delaying some projects that can be dealt with later or where no contractual commitments have yet been made. The committee will await an approved revised medium-term strategic framework strategy and 2020/21 annual performance plans to evaluate the direct impact of budgetary cuts on the department's targets, reported to be available by the 8<sup>th</sup> of July as required by Parliament.

In response to issues raised by the Committee the DHA indicated:

- ☐ The DHA was not considering opening the opening of offices on Saturdays and the DHA was in consultation with the unions.
- ☐ The training budget is not affected and the DHA would continue to offer training to officials of the DHA.
- ☐ The opening of the borders would be considered when the lockdown is at the lowest level because of the risk of international travel.
- ☐ The amended plans would be updated as soon as the Minister of Home Affairs has approved them on 8 July 2020.
- ☐ The budget cuts would not affect the procurement of PPEs and the budget for the PPEs is R40 million.
- ☐ The extension of the validity of the visas beyond the end of July would be announced as soon as possible when the DHA has advised the Minister of Home Affairs.
- ☐ The one-stop border infrastructure would not be affected because it is budgeted for outer years.
- ☐ The allocation of R180 million came from SAPS for Passenger Name Recognition (PNR).
- ☐ In terms of increasing operational capacity, the DHA was balancing saving lives versus protecting livelihoods.
- ☐ VFS is opened as of 1 July 2020 for collections.
- ☐ The DHA has never closed down the reissue of birth certificates during the lockdown.
- ☐ On the issue of truck drivers, the Minister could not attend any single meeting because of the clash of schedules. Why would employers be employing undocumented immigrants?
- ☐ The Department of Labour must visit the companies to find out why they employ undocumented immigrants. The Minister reported that the DHA does not condone the burning of trucks.
- ☐ The revised APP was presented at a very difficult time when the budget of the DHA was cut by R562 million. This could be a trend that could continue in the future. The DHA should start with risk adjusted performance measurement.
- ☐ The IT systems are still down too often and the Committee has been raising the matter with the DHA. The matter has been mentioned by the President in his state of the nation address and the economic recovery plan.
- ☐ The passports that the DHA is issuing within 13 days are commendable, however, the challenge is the application of passports by people abroad. What is the plan to utilise courier services in this regard?
- ☐ What is the plan for documenting refugees and asylum seekers to get the social relief grant?
- ☐ The Committee encouraged the Department to fast track the targets that were greatly affected by the lockdown.
- ☐ The Committee should support the increase of the budget of the DHA.

The Portfolio Committee on Home Affairs has welcomed progress by the **Electoral Commission** of South Africa (IEC) in preparation for the 2021 local government elections. This progress is particularly

praiseworthy in light of the uncertainty caused by the Covid-19 pandemic and funding pressures arising from the reprioritisation of budgets to fund the fight against the disease.<sup>27</sup>

Given the R52 million decline in Electoral Commission funding, in a pre-election year, the Committee noted the consideration of e-voting as a means to increase operational efficiencies and potential to drive down election costs. The committee further welcomed the securing of funding to procure new Voter Management Devices (zip zips), which will be critical for the successful delivery of the 2021 local government elections. The committee is hopeful that the IEC will receive the necessary support to implement this project from the DHA and the National Treasury, as it is critical in delivering credible elections.

Despite this, the committee expressed concern on the implication of budgetary cuts in the IEC's outreach programmes. While the committee is cognisant that some programmes have to be compromised, it called for a re-imagined and amplified process of stakeholder engagement using traditional and social media. All effort must be made to actively promote awareness and participation in electoral processes.

Regarding the **Government Printing Works**, the committee noted that because GPW is a revenue generating entity, it is not required to cut its baseline. Despite this, the committee notes the impact Covid-19 will have on GPW's projected sales numbers, as production of items like passports decreases.

The GPW responded to questions indicating all the passports and IDs that were applied for before the lockdown, were dispatched to the DHA and they will not distribute funds to NT as initially planned because of their loss of revenue.

### **IEC Budget and Plans 2020/21**

The Electoral Commission of South Africa (IEC) is South Africa's electoral management body. The IEC is an independent organisation established under Chapter 9 of the Constitution of South Africa<sup>1</sup>. Its independence as an autonomous body is underwritten by the Electoral Commissions Act 51 of 1996, 3(1), (2). In terms of Section 190 (1) of the Constitution, the Electoral Commission must manage elections at national, provincial and municipal legislative bodies in accordance of national legislation; ensure that those elections are free and fair; and declare the results of those elections within a period that must be prescribed by national legislation and that is as short as reasonably possible.

The Electoral Commission Act, 51 of 1996 outlines the duties and functions of the IEC defined in Section 5. This include to manage any elections; ensure that any election is free and fair; promote conditions conducive to free and fair elections; promote knowledge of sound and democratic elections processes and compile; maintain a register of parties; compile and maintain a voters roll to mention but a few examples.

The purpose of this brief is to provide a short summary and analysis of the budget and Annual Performance Plan (APP) of the IEC for 2020/21 financial year. In order to provide context this analysis, the paper commences by outlining the IEC's strategic objectives and then provides a brief analytical overview of the 2018/19 performance.

### **Policy priorities for the electoral commission for 2020/2021**

For the 2019 to 2024 Medium Term Strategic Framework (MTSF), the IEC will focus on the following key policy priorities:

- ☐ strengthen the regulatory space in relation to the requirements for electoral participation;
- ☐ place South Africa's electoral democracy on the cutting edge of digital innovation with a view
- ☐ to increased voter convenience;
- ☐ increase public confidence in electoral outcomes;
- ☐ work with partners in electoral democracy to increase voter participation, especially among the youth;
- ☐ anticipate and provide advice in relation to the national policy debate on the electoral system; and

- assess the viability of composite elections in the Republic.

### Overview of the Electoral Commission performance during 2018/19

The IEC's performance for the 2019/2020 financial year will be contained in its Annual Report, which is expected to be released during September 2020. Therefore, a brief overview of the performance of the IEC for 2018/19, will be provided.

Tracking the progress on set targets and strategic goals (outputs) of the entity is important in order to determine how well it functions in attainment of constitutional and legislative mandates for the benefit of society. It also improves transparency and accountability, and assists Parliament, members of the public and other stakeholders with information to hold the Electoral Commission executives accountable.

### Performance by programme for 2018/19

Programme	Strategic Outcome-oriented Goal	# targets	# achieved	not achieved	Achieved
<b>Programme 1: Administration</b>	Goal 1: Strengthening governance, institutional excellence, professionalism and enabling business processes at all levels of the organisation	10	7	3	70%
<b>Programme 2: Electoral Operations</b>	Goal 2: Achieving pre-eminence in the area of managing elections and referenda, including the strengthening of a co-operative relationship with political parties.	10	6	4	60%
<b>Programme 3: Outreach</b>	Goal 3: Strengthening electoral democracy	5	5	0	100%
<b>Total</b>		<b>25</b>	<b>18</b>	<b>7</b>	<b>72%</b>

The Electoral Commission achieved 18 of the 25 targeted outcomes set for 2018/19. Its overall target achievement was 72% while it was not successful in delivering 28% of its targets. Only Programme 3 achieved 100% of its targets. On the contrary, Programme 1 and 2 achieved 70% and 60% respectively. The key cost drivers for the 2020/21 are summarised below:

- The Electoral Commission needs to replace its obsolete zip-zip barcode scanners with approximately 60,000 new devices in preparation for the 2021 LGE.
- Extensive Civic and Democracy Education and communication campaigns
- Maintaining of addresses on the voters' roll.
- The appointment and training of approximately 350,000 fixed term and temporary electoral employees.
- ICT network, connectivity and security expenditure.
- The procurement, distribution and warehousing of registration materials.
- The rental & infrastructure associated with opening approximately 23,200 voting stations.

### Summary and analysis IEC 2020/21 budget allocation per programme

The Electoral Commission is allocated R 2.02 billion for the 2020/21 financial year shared amongst programme 1, 2 and 3. Programme 4 had not been allocated any funding for the year under review as it will only be appropriated in the next financial year. Programme 2 receives the largest share of the allocation at R 1.12 billion (55.3%), of the IEC overall budget. The Administration Programme receives R 683.68 million (33.7%) while Programme 3 receives only R 221.84 million (11%) of the overall budget.

### IEC Budget Allocation 2020/21



PROGRAMME	2020/21 Budget R'000	% of Total Budget
Programme 1: Administration	683 688	33.7%
Programme 2: Electoral Operations	1 120 620	55.3%
Programme 3: Outreach	221 840	11%
<b>TOTAL</b>	<b>2 026 148</b>	<b>100%</b>

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- Extensive Civic and Democracy Education and communication campaigns
- Maintaining of addresses on the voters' roll.
- The appointment and training of approximately 350,000 fixed term and temporary electoral employees.
- ICT network, connectivity and security expenditure.
- The procurement, distribution and warehousing of registration materials.

#### Programme 1: Administration Budget

The Administration programme main purpose is to achieve the strategic outcomes of strengthening institutional effectiveness at all levels of the organisation. This programme is comprised of three sub- programmes, namely, Management; Corporate Services and Financial Management.

Budget allocation under this programme is directed at supporting the strategic management and core business of the IEC. The Administration programme is allocated R 683.69 million (33.7%) for the 2020/21. The current allocation translates into a decrease of 9.09 % (-R 65.5 million) in real rand value terms from the previous year allocation of R 720.38 million.

The programme's cost drivers is largely made up of ICT costs and office accommodation. ICT which receives the largest share of the Programmes' budget at 33% (R 247.13 million) is made up mainly of professional services to maintain the security and integrity of the data held at the IEC<sup>21</sup>. The office accommodation consists of the cost of the National IEC head office, nine provincial offices, 10 warehouses and 213 local electronic offices and is allocated 23% (R 151.49 million) of the programme's budget.

The Facilities Management and Legal Services sub-programmes received a significant percentage budget reduction of -31% (R 18.72 million) and -16,96% (R 3.82 million) in real rand value terms. The programmes which are allocated a slight increase is Corporate Services (4%); Risk Management (3,8%) and Accommodation (3%). Refer to table 6 below for the budget allocated to sub-programmes for Administration programme.

#### Programme 1 Budget

Programme	Budget		Nominal Increase/Decrease 2020/21 Rand)	Real Increase/Decrease 2020/21 (Rand)	Nominal Percent change 2020/21	Real Percent change 2020/21
(R'000)	2019/20	2020/21				
Management	23 815	24	1 151	98,8	4,83%	0,41
Corporate Services	3 141	3 408	267	123,4	8,50%	3,93%
Financial Management	91 416	95	3 847	-167,9	4,21%	0,18

Human Resources Management	84 899	7 6 289	-8 610	-11 825,2	-10,14%	-13,93% <sup>30</sup>
Legal Services	22 543	19	-2 999	-3 822,7	-13,30	-16,96
Internal Audit	19 859	20	1 108	224,3	5,58%	1,13%
ICT	272 373	247	-25 235	-35 650,8	-9,26	-13,09
Facilities Management	59 532	42	-16 925	-18 720,7	-28,43	-31,45
Risk Management	1 865	2 021	156	70,8	8,38%	3,80%
Accommodation	140 940	151	10 546	4 161,5	7,48%	2,95%
<b>TOTAL</b>	<b>720 382</b>	<b>683</b>	<b>-36 694</b>	<b>-65 508,4</b>	<b>-5.1%</b>	<b>-9,09</b>

### Programme 2: Electoral Operations Budget Analysis

The purpose of this programme is to focus on the strategic outcome of managing and delivering free and fair elections. The expenditure under this programme increases significantly in an election year compare to a non-election year. During the 2020/21 financial year, expenditure for one main registration drive will be incurred with the actual registration weekend being in the first week of April 2021<sup>24</sup>. Thus expenditure for this registration weekend will be largely incurred in the 2021/22 financial year. New voter registration devices will be procured in 2020/21 which has been included in programme 2<sup>25</sup>. Refer to the table 7 below for the sub-programme budget breakdown for programme 2.

The Electoral Operations programme is allocated a budget of R 1.12 billion for the 2020/21 financial year. The budget has been reduced by R 171.5 million (13,8%) in real rand value terms from the previous financial year allocation of R 1.24 billion. All sub-programmes receive a reduced budget except for Provincial and Local Offices which received 4% increase (R 19.55 million) in real rand value terms. The Electoral Matters and Electoral Operations Management sub-programmes reduced budgets is -41,37 % (-R 56.4 million) and -38,81% (-80.45 million) in real rand value terms.

### Programme 2 Budget Allocation

Sub-Programme	Budget allocation		Nominal Increase/Decrease 2020/21	Real Increase/Decrease 2020/21	Nominal Percent change 2020/21	Real Percent change 2020/21
	2019/20	2020/21				
R million						
Electoral Operations Management	6 366	4 306	-2 060	-2 241,5	-32,36%	-35,21%
Electoral Matters	136 189	83 363	-52 826	-56 399,4	-38,79%	-41,37%
Logistics and Infrastructure	207 262	132 394	-74 868	-80 447,8	-36,12%	-38,81
Political Parties	51 838	3 345	-48 493	-48 634	-93,55%	-93,82%
Provincial and Local Offices	485 645	527 419	41 774	19 545,6	8,60%	4,02%
Electoral Capacity Building	357 604	369 793	12 189	-3 396	3,41%	-0,95%
<b>TOTAL</b>	<b>1 244 904</b>	<b>1 120 620</b>	<b>-124 284</b>	<b>-171 513,2</b>	<b>-10%</b>	<b>-13,78%</b>

The outlier in this programme is the Political Parties Funding sub-programme reduced allocation of -94% (-R 48.63 million). The much reduced allocation can be attributed to the IEC introducing a 4<sup>th</sup> Programme in the 2020/21 APP where most of the activities of this sub-programme will be carried out and be funded from.

#### 3.1.6 Programme 3: Outreach Budget Analysis

Constituting only 10% of the IEC budget, the Outreach programme has the lowest spending area. Budget allocation under this programme is directed at informing and educating civil society on democracy and

electoral processes. Expenditure peaks during the registration and election period when the Civic and Democracy Education and communication peak. A further factor is the international observer mission that are hosted by commission services during these period.

Budget for the outreach programme increases in both nominal and real value terms from R 195.8 million in 2019/20, to R 221.84 million in 2020/21. This is the only main programme within the IEC which grew in both nominal (13,3%) and real rand value terms (8,52%) from the adjusted allocation of 2019/20. Strong growth in this programme is driven by the Communication sub-programme (27,26% real growth) which is expected to increase the IEC public relations campaign in the lead-up to the LGE in 2021. On the contrary, the International Liaison sub-programme has been drastically reduced from R6. million to R 3.5 million (- 44%). The near consistency (minus -1% in real rand value terms) in the Civic and Democracy Education and Research sub-programme is intended for voter education in the build-up towards 2020 LGE.

#### Programme 2 Budget Allocation

Sub-Programme	Budget allocation		Nominal Increase/ Decrease in	Real Increase/ Decrease in 2020/21	Nominal Percent change in	Real Percent change in 2020/21
(R'000)	2019/20	2020/21				
Outreach Management	5 180	5 121	-59,0	-274,8	-1,14%	-5,31%
Civic and Democracy Education and Research	108 656	112 389	3 733	-1 003,7	3,44%	-0,92
communication	75 895	100 830	24 935	20 685,5	32,85%	27,26%
International Liaison	6 070	3 500	-2 570	-2 717,5	-42,34%	-44,77%
<b>TOTAL</b>	<b>195 808</b>	<b>221 840</b>	<b>26 032</b>	<b>16 682,4</b>	<b>13,3%</b>	<b>8,52%</b>

#### Programme 4: Party funding

Programme 4 is a new additional branch to the IEC 2020-25 Strategic Plan. The programme is intended to focus on the strategic outcome of contributing to the enhancement of transparency in elections and party funding. For 2020/21, this programme has not been allocated any funding in the entity's appropriation. The IEC was allocated additional funding of R 50 million in the 2019/20 financial year for the establishment of the new Party Funding branch. These funds were allocated to cover costs for both 2019/20 and 2020/21.

Of this R50 million allocated to the IEC during 2019/20 for the establishment of this programme, it is estimated that approximately R38 million will be rolled-over to fund the unit in 2020/21. The expenditure used to date has been for ICT systems implementation, staff costs and research and development unit. The budget structure with sub-unit programmes is being drafted and will be submitted to National Treasury for approval during the 2021 MTEF process and related indicators and targets in the amended APP.

#### Overview of the IEC Annual/Strategic plans per programme

A number of strategic priorities have been set out by the IEC in the Strategic Plan for 2020-2025, as well as a set of planned annual targets, contained in the APP for 2020/21. This section provides analysis of the IEC 2020/21 APP per programme. The annual targets for the 2020/2021 financial year are presented below.

**Table 9: Comparison of targets contained in APP for 2019/2020 and 2020/2021.**

Programme	Number of Strategic Outcomes	Number of Targets	Budget
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R '000	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021
Programme 1	1	1	10	11	R 720,382	R 683,688
Programme 2	1	1	10	10	R 1 244, 904	R 1 120 620
Programme 3	1	1	5	8	R 195,808	R 221,840
Programme 4	0	1	0	3	R 000	R 000
<b>Total</b>	<b>3</b>	<b>4</b>	<b>25</b>	<b>30</b>	<b>R 2 161 094</b>	<b>R 2 233 911</b>

The 2020/2021 APP contains a total of 4 strategic objectives and 30 targets, in comparison to the 2019/2020 APP, which contained 3 strategic goals and 25 targets. The number of strategic outcomes and targets increases to 4 and 30 respectively due to the addition of the 4<sup>th</sup> programme, the Party Political Funding. A brief summary of each programme will be provided below.

### Programme 1: Administration

While the programme strategic outcome remains the same, the number of targets increases from 10 in 2019/20 to 11 in 2020/21. The Administration programme is allocated R 683.68 million (33.7%) for 2020/21 which is a decline from last year's allocation of R 720.38 million.

Programme 1 strategic outcome is to promote efficient and effective administrative processes. Below are the number of targets and output indicators:

**Strategic Objective 1:** Exercise leadership and governance, monitoring and evaluation to ensure the effective implementation of IEC's core mandate, strategic outcomes and outputs, aligned with the corresponding budget allocations and risks compliance

#### Target & Output Indicators:

- **4:** Number of quarterly performance reports approved by the CEO within 30 days after the start of the next quarter and submitted to the Commission for review and input.
- **4:** Number of quarterly reviews of the strategic register by the Executive Risk Management committee within 30 days after the start of the next quarter.

**Strategic Objective 2:** Strengthen assurance management procedures within the Electoral Commission

#### Target & Output indicator:

- **4:** Number of quarterly internal audit progress reports per annum prepared by the Chief Audit Executive and reviewed by the Audit Committee each year within 60 days after the start of the next year.

**Strategic objective 3:** Provide a cutting-edge, stable, secure ICT environment that meets all functional needs of the Electoral Commission and supports innovative business processes.

#### Target and Output Indicator:

- **97% of 2 232 hours' achievement:** Minimum annual percentage network and application systems availability measured in hours system-generated report available).
- **New:** Review and approve or review, approve and implement an ICT governance framework in each year covered by this plan New.
- **Platform upgrade completed (Phase 3)** :upgrades of platforms and systems to be aligned with business needs and technological developments as indicated in the applicable year.

**Strategic objective 4:** Recruit and retain a talented permanent staff complement to meet operational requirements, as well as constitutional obligations.

#### Target and Output Indicator:

- **90%:** Number of permanent staff positions filled per annum.
- **100% of qualifying staff:** Extent of compliance with performance management system as evidenced by

the existence of performance agreements and performance assessments for the year under review.

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**Strategic objective 5:** Develop and upskill institutional capacity to enable the Electoral Commission to deliver on its constitutional mandate

**Target & Output Indicator:**

- ☐ **180:** Number of permanent staff who were provided with developmental training interventions per annum.
- Strategic objective 6:** Effectively manage financial resources in compliance with legislation.

**Target & Output Indicator:**

- ☐ **0:** Number of repeat findings that result in irregular expenditure as defined in the audited annual financial statements.
- ☐ **4:** Number of quarterly statistical analysis reports of procurement spend towards B-BBEE per annum.

**Programme 2: Electoral Operations**

The Electoral Operations programme is allocated a budget of R 1.12 billion for the 2020/21 financial year

**Strategic objective 1:** Manage free and fair elections in accordance with the applicable electoral timetables to ensure the efficient and credible execution of the mandate of the Electoral Commission

**Target & Outcome Indicator:**

- ☐ **Within 90 days for by-elections:** Average number of calendar days within which elections are conducted from the date of the vacancy or the end of the term of office in each year covered by this plan.
- ☐ **Within 35 days:** Average number of calendar days in which to fill proportional representation (PR) seat vacancies in each year.
- ☐ **By-elections within 7 days:** Number of calendar days in which election results for each election are announced by the Electoral Commission in each year.
- ☐ **None:** Number of by-elections set aside each year.

**Strategic objective 2:** Maintain a credible national common voters' roll that is enabled by cutting-edge technology

**Target & Outcome Indicator:**

- ☐ **25 960 000:** Number of registered voters as of 31 March of each year.
- ☐ **1 000 000:** The number of registered voters who appear on the voters' roll for whom the Electoral Commission does not have recorded addresses at 31 March each year covered by this plan.

**Strategic objective 3:** Provide accessible voting facilities and comprehensive logistical resources at all voting stations to meet operational demands for main electoral events

**Target & Outcome Indicator:**

- ☐ **23 200:** Number of contracted voting stations in place on main registration weekends or general election days in the years when applicable.

**Strategic objective 4:** Provide accessible voting facilities and comprehensive logistical resources at all voting stations to meet operational demands for main electoral events

**Target & Outcome Indicator:**

- ☐ **30 000 Voting Streams:** Electoral Materials to be delivered to all voting stations and voting streams for each main electoral event as required by the approved materials requirement plan and bill of materials.

**Strategic objective 5:** Strive for excellence at voting station level to enhance the integrity of elections

**Target & Outcome Indicator:**

- ☐ **N/A:** Average number of registered voters per voting station stream during general election days.
- ☐ **68 000:** Number of electoral staff recruited and trained per annum.

**Programme 3: Outreach**

The programme targets increases from 5 in 2019/20 to 8 in 2020/21. It has been allocated an increased budget in both nominal and real value terms from R 195.8 million in 2019/20, to R 221.84 million in 2020/21.

**Strategic objective:** Provide impactful and visionary research and thought leadership to strengthen electoral democracy.

**Target & Output Indicator:**

- ☐ **3:** The number of research initiatives achieved per annum.
- ☐ **10:** The number of thought leadership interactions achieved per annum.

**Strategic objective:** Actively promote and foster awareness and participation in electoral processes through civic and democracy education programmes.

**Target & Target Indicator:**

- ☐ **Overall 7 000 000 :** Audience reached by Civic and Democracy Education (CDE) programmes through television, radio and YouTube in each year covered by the Annual Performance Plan.
- ☐ **55 000:** The number of face-to-face CDE events held per annum.

**Strategic objective:** Interact with domestic, regional and international stakeholders to build an understanding of the Electoral Commission's role in delivering credible elections.

**Target & Target Indicator:**

- ☐ **10:** Number of meetings Commissioners hold with key stakeholders per annum.
- ☐ **20:** Number of interactions or liaisons internationally achieved per annum.

**Strategic objective:** Advance and promote electoral processes through communication campaigns on diverse platforms to sustain visibility across the electoral cycle.

**Target & Target Indicator**

- ☐ 80% neutral/positive achievement: Public perception of the Electoral Commission held as evidenced by media reports for each year covered by this plan.
- ☐ Digital (all social media and online content: Facebook ad reach – 35 million impressions; Twitter ad reach –2 million; YouTube ad views –2 million; WhatsApp –number?; New Google AdWords 1 million impressions SMSs sent –1 million Please Call Me – 100 million Television:2 600 00 viewers Radio: 4 400 000 listeners Print: 6 million readers Out of home (150 billboards, 180 000 street pole posters,2 000 transit TV screens, commuter transport – 20 long-distance buses: Recorded reach across multimedia communications platforms (digital, television, print, radio and out of home).

The programme has managed to achieve all its five targets for 2018/19 financial year. It can be deduced that due to the impact of COVID-19 and subsequent national lockdown regulation, the programme could struggle to achieve some of its annual targets. The programme targets to conduct 55 000 number of face-to-face Civic and Democracy Education in the 2020/21 financial year. This will be significantly impacted by the national lockdown regulations. The programme also plans to host 10 thought leadership interactions and 20 interactions internationally. These targets will also be affected by the national lockdown regulations.

#### Programme 4: Party Funding

As stated previously, the Party Funding unit is a new programme. The programme was allocated R 50 million for the 2019/20 and 2020/21 financial year. Of this R50 million, allocated to the IEC during 2019/20 for the establishment of this programme, it is estimated that approximately R38 million will be rolled-over to fund the unit in 2020/21<sup>33</sup>. The expenditure used to date has been for ICT systems implementation, staff costs and research and development unit. The budget structure with sub-unit programmes is being drafted and will be submitted to National Treasury for approval during the 2021 MTEF process and related indicators and targets in the amended APP<sup>34</sup>. The programme starts with four annual targets as summarized below:



**Target& Output Indicator:**

- **4:** Number of disbursements to represented parties per annum.

**Strategic objective: Provide consultative and cooperative liaison platforms between the Electoral Commission and political parties and candidates to facilitate free and fair elections**

**Target& Output Indicator:**

- **1 338 liaison sessions:** Number of liaison sessions held with members of party liaison committees at national (1), provincial (9) and municipal (213) levels per annum
- **10:** Number of cooperative liaison forums conducted with political parties and candidates at national (1) and provincial (1) levels per annum.

**Strategic objective: Provide effective management of the registration of political parties to strengthen multi-party democracy**

**Target& Output Indicator**

- **100% of all new applications that meet the requirements of the Act:** Number of registered political parties as at 31 March of each year covered by this plan

The programme plan to have 1 338 liaisons session and 10 cooperative liaisons at national, provincial and local level of government. There is a great possibility that the current national lockdown regulations will derail some of these plans.

**GPW Budget and Plans for 2020/21**

Government Printing Works facilitates implementation of the legislation that governs the production and management of identification, citizenship and travel, which are developed by the Department of Home Affairs.

GPW contributes towards achievement of the objectives of the National Development Plan (NDP, Vision 2030) and strives to make a significant contribution to the national outcomes of government including the following:

- Outcome 03: All people in SA are and feel safe
- Outcome 11: Create a better South Africa, contribute to a better and safer Africa and a better world.
- Outcome 12: An efficient, effective and development oriented public service.
- Outcome 04: Decent employment through inclusive economic growth.
- Outcome 05: A skilled and capable workforce to support an inclusive growth path.

GPW aligns its work to the majority of apex Government priorities particularly the four that DHA directly contributes to, as highlighted below:

1. Economic transformation and job creation (Outcome 4)
2. Education, skills and health
3. Consolidating the social wage through reliable and quality basic services
4. Spatial integration, human settlements and local government
5. Social cohesion and safe communities (Outcome 3)
6. Building a capable, ethical and developmental State (Outcome 12)
7. A better Africa and world (Outcome 11)

## GPW Budget Overview

The GPW's EXCO together with its Senior Management Team had focused engagements on the impact of the technological revolution, brought about by the 4<sup>th</sup> industrial revolution, broadly on the printing and packaging sector, and specifically, the implications of the 4IR on GPW's core operations. A modernisation project had as a result been initiated and discussions focused, particularly on the following areas:

- The strategic direction of the printing and packaging industry
- The security printing component
- The GPW's product approach and niche
- Leveraging on technology to deliver innovative, effective and efficient solutions to our customers i.e. the DHA's e-passport series
- Promoting a culture of innovation at GPW
- Remote operations to disseminate government information through technology, innovation and service excellence i.e. e-Gazette services

GPW will experience an introduction of specific projects to strengthen the foundation of the modernisation approach. These will include:

- Change Management, to harness organizational culture and have a renewed focus on Employee Value Proposition (EVP) and Customer Value Proposition (CVP)
- Review and upgrade to the (outdated/legacy systems) ICT infrastructure
- Skills gap analysis, and proposals to facilitate modernisation and change management
- E-marketing platforms to reach a variety of clients
- Strengthening of the project management approach and establish a Project Management Office (PMO) within GPW i.e. all products linked to a time frame handled as projects with early warning signs to facilitate timeous delivery.

The equipment recapitalisation plan is expected to cost R1.9 billion over the medium term. An existing building in Pretoria has been identified for refurbishment to serve as the entity's new headquarters from 2020/21. The total cost in 2020/21 for refurbishing the building is estimated at R107 million. As a significant portion of the entity's personnel are nearing retirement, the number of personnel in the entity is expected to decrease from 884 in 2019/20 to 874 in 2022/23. Expenditure is expected to increase at an average annual rate of 10.1 per cent, from R1.5 billion in 2019/20 to R2.0 billion in 2022/23. Revenue is expected to increase at an average annual rate of 8.1 per cent, from R1.6 billion in 2019/20 to R2.1 billion in 2022/23. The entity is set to generate 94.4 per cent (R5.4 billion) of its revenue over the medium term through business operations.

### Budget: 2019/20 to 2021/22

	2019/20 FY	2020/21 FY	2021/22 FY
	R'000	R'000	R'000
<b><u>Income</u></b>			
Revenue	1,532,442	1,559,433	1,883,609
Other operating income	104,954	110,726	116,816
Interest received	3,814	4,092	4,501
<b>Total income</b>	<b>1,641,210</b>	<b>1,674,252</b>	<b>2,004,927</b>
<b><u>Expenditure</u></b>			



Compensation of employees	366,667	334,890	37	359,147
Goods and Services	1,038,003	977,627	1,172,977	
Depreciation	83,295	205,798	284,449	
<b>Total expenditure</b>	<b>1,487,965</b>	<b>1,518,315</b>	<b>1,816,573</b>	
<b>Profit</b>	<b>153,245</b>	<b>155,937</b>	<b>188,353</b>	

#### Financial Performance

R'000	Preliminary	Audited	Audited	Audited
	2019/20	2018/19 FY	2017/18 FY	2016/17 FY
<b>Revenue</b>	<b>1,217,811</b>	<b>1,497,015</b>	<b>1,405,476</b>	<b>1,432,037</b>
<b>Cost of sales</b>	<b>-666,314</b>	<b>-773,999</b>	<b>-711,834</b>	<b>-713,445</b>
<b>Gross Profit</b>	<b>551,497</b>	<b>723,016</b>	<b>693,642</b>	<b>718,592</b>
<b>Other operating income</b>	<b>47,744</b>	<b>57,542</b>	<b>1,442</b>	<b>81,846</b>
<b>Other expenditure</b>	<b>-196,799</b>	<b>-253,969</b>	<b>-241,675</b>	<b>-208,481</b>
<b>Operating profit</b>	<b>402,442</b>	<b>526,589</b>	<b>523,409</b>	<b>591,957</b>
<b>Interest received</b>	<b>1,460</b>	<b>1,672</b>	<b>1,865</b>	
<b>Profit for the year</b>	<b>403,902</b>	<b>528,261</b>	<b>525,274</b>	<b>591,957</b>

#### Strategic/Annual Target Overview

The GPW has 5 Cost Centers for budget and strategic planning purposes:

- i. **Operations and Productions** is the core business of GPW. The high technology machinery currently employed by the GPW is custom built, and requires replacement at regular intervals to ensure that the GPW respond to opportunities presented by the technological revolution and continues delivering high quality goods and services to its customers. Capacity increases in this Branch is being implemented through attracting the much needed technical skills in order to enhance service delivery.
- ii. **Financial Services** is inclusive of financial and management accounting services, supply chain management, logistics and facilities management. The GPW is in the process of appointing a service provider to conduct the renovations of the building purchased to serve as its administrative Head Office in Visagie Street, Pretoria. The increase in the budget under financial services is to cater for its refurbishment, a project estimated to be completed by the end of the 2020/21 financial year. The increase over the MTEF period is inflation related.
- iii. **Strategic Management** includes security services, legal services, strategic support inclusive of monitoring and evaluation and risk management, as well as marketing, stakeholder relations and communications. The strategic intent is to consolidate efforts towards retaining and growing current customers, whilst expanding GPW's footprint to other SADC countries for the printing of State security documents.
- iv. **Human Resources** is composed of human capital management, employee relations, organizational development, and employee health and wellness. The salary benchmarking and organisational structure review projects serve to reposition GPW as an employer of choice, which invests in its human resources and grows its own timber.
- v. **Office of the CEO** includes Internal Audit and Information Communication and Technology (ICT). The annual increase in the budget of the Office of the CEO is due to the replacement of computer equipment and software that ICT has implemented to enhance ICT security.

GPW's APP 2020/21 has a total of 18 performance targets with critical targets aligned to the Strategic Plan, to ensure that all outcomes and desired impacts are achieved. A breakdown of the targets is as follows:

	Branch name	Performance Targets
1	Office of the CEO	3
2	Operations and Production	6
3	Strategic Management	4
4	Financial Services	3
5	Human Resource	2
<b>Total targets</b>		<b>18</b>

Since the last Board meeting in February 2020 and on the fourth quarter of 2019/2020. The Minister of Home Affairs together with the Deputy Minister of Home Affairs, led the delegation from DHA to brief the Committee on the Fourth Quarterly Report of 2019/2020. The report covers the period from 1 January 2020 – 31 March 2020.

The Acting Director-General (ADG) and the Chief Financial Officer (CFO) made the presentation on the performance and budget expenditure of the DHA. The DHA had a total of 25 targets planned for the Fourth Quarter of the 2019/2020 financial year. During this quarter, the DHA achieved 16 of the targets (64 percent) and nine (9) of the targets (36 percent) were not achieved.

In the 2019/20 financial year, the DHA had a total of 24 annual targets. The following 2 targets were discontinued: the development of the National Identification System in respect of the Request for Proposal to be published and the establishment of the Border Management Authority (BMA) as per the BMA Road Map.

Programme	Number of targets	Targets achieved	Targets not achieved
Administration	16	9	7
Citizen Affairs	3	2	1
Immigration Affairs	6	5	1
<b>TOTAL</b>	<b>25</b>	<b>16</b>	<b>9</b>

#### Performance per programme

The DHA progress during the Fourth Quarter of 2019/2020 is indicated below:

- The Biometric Movement Control System (BMCS) was piloted in 1 port of entry and the target was met.
- The 100 managers were trained in a leadership and management development programme.
- The vacancy rate was maintained at 10% or below by 31 March 2020 and the 70 percent of valid misconduct cases submitted to a presiding officer for consideration within 30 working days.
- The final Official Identity Management Policy Final draft of Policy was submitted to Cabinet for approval for public consultation.

- Seven awareness programmes and one Imbizo were conducted on fraud prevention and counter corruption.
- The DHA referred 99 files to the State Security Agency (SSA) for vetting and evaluation.
- The DHA was able to register 202 500 births within 30 days of births.
- 90 percent of the machines readable passports that was applied in South Africa were issued within 13 working days.
- The consultation on the draft Immigration Bill (including amendments to the Refugees Act) with the National Economic Development and Labour Council (NEDLAC) was concluded and the Bill submitted to Minister for approval.
- There were 40 law enforcement operations/inspections that were conducted to ensure compliance with immigration and departmental legislation.
- The final draft business case of the National Targeting Centre (NTC) was submitted to the Director- General and Minister for approval.

The ADG also reported on the following targets that were not achieved and the explanation of the non- achievement:

Targets not achieved	Reason for non-achievement
e-Gate piloted at 1 port of entry	Lack of integration (ESB) skills within DHA. ABIS and BMCS (dependencies for e-gate) not ready
e-Permit system rollout to 3 missions completed (number of missions equipped with the Permit System)	The plan was to roll out to India, China and Nigeria. Unfortunately due to Covid-19 travel could not happen due to international travel embargo.
DHA Bill submitted to Cabinet for approval for public consultation.	Limited capacity within Legal Services and late appointment of the service provider.
DHA Access Model approved by MMM	EXCO approved the geographic access norms and standards on 15 July 2019, however, on 15 November 2019, EXCO raised concerns on some of the standards which informed the revision of the Model office and further engagements on the norms and standards had to take place.
Draft Request for Proposal submitted to National Treasury (for entering into a PPP for the development of ports of entry).	Delay in the appointment of the Transactional Advisor due to the disputed clause of the SLA. The Transaction Advisor was subsequently appointed in and the SLA has been concluded.
5 awareness initiatives on ethics, fraud prevention and counter corruption conducted.	Although Q4 is not achieved, the shortfall had already been achieved in previous quarters.
20 Threat and Risk Assessments (TRAs) conducted in accordance with the requirements of Minimum Information Security Standards (MISS) and/or Minimum Physical Security Standards (MPSS)	Although Q4 is not achieved, the shortfall had already been achieved in previous quarters

780 000 smart ID cards issued to citizens 16 years of age and above.	The continued downtimes due to system instability during Q4 made it impossible to achieve this target.
85% of critical skills visas adjudicated within 4 weeks for applications processed within the RSA (from date of receipt of the application until the outcome is in scan at VFS Centre	DHA Information System (IS) challenges (connectivity) resulted in the non-achievement of the Q4 Critical skills visa target.

With regards to challenges, the DG reported the following:

- The DHA is not properly positioned or capacitated to operate within the security system of the State and as a critical enabler of national security, e-government and e-commerce;
- Non-integration of IT systems across the DHA and running of dual systems (digital and manual) in the same environment;
- High vacancy rate (vacant unfunded posts) in frontline offices and certain critical posts at a management level;
- Heavy dependency on other organs of State to deliver its services (SITA, DPWI and SARS);
- The DHA is among the departments that are highly litigated against; and
- The DHA service delivery model is labour intensive; thus its services were affected by the COVID-19 pandemic.

Priorities going forward, he reported the following:

- ☐ Establishment of an effective Border Management Authority (BMA).
- ☐ Continuation of the modernization programme.
- ☐ Establishment of the National Identity System.
- ☐ Implementation of the E-visa system.
- ☐ Filling of vacant funded critical posts.
- ☐ Early birth registration and issuing of Smart ID Cards.
- ☐ Issuing of critical skills and business visas.
- ☐ A comprehensive review of citizenship and immigration policies and legislation.
- ☐ Upgrading of the 6 priority land ports of entry as One-Stop Border Posts.
- ☐ Enlargement of the DHA footprints including a partnership with 3<sup>rd</sup> party providers.
- ☐ Resource reprioritization to fund COVID-19 recovery plan; and
- ☐ Capacitation of the Legal Services competence of the department.

## Finance Report

The Chief Financial Officer made the presentation on the budget and expenditure for quarter four of 2019/20. The presentation covered: budget versus expenditure as at 31 March 2020, payment of invoices within 30 days and recommendations. He also emphasized that the budget versus expenditure outcome as at 31 March 2020 were unaudited. The budget for 2019/20 was R9.5 billion and the DHA only underspent R187 000. In terms of the percentage, he reported that the DHA spent 100 percent of its budget.

Programmes	Annual Budget R,000	Expenditure R,000	Budget unspent R,000
Programme 1: Administration	R2 531 803	R2 531 717	R 86
Programme 2: Citizen Affairs	R5 657 197	R5 657 096	R101
Programme 3: Immigration Affairs	R1 338 704	R1 338 704	R0
TOTAL	<b>R9 527 704</b>	<b>R 9 527 517</b>	<b>R187</b>

### **Committee Observations.**

The Committee engaged with the presentation by the ADG and the CFO and some of the issues raised were as follows:

- It was indicated that there were school learners from neighbouring and overseas countries who cannot come back to school in South Africa because of the closure of the South African borders and the non-renewal of passports of South Africans who are based overseas.
- The costs of deportation which is based on the three quotation systems were raised as a concern and how much funds were spent so far. The Committee also wanted to establish whether when people are deported, South Africa can recover the cost from the country of origin.
- The DHA should be able to develop a plan of action for the targets that were not achieved and monitor the targets to ensure that they are achieved moving forward.
- The Committee raised a concern that for 2019/20, the DHA achieved 75 percent of the targets while it spent 100 percent of the budget.
- It was indicated that June in South Africa, is regarded as the Youth Month and the DHA should ensure that school learners should be serviced with DHA mobile units that they can apply for the Smart ID Cards and Identity documents.
- The dependency on SITA for ICT and network was expressed as concern and that the State Information Technology Agency (SITA) should be called again to appear before the Committee on their support to the DHA.
- The Committee also wanted to ascertain what happens to the targets that are not met at the end of the financial year and if they are carried to the next financial year.
- The issue of the vacant posts was also raised as a concern.

### **First Quarter Performance and Expenditure Report of 2020/21**

The Committee met with the DHA on 6 October on their First Quarter Performance and Expenditure Report of 2020/21. The report covers the period from 1 April 2020 – 30 June 2020. The Minister of Home Affairs made the opening remarks indicating the DHA services that were available from lockdown level 5 to 1 as follows:

The Acting Director-General (DG), Mr J McKay presented on the performance of the DHA for Quarter 1 including targets that were not achieved, budget versus expenditure as at 30 June 2020 and recommendations. He reported that there were 28 targets planned but only 8 (29%) were achieved. A total of 20 (71%) targets were not achieved given the department's services were suspended in compliance with the lockdown regulations. This is in contrast with the 72% performance for Quarter 1, 2019/20.

He emphasized that the DHA has three programmes, namely programme 1: Administration, programme 2: Civic Affairs and programme 3: Immigration Affairs. The presentation only focused on targets that were not achieved.

The DG presented to the Committee the list targets which were not achieved as follows:

- Assessment report of IT infrastructure signed off by Deputy Director-General for Information Services: It was reported that the target would be deferred to the next financial year 2021/22.
- The target of the Bid advertised during this quarter for the *“Service provider contracted to develop Asylum Seeker and Refugee System”*: The process had only started to draft the specifications.
- The initial Social Impact Assessment system (SEIAS) report to be submitted to the Department of Planning, Monitoring and Evaluation (DPME) for approval of the One-Stop Border Post (OSBP Policy): It was stated that the OSBP Policy was presented to the OSBP Steering Committee for comments.

- The Draft OSBP Policy submitted to JCPS, ICTS and ESIEID Clusters for recommendation to <sup>4</sup>Cabinet. The policy was only presented to the OSBP Steering Committee.
- The Draft Official Identity Management Policy gazetted for public comments: The policy was reviewed in line with the Cabinet comments.
- The initial SEIAS report was submitted to the DPME for approval (Marriage Policy): The policy was submitted to Civic Management for approval.
- The Draft Marriage Policy submitted to JCPS and Social Clusters for recommendation to Cabinet: The policy was submitted to Civic Management for approval.
- The DHA Bill gazetted for public comments: the Bill was revised in line with the Minister's comments.
- The Service provider appointed to develop the Service Delivery Model for DHA and the Bid Adjudication Committee (BAC) for an open tender to appoint the service provider and the appointment of the BSC members.
- The DHA Footprint Development Strategy in line with the approved Access Model approved by DG and Minister: the draft report for geographic accessibility study was submitted to the Council for Scientific and Industrial Research (CSIR).
- With regards to the DHA business progress and the DHA was supposed to report on the first process evaluation to be submitted to DDG: CCSS for cognizance: it was reported that the target has been shifted to quarter three.
- 15 Threat and Risk Assessments (TRAs) were supposed to be conducted in accordance with the requirements of Minimum Information Security Standards (MISS) and/or Minimum Physical Security Standards (MPSS). The annual target was reduced from 60 to 27 because no TRAs were conducted.
- 109 vetting files referred to State Security Agency (SSA) for evaluation: the annual target was reduced from 416 to 400.
- 780 000 smart ID cards issued to citizens (including naturalized and holders of permanent residence permits) 16 years of age and above: The DHA was only able to produce 22 903 instead of 780 000.
- 90% of machine-readable adult passports (new live capture system) issued within 13 working days (from date of receipt of the application until the passport is scanned at the office of application): the passports were issued within 42 working days.
- 50 law enforcement operations/ inspections were supposed to be conducted to ensure compliance with immigration and departmental legislation: only 20 law enforcement operations were conducted.
- The consultation with the National Economic Development and Labour Council (NEDLAC) on the draft Immigration Bill was initiated: It was stated that the target was discontinued and replaced by the Policy Discussion Paper on International Migration.
- 85 percent of permanent residence applications adjudicated within 8 months for applications collected within the RSA (from date of receipt of the application until the outcome is scanned at VFS office of application) (Above applications refer to: critical skills (s27b), general work (s26a) and business (s27c) only): The target was reduced to 23 percent of the Permanent residence applications to be adjudicated within 8 months.
- The Border Management Authority (BMA) launched: During quarter one the BMA Bill had not been assented to by the President but was later assented in quarter two.
- The Draft National Targeting Centre (NTC) establishment plan submitted to the DG for approval: it was reported that the final editing was undertaken.

Mr Hollamby, the Chief Financial Officer made the presentation on the budget and the expenditure. He stated that the DHA was allocated R9.029 billion and the expenditure as at 30 June 2020 was R2.24 billion which translates into 24.8 percent of the budget.

Departmental Agencies and Accounts is at 33.0% against the linear projection of 25.0%. The spending is as per the Public Entities cash flow projections. The budget for the IEC is at 34.2% spent and the Represented Political Parties Fund at 25.0%. The higher spending under the IEC can be attributed to an amount of R35 million that was re-prioritized towards the R562 million baseline cut that the Department had to implement.

Household spending as at 30 June 2020 is at R3.5 million (78.9%) which is significantly higher than the linear projection of 25.0%. The Department has only budgeted R4.4 million for this expenditure. Expenditure is mainly due to the payment of leave gratuity for officials who exit the Department either through resignations, dismissals, death and claims against the state.

Spending on Buildings & Other Fix Structure are at 80.2% against a linear projection of 25.0%. The higher spending is due to an amount of R70 million that was re-prioritized towards the R562 million baseline cut that the Department had to implement.

### **First Quarter 2020/21 Observations**

In response to issues raised by members of the Committee, the following was indicated by the DHA:

- The CFO stated that it was a challenge to predict when the staff would resign and it makes it difficult to budget, however, he indicated that the DHA would adjust the amount the Household line item.
- The Self-financing shortfall would affect the Government Printing Works.
- The DG indicated that the DHA has tabled the revised Annual Performance Plan and Strategic Plan which would answer most of the questions which were raised by the Committee.
- The Refugee Reception Offices are still closed during the lockdown and the Standing Committee on Refugee Affairs (SCRA) and the Refugee Appeals Board (RAB) have been operational during the lockdown to deal with matters of the backlog.
- With regards to the application of the passports in missions abroad, the appointment system is used because of the COVID-19 precautions.
- The Minister of Home Affairs stated that the DHA has a plan to ensure that matric learners can apply for their identity documents. On June 16, 2020, the Deputy Minister of Home Affairs and Deputy Minister of Basic Education launched a campaign in Mpumalanga Province.
- The challenge with mobile trucks was the network in the rural areas and the DHA was now ensuring that the mobile trucks are using MTN, Vodacom and CellC to resolve the matter of the network.
- The Minister stated that the issue with identity documents is non-collection by applicants even though the DHA sent SMSs that the documents are ready for collection.
- On the matter of the blocked identity documents in Mpumalanga Province, especially in Hazyview, the Minister indicated that he was presented with a preliminary report by the DHA and the announcement would only be made once the report is finalized.

## **5. CONSIDERATION OF OTHER SOURCES OF INFORMATION**

### **State of the Nation Addresses 2020**

There is no specific mention of the Home Affairs portfolio in the 2020 State of the Nation Address (SONA). However, the focus for DHA remains on the following strategic themes that emerged from SONA 2020, and have both direct and indirect bearing in the sector:

**Economic development (growth) and investment:** The government will continue to seek economic growth opportunities through social compact with all relevant stakeholders, be it business, labour, international investors, etc. Efficiently managed identity and international migration will play a key role in allowing stable and secure flows of skills, capital and goods. This will attract investment, support industrialisation, assist

planning, encourage the building of infrastructure and grow intra-African trade. With the African Continental Free Trade coming into effect during 2020, the DHA has to ensure that the Visa Waiver signed by Government with various partner countries is implemented as per signed agreements. These agreements support South Africa's commitment to attract investment and facilitate intra Africa trade by incrementally relaxing travel regulations. For Parliament, this means ensuring that the implementation of new legislation such as the Border Management Authority does not negatively impact on trade and tourism through efforts at tightening security. There are still far too lengthy delays in the processing of work and permanent residence permits for South Africa to be competitive on the global Human Resource market and consideration will need to be given in budget allocations for the staff required to increase efficiency. Implementation of the regulations introduced in the Refugee Act restricting the work of asylum seekers should be balanced by ensuring that those asylum seekers with skills relevant to the economy, have their applications fast tracked. The Committee will also need to stay abreast of the latest developments in this regard, as well as regular briefings by the DHA on future agreements of this nature.

**Marketing and strengthening tourism:** Government plans to enhance destination marketing and put measure in place to strengthen tourism safety in the country. South Africa strives to attract tourists, business travellers, skilled workers and investors. SONA 2020 raised the urgent need for strengthening tourism safety in the country. Although the DHA is not responsible for the safety element, it remains a key stakeholder in processing relevant travel documents for tourists visiting the country. Towards this target over 10 countries have been added to the list of tourist visa waivers by the DHA in the last year. It is envisaged that improved tourism safety will in turn increase the volume of visitors to the country. The DHA is behind on targets for the integration and roll out of the immigration monitoring systems (Enhanced Biometric Movement Control System-EBMCS) which in turn has delayed the roll out of the e-visa and e-gate measures aimed at fast-tracking the experience of travellers entering the country. The DHA is being repositioned as a modern, secure department within the security cluster Departments. As this is achieved, the DHA must use its systems to empower citizens, secure the country and support inclusive development whilst not-compromising on trade and tourism.

**Combating Corruption and Strengthening the Rule of Law:** Government should step up the fight against corruption; reverse the wheels of state capture and endeavours to strengthen the rule of law. Efforts should be geared toward restoration of the integrity of all state institutions. In recent years, the DHA launched Operation Bvisa Masina, which seeks to intensify the fight against fraud and corruption. In addition, DHA's Modernisation Programme, whose pillars include the live capture system for identity documents, has proved successful in making it more difficult for corrupt officials to commit fraud. Going forward the roll out of the EBMCS to all ports of entry and its integration with the National Identification system in real time will also avert much of the potential fraud and corruption in Immigration and Citizen Affairs.

**Overhaul of the Durban Port:** Government will undertake a fundamental overhaul of the Durban port to reduce delays and costs. The overhaul of the Durban Port, the third largest container terminal in the Southern Hemisphere, has been scheduled for 2020. The fundamental overhaul of the Durban Port will reduce delay of the ships in the harbour, thus reduce docking costs. This will in turn increase volumes of shipping in the Durban port. For the DHA, increased shipping traffic implies an increase in the number of sailors to be processed at the Durban Port. It further implies that staff capacity (immigration officers) has to be proportional to the increased traffic volume to avoid any unnecessary delays and increased docking costs while goods and people are waiting to be processed. In this regard, the Durban Port could be earmarked, to follow on the Cape Town Harbour pilot project of the Border Management Agency (BMA) where the processing of all travellers is done under one authority. Through oversight and ensuring accountability, Parliament should monitor that the DHA stays abreast of the developments at the Durban Port.



**Energy supply:** The country is faced with constrained energy supply and, therefore, load shedding will remain a possibility for the immediate future. Services at DHA offices have been hampered by load shedding, causing delays in issuing of travel and other documents on time. In addition, DHA offices are at times unable to access its data centers via servers. Measures need to be considered to allow offline functionality and uninterrupted power supply, particularly in high volume urban offices.

### **Sustainable Development Goals**

The outcome of the 2030 Sustainable Development Agenda outlining the 17 Sustainable Development Goals pays particular attention to the people, planet and prosperity. The SDGs recognises the positive contribution migration makes to inclusive growth and development and therefore call on United Nations (UN) member states to strengthen their international support and cooperation to ensure safe, orderly and regular migration with full respect for human rights and fundamental freedoms. In this regard, the South African government has embarked on a comprehensive process of re-examining the role that migration plays in its society and economy through an extensive review of the international migration policy outlook currently underway. The objective of this policy framework is to better equip South Africa to manage the challenges presented by migration and harness its opportunities for both the local communities as well as immigrants.

### **African Union Agenda 2063**

At the African Union Assembly in June 2015, Members adopted Agenda 2063 as both vision and action plan for the integration of Africa. The White Paper on International Immigration Policy acknowledges at least two resolutions adopted by the Assembly, which set clear parameters for South Africa's immigration policy, namely, the establishment of a Continental Free Trade Area (CFTA) and a continent-wide visa-free regime, including the issuing of visas on arrival at ports of entry for African citizens. As a result, visa-free entry should be the norm provided that bilateral return agreements are concluded. In fact, DHA has been issuing 10-year multiple entry visas to frequent travellers from other African countries. Where visas are still required, entry is as easy as possible for bona fide travellers.

In addition, South Africa's White Paper on International Migration Policy acknowledges at least two resolutions adopted by the Assembly, which set clear parameters for South Africa's immigration policy, namely, the establishment of a Continental Free Trade Area (CFTA) and a continent-wide visa-free regime, including the issuing of visas on arrival at ports of entry for African citizens.

### **Oversight Visit to Government Printing Works**

The Committee conducted an oversight visit to the GPW in Gauteng, Pretoria on 17 June 2020. The Committee exercises oversight over the Department of Home Affairs (DHA), GPW and the Electoral Commission of South Africa (IEC).

The oversight visit was conducted due to the submission to the Committee on 13 April 2020 by Mr Ngwambi, who raised serious allegations against the Acting Chief Executive Officer (CEO) of GPW, Ms A. Fosi, and the Minister of Home Affairs, Dr PA Motsoaledi, MP. Mr Ngwambi requested urgent investigation of the appointment and conduct of the GPW CEO by the Minister of Home Affairs. The Committee raised these concerns and inquired on allegations with the Minister of Home Affairs during two Portfolio Committee on Home Affairs meetings held in May 2020. The Minister informed the Committee that he is aware of the allegations and he had referred the matter to the Public Service Commission (PSC) and the Directorate for

Priority Crimes Investigations (known as the HAWKS) for investigation and he will report to Parliament<sup>46</sup> once the investigations were complete.

The Minister of Home Affairs presented the PSC Report and findings in relations to the allegations levelled against Ms A. Fosi during the Committee meeting held on 2 June 2020. The PSC report did not find any evidence to suggest wrongdoing by Ms A. Fosi on the initial allegations levelled against her.

The Committee did not adopt the PSC Report but recognised its legal standing. The Committee further noted other matters have been referred to the HAWKS thus the Committee will only adopt the PSC Report once the HAWKS investigation has been completed.

The Committee also resolved during the meeting on 2 June 2020 that while it awaits completion of the HAWKS investigation, will be necessary to conduct an oversight visit to the GPW to engage the labour representatives of Public Service (PSA) and the National Education, Health and Allied Workers' Union (NEHAWU) to satisfy itself on the allegations levelled against Ms A. Fosi.

### **Oversight to DHA head Office Legal Services**

A few members of the Committee based in or near Gauteng during the lockdown conducted oversight meetings to the DHA Legal Services section at the DHA headquarters in Pretoria on 27 May 2020. The Committee recommended to the DHA to work with the Department of Justice and Correctional Services to streamline the legal function and avoid inefficiencies that lead to cost orders against the department. The delegation visited the department today following a court order by the Western Cape High Court compelling the committee to visit and assess the functionality of the legal services unit of the department.

Furthermore, the delegation has also called for an investigation of the plausibility of modernising the traditional approach of litigation in the public service where the State Attorney is charged with the responsibility of representing state departments in courts of law through the briefing of Counsel. The evolution of this approach might be necessary, especially within the modern legal system.

The delegation appreciated the intention by the department to introduce a multi-disciplinary approach in coordinating and accessing data, especially in high-risk areas such as audit, risk management, legal expert reporting, and litigation. Furthermore, the intention to launch a common technology platform and case management system will ensure that the department is on top of litigation against the department and can respond accordingly.

The delegation is concerned about allegations of collusion between officials of the DHA, State Attorneys and private attorneys in settling some of the matters to the prejudice of the DHA. The committee welcomes the assurance that the Special Investigating Unit (SIU) is already investigating those allegations and has extended its investigations to other government departments.

The Chairperson of the committee, Adv Bongani Bongo, urged the department to push through with the decision to approach the courts in an effort to deal with cases that remain in the DHA's contingency liability report for a long time because plaintiffs fail to prosecute the claims. Adv Bongo emphasised that it was unfortunate and undesirable that the department has contingent liabilities of more than R2 billion.

The delegation also urge the department to utilise Alternative Dispute Resolution mechanisms to resolve some of the legal matters as this will reduce the amount of money the department spends on litigation. Lastly, the delegation welcomed the intention to fill 13 more positions within the legal services unit to ensure that

the section is adequately capacitated to deal with the more than 4 000 litigation cases the department is facing.<sup>47</sup>

The committee appreciates the foresight by the Western Cape High Court in urging the committee to engage the department and address shortcomings in the legal unit of the DHA. The committee will continue to closely monitor the effectiveness of the section to mitigate against possible high litigation costs.

#### 6.6. Joint Oversight to Beitbridge Border Fence

The Portfolio Committees on Home Affairs and Public Works and Infrastructure as well as the Standing Committee on Public on Public Accounts (SCOPA) conducted an oversight visit to Beitbridge Border Post and the 40km fence constructed for the Department of Public Works and Infrastructure (DPWI) along the borderline from 04 – 06 September 2020. The DPWI initiated the erection of the 40km borderline fence through Magwa Construction as part of the government measures to mitigate the risk associated with the Coronavirus (COVID-19) pandemic.

In line with the National State of Disaster and subsequent National Lockdown Regulations, the DPWI erected 20km of fence on either side of the Beitbridge Border Post. The reasons advanced by the DPWI to erect the 40km fence was that the fence infrastructure around the border was not sufficiently secure and was vulnerable to persons trying to cross the border illegally.<sup>1</sup>

Since then, several reports, including the National Treasury and the Special Investigations Unit reports (SIU) have flagged irregularities in the procurement process and the poor quality of work done, and in the appointment of the contractor, Magwa Construction and the Principle Agent, Profteam related to the 40km Borderline Infrastructure Project.

In line with its oversight responsibilities, Parliament conducted an oversight visit to the Beitbridge Border Post on 5 September 2020 to inspect the 40KM fence constructed by Magwa Construction under the auspices of DPWI. The following are the key issues from the Oversight Visit to the 40km borderline fence along with the Beitbridge Border Post and their implications to the Department of Home Affairs.

- ❑ **The Oversight has confirmed that the borderline fence was indeed 40km in length.** However, on both ends of the 40KM fence, there is no significant barrier to prevent people from crossing the South Africa and Zimbabwe border. The Limpopo river is dry at present; therefore, it does not serve as a deterrent for immigrants seeking to cross the border between South Africa and Zimbabwe.
- ❑ **The Visit confirmed that the significant elements of the Borderline Fence Project were not implemented at all. For example, the design of the fence had a final height of 2.2m, and the last actual height of the fence reached no more than 1.8 m on either side of the border gate.** The significant implication to the Department of Home Affairs is that the height and width of the border fence makes it easier for illegal immigrants from both sides of the border to cross to either side. It could then be deduced that many more immigrants could have easily crossed the border into South Africa, and they do not have legal immigration documents to be in the country given the closure of the border during lockdown. The DHA has less than 700 inspectorate to track and trace undocumented immigrants and those that are apprehended, it costs the DHA a significant amount of money to deport them to their country of origin.

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<sup>1</sup> National Treasury (2020).

- **The Oversight Visit has confirmed that the fence was poorly constructed and not fit for purpose.** <sup>48</sup> Poor construction practices compromised the effectiveness of the fence as a deterrent for crossing the South Africa border with Zimbabwe. It was further reported that the fence that was installed was meant for domestic use and not for the borderline.
- **The Oversight Visit confirmed that the barbed wire coils were stretched beyond their recommended effective limit, thus making it easier to scale and cut the fence.** These factors undermined the effectiveness of the fence to mitigate border threats.
- **The Visit confirmed the numerous breaches** (where the fence has been cut open or completely removed) of the fence which may have resulted in an untold number of migrants unlawfully crossing between South Africa and Zimbabwe.
- **Given the non-compliance with aspects of the design specification and poor construction practices, the fence is not fit for purpose,** and current payments in this regard may already be regarded as fruitless and wasteful expenditure.

The Implications of the Above for the Department of Home Affairs were reported to be the following:

- The DPWI ought to have known that Parliament had already passed the Border Management Authority (BMA) Bill by March 2020 and it was waiting for the President to sign it into law by the time the borderline fence project was approved. The BMA was later signed into law by the President during June 2020. The DPWI could have (out of courtesy, since the BMA was not yet signed into law) consulted the Department of Home Affairs on their preferred specifications of the borderline fence. It is the Department of Home Affairs (through the BMA) that has the responsibility to secure the borderline, especially against illegal migration and cross-border criminality.
- As per the Special Investigation Unit findings, the 40km fence is not fit for purpose. The height of the fence and numerous breaches on the fence make it easy for illegal immigrants to cross the border to either side of the fence. According to the Department of Home Affairs officials interviewed during the oversight visit, at least 2000 illegal immigrants are apprehended every month trying to cross the border into South Africa. It can therefore be deduced that due to lack of deterrence in crossing the border, many illegal immigrants might have successfully crossed the border into South Africa or Zimbabwe. The Department of Home Affairs is responsible for the apprehending undocumented immigrants in the country and their subsequent deportation to their country of origin at a significant amount of money. The DHA has consistently reported to the Portfolio Committee on Home Affairs that it has approximately 700 immigration inspectors in the country to track and trace the high number of undocumented migrants in the country.
- Government has closed borders for human movement between South Africa and its neighbouring countries as one of its measures to respond to the COVID-19 pandemic. Many of South Africa's neighbours, including Zimbabwe, rely on South Africa for essential shopping such as groceries and medical supplies. There is a high probability that due to the closure of borders to a person's movement, many people could have crossed the border illegally for shopping and other purposes into South Africa.

## 6. COMMITTEE'S RECOMMENDATIONS

Based on findings mentioned in this report during the oversight and engagement with the Department of Home Affairs (DHA), the Electoral Commission (IEC) and the Government Printing Works (GPW); the Portfolio Committee on Home Affairs recommends that the Minister of Home Affairs should:

### The Department of Home Affairs

- Report back on its investigations in relation to the AG provided list of persons with involvement in companies whilst in the employ of the DHA within seven days after the adopting of this report.
- With regards to operations at Desmond Tutu Refugee Reception Office, report back on Counter Corruption Directorate investigations as well as engaging the Hawks to investigate and address syndicates that operate outside and within the office by June 2019.
- Report on the full reopening of refugee offices in Port Elizabeth and Cape Town as per court orders as a matter of urgency.
- Resolve the matter of the system downtime by SITA with the Minister of Communications to address front office service delivery by the DHA and provide alternative solutions and related budget implications if not resolved by the end of the 2019/20 financial year.
- Initiate the process to be exempted from the requirement to use the Department of Public Works and Infrastructure with regards to the procurement of DHA offices that are suitable for the Live Capture System prior to the 2019/20 Budget Allocation.
- Engage more urgently with the Ministers of Finance regarding the cutting of funding to the already constrained DHA which is operating at less than half its ideal capacity, since it is significantly effecting service delivery, the correct statement of audit figures, as well as national security.
- Effect administrative and legislative changes to facilitate laying criminal charges against foreign nationals who submit fraudulent documentation in the application for Permanent Residence and report back in this regard by the end of the 2019/20 financial year.
- Further motivate for funding over the Medium Term Expenditure period for completing the digitizing of paper based population records and cleaning of the National Population Register of duplicate, fraudulent and other irregular records.
- Strive towards a clean audit opinion and better adhere to in-year audit plans. In particular, the impairment of departmental revenue in collecting of penalties and the reduction of irregular expenditure. Progress on audit plans and the Auditor General Management Letter must form part of all future quarterly performance reporting to the Committee.
- Revive the need for working and providing services to clients on Saturdays in negotiation with National Treasury for funding and trade unions for staff interests prior to the end of the 2019/20 financial year. Consideration, in this regard should be given to the lost productive time for learners, businesses and employees as well as the essential nature of the services.
- Ensure as much increase in provision of services through banks as possible to ease congestion for the applications and collections of ID Cards and passports in the medium term expenditure period.
- Rather than the proposed increase in funding to outsourced contractors from around R40 million to R120 million, consider employing more permanent staff in 2020/21.
- Ensure that all trusted travellers are registered and all international airports are equipped with the e- Gate system by 2021 to improve efficiency without compromising on security.
  - Ensure funding in the medium term expenditure period for all mobile trucks to be modernised to issue Smart ID Cards and passports in the rural areas.

### The Government Printing Works

- The GPW should report on the implications of introducing legislative provisions for ring-fencing of certain government printing work prior to the tabling of such legislation at Parliament.
- Continued failure to support the completion of GPW facilities beyond 2018/19 will result in the City of Tshwane and DPW being called to account to Parliament for their delays.

7.1.17. The appointment of the CEO of the GPW should be prioritised and reported to the Committee<sup>50</sup> by the end of 2018.

Ensure that the State Security Printers Bill is submitted to Parliament by the end of the 2019/20 financial year.  
Engage with counterparts in the Trade and Industry and International Cooperation departments to market the security printing capacity of the GPW on the African continent.

### **The Electoral Commission**

Move towards the roll out of live results and ensure constant communications with political parties and the media at the results operations centre by the end of the 2020/21 financial year.

Engage with the Minister of Finance on the issue of the PFMA requirement for three quotations in relation to the printing of ballot papers considering the security concerns. The GPW should rather be considered for the 2021 Municipal Elections, in this regard, given its security printing credentials.

Provide detailed motivation and budgets for the procurement of permanent headquarters rather than continued payment of considerable rent prior to the end of the current lease agreement and in view of medium to long term financing.

### **Recommendations 2020**

Based on the continuous engagement with the Department of Home Affairs, the Government Printing Works and the Electoral Commission for the 2019/20 financial year, the Committee recommends the following to the Minister of Home Affairs:

#### **Department of Home Affairs**

Investigate of the plausibility of modernising the traditional litigation approach in the public service where the State Attorney is charged with the responsibility of representing state departments in courts of law through the briefing of Counsel. The evolution of this approach might be necessary, especially within the modern legal system.

The department to push through with the decision to approach the courts in an effort to deal with cases that remain in the DHA's contingency liability report for a long time because plaintiffs fail to prosecute the claims.

The department should utilise more Alternative Dispute Resolution mechanisms to resolve some of the legal matters as this will reduce the amount of money the department spends on litigation.

Fill the 13 legal services unit positions to ensure that they are adequately capacitated to deal with the more than 4 000 litigation cases the department is facing.

The DHA should give Parliament regular updates on the implementation of the One-Stop Border Post in the six identified ports of entries Beitbridge (bordering Zimbabwe); Lebombo (bordering Mozambique); Maseru Bridge (bordering Lesotho); Kopfontein (bordering Botswana); Ficksburg (bordering Lesotho) and Oshoek (bordering Swaziland). An estimated R233 million is allocated for this over the MTEF in the Administration programme.

The Department had started to pilot the e-visa regime with Kenya and India and negotiations are being held with China and Nigeria, given the potential risks associated with computerisation of services, Parliament should be briefed regularly on the risk and mitigating factors during roll-out.

The BMA bill was passed into law on 19 July and the DHA should provide Parliament with a detailed implementation plan and related budget expenditure, including functions, funding and resources (including assets) to be transferred from other relevant departments.

The Department of Home Affairs should engage on a case by case on the closure of the borders for school learners.

7.2.9 The Minister of Home Affairs should engage with countries on a bilateral basis to ensure that deportation funds are recouped from the countries of origin of the illegal immigrants.

The Minister of Home Affairs should ensure that there is an action plan to ensure that the targets which were not met are achieved.

The Department of Home Affairs should ensure that it plans budgets properly to ensure that if 100 percent of the budget is spent, it means 100 percent of the targets are also met.

The Minister of Home Affairs should always ensure that the Department has a plan to ensure that the Grade 12 pupils' application for identity documents is done timeously.

The Minister of Home Affairs should resolve the matter of the network downtimes with SITA to ensure DHA meet its identity document targets.

Within the limited funds available the Minister of Home Affairs should nonetheless prioritise that as many critical funded posts are filled urgently.

The Minister of Public Works and Infrastructure should ensure that all officials and others who were found to have acted in the illegal procurement process of the Beit bridge fence are held accountable.

The report of the Special Investigations Unit on Beit Bridge is to be implemented fully as soon as possible.

Any future construction of the border fence should be done in consultation with the border management authority.

Particular vulnerabilities were identified to the West of the new Beit Bridge fence where no fence exists for about 500 meters between it and the old fence. To the East there was a large area the width of a vehicles breached. There were three gates that were unlocked on the new fence. These vulnerabilities should be vigilantly monitored and repaired as soon as possible.

Until such time as the gaps in the fence have been repaired, additional patrols of the borderline by the Defense Force should continue.

The revised APP was presented at a very difficult time when the budget of the DHA was cut by R562 million. This could be a trend that could continue in the future. The DHA should start with risk adjusted performance measurement.

The passports that the DHA is issuing within 13 days during lockdown are commendable, however, the challenges in the application of passports by people abroad must be resolved as a matter of urgency.

Progress on documenting refugees and asylum seekers for getting the social relief grant must be presented to the Committee in early 2021.

The migrants found at the temporary camps in Cape Town should be resettled or reintegrated as per the plans presented to the Committee.

The DHA should continue to address the issue of long queues at its service offices.

The Committee encouraged the Department to fast track the targets that were greatly affected by the lockdown.

The Committee supports the increase of the budget of the DHA for its essential services.

The DHA should report to the Committee in the February 2021 on all outstanding recommendations and performance targets.

The Department should report within six months on how it is addressing issues of corruption in particular in the immigration branch.

With the African Continental Free Trade having come into effect during 2020, the DHA has to ensure that the Visa Waivers signed by Government with various partner countries is implemented as per signed agreements.

The DHA should table their Annual report as soon as possible.

7.2.9 The Minister of Home Affairs should engage with countries on a bilateral basis to ensure that

The IEC should work more closely with the Minister of Home Affairs and Cabinet in ensuring that the Amendments to the Electoral Legislation regarding Independent Candidates recommended by the Constitutional Court are tabled as a matter of urgency before the end of October 2020. Failing which the Minister and IEC must copy the Committee in on its correspondence to the ConCourt that it is likely to need an extension of the deadline set to effect these amendments.

The IEC should consider online and conventional media alternatives to compensate for loss of face to face outreach programmes.

The IEC along with the executive should provide final policy options to implement the Constitutional Court Ruling in the matter of the New Nation Movement and others vs the IEC and others as soon as possible.

The IEC should brief the Committee with the Municipal Demarcation Board on the completion of the demarcation process.

The IEC should table their Annual report as soon as possible and explain why it was tabled late without correspondence.

**The Government Printing Works.**

The Committee advised the Minister to ensure that the PSIRA directives regarding security officials who are not compliant would be implemented without further delay.

The Committee expect a report from the Minister of Home Affairs on the actions taken at GPW on the date to be communicated.

On the issue of allegations against the Acting CEO of the GPW, there is an investigation that is being conducted and the report must be provided to the Chairperson and the Committee by the Minister of Home Affairs as soon as completed.

The Committee notes that a police investigation is underway regarding the missing Curriculum Vitae's (CV's) of advertised posts which were supposed to have been filled. However, the Minister of Home Affairs should hold the Acting CEO accountable for the missing CV's. The Committee expect a report from the Acting CEO on the actions taken against those responsible for safeguarding the CV's.

The Committee noted the practice of senior managers who are also shop stewards. Even though there is no law preventing such practice, the Committee discourage it because of potential conflict of interests.

GPW has not been able to proceed with the construction of the new HQ because the Department of Public Works (DPW) was not able to complete the tender process. The Committee has supported the decision by the Minister of Home Affairs to issue the construction tender on their own, but should also appoint relevant professionals to project manage the construction. The CEO of GPW should present plans to the Committee on how they are going to proceed on the matter.

The GPW should keep the Committee informed of changes to its plans based on revised reductions in its revenue from services to the DHA and others.

The GPW should table their Annual report as soon as possible.

Report to be considered.