



**REPORT OF THE CONSERVATION AND ENVIRONMENTAL AFFAIRS
PORTFOLIO COMMITTEE ON THE CONSIDERATION OF THE 2022/23 BUDGET
AND APP FOR THE DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISMS
AND ENVIRONMENTAL AFFAIRS**

PROGRAMME 7: ENVIRONMENTAL AFFAIRS

1. INTRODUCTION

Hon. Chairperson;

Members of the Executive present;

Honourable Members;

Ladies and gentlemen;

It is an honour to present the budget report on behalf of the Portfolio Committee on Conservation and Environmental Affairs.

The report I table today provides a briefly summary of the Portfolio Committee's deliberations on the 2022/23 Budget and Annual Performance Plans (APP) for both Programme 7: Environmental Affairs and its entity Ezemvelo KZN Wildlife (Ezemvelo); inputs provided by shareholders when the Committee facilitated stakeholders' participation in the budgetary process; concerns raised by the Committee during deliberations and resolutions taken by the Committee after thorough consideration of the reports.

2. SUBMISSION OF INFORMATION AND USEFULNESS THEREOF

The Committee wishes to commend both the department and the entity for timeous submission of both the draft and final Budget and APPs for 2022/23. These timeous submissions enabled the Committee to thoroughly engage on the submissions and hold meaningful and productive deliberations.

3. BUDGET CONSIDERATION PROCESSES

Having a role in the budget process, considering the budget and evaluating appropriateness of financial resource allocation is one of the many elements of legislative oversight. Intent on having a role in the budget process and contributing to budget oversight, the Committee met with both the department and entity on several occasions to consider from the first to the final draft of the 2022/23 Budget and APP.

The first deliberations were held in the presence of stakeholders at Amajuba District on the 19th of December 2021 and the final draft was tabled and considered on the 15th of March 2022. The Portfolio Committee also attended budget hearings held by the Finance Portfolio Committee on the 5th of April 2022.

House Chairperson, this was done to enhance legislative scrutiny and oversight on the budget and the Executive.

4. INPUTS BY THE STAKEHOLDERS

During the above-mentioned stakeholders' interaction at Farmers Hall in Newcastle, community members praised the department for good services delivered in that area such as provision of necessary circular economy skills to cooperatives. The Committee commends the department for this good work and pleads with the department to continue with similar interventions across the province.

The community raised the following inputs:

There were requests for 1) skills development on waste management for electronic waste, to enable Cooperative and SMME to participate in waste economy and create jobs in the circular economy; 2) the requested department to increase awareness campaigns on hazardous waste such as disposable nappies; 3) community to be helped to hold its clean-campaigns in surrounding rivers as they have become dump

sites; 4) the upgrades, renovations and additional activities at Chelmsford Nature Reserve to resuscitate and improve eco-tourism industry in the area.

5. ANALYSIS OF THE BUDGET AND APP

5.1 PROGRAMME 7 ENVIRONMENTAL AFFAIRS

The department tabled a budget of R1.148 billion for programme 7: Environmental Affairs for 2022/23. The department reported that this budget will be spent across its 6 sub-programmes, with sub-programme 4: Biodiversity Management allocated 85% of the total budget as it houses the R854 million subsidy for Ezemvelo.

The Committee observed that the budget shows a nominal growth when compared to the 2021/22 adjusted budget however, the Committee was pleased to learn that there were no budget cuts administered against this budget and that the EPWP Integrated Grant for Provinces grew by 26% when compared to previous financial year.

During the tabling, the department also reported on targeted outputs; projects and interventions to achieve these predetermined outputs as per APP, and budget allocated for each output. The department also demonstrated links between targeted outputs and national and provincial priorities.

The Committee sought clarity on numerous issues including clarity on targeted performance such as: the number of municipalities targeted to receive waste support; targets on skills development projects and contribution that these skills development projects have on creation of job opportunities through environmental conservation and waste management or recycling.

Through its deliberations and engagements with the department, the Committee satisfied itself that the department managed to align its budget with the National and Provincial priorities such as The National Development Plan, Provincial Growth and Development Plan, Medium Term Strategic Framework, and KZN Economic Recovery Plan.

The Committee notes that this budget was drafted and finalised before the disastrous floods that have resulted in inconceivable loss of life, damage to property, infrastructure and the environment and prior to these occurrences being classified as

a national disaster. The Committee is aware that, there will be budgetary implications emanating from the classification of this occurrence as a national disaster and it is confident that, when undertaking any necessary reprioritisation exercise, the department will do so with due diligence, while protecting critical service delivery budget.

5.2 KZN EZEMVELO WILDLIFE

Tabling its 2022/23 Budget and APP the entity; Ezemvelo informed the Portfolio Committee, that its estimated budget is R1.017 billion. The Committee noted that, this budget does not grow in real terms as it is still below pre-Covid-19 era, however, it was pleased to learn that the entity estimates generating own revenue of approximately R153.877 million from items such as accommodation fees, admissions, conservation levies and resale of goods. This is a positive sign that conditions are improving after the devastating impact of the Covid-19 pandemic.

6. CONCERNS (EZEMVELO)

Having considered the budgets and APPs, presented by both the department and the entity, the Committee noted with concern that the entity seems to have limited financial resources at its disposal.

A significant portion of the budget is allocated to compensation of employees to the extent that this expense is larger than subsidy from the department; operating budget is limited to extent that the entity is not in a position to introduce any upgrades or changes to any of its software applications.

The all-important budget for maintenance to upkeep and uplift facilities to adequate levels and standards is insignificant at 4% of the total budget whereas, if these facilities are not improved, they will inhibit the entity from realizing its current financial year target of attracting 470 000 visitors and sustainable generation of own income in the foreseeable future.

The entity was invited to conduct research and explore viability of revenue enhancement strategies such as hunting quotas as they have potential to generate much needed income rather than culling of excess wildlife whilst attributing to nature conservation and preservation of ecosystems.

The Committee also noted with concern delays in 1) finalisation and implementation of the commercialisation strategy, the Committee will continue to engage the department extensively on this matter during its planned workshop; 2) implementation and finalisation of rationalisation process, it was more concerning to learn that Ezemvelo has not made any provisions for financial implications associated with merger with KZN Sharks Board.

The Committee has confidence that, the appointment of the board and CEO is a critical milestone that will bring stability and improve governance in the entity.

The Committee implores Ezemvelo to improve its spending patterns, improve spending on maintenance of infrastructure, improve programme execution and to spend the limited available resources with efficacy, as this will demonstrate to the department necessity to increase the subsidy.

The Committee believes that Ezemvelo has enormous potential, it can be restored to functional efficiency and operate according to best practices and we are committed to help Ezemvelo to be the best.

The Committee will monitor both the department's and entity's financial and non-financial performance throughout the year through the application of the Sector Oversight Model and Financial Oversight mechanisms as required and prescribed by the Legislative Sector. This will be done with the aim of ensuring that the department and entity spend their allocated budgets whilst achieving their service delivery targets.

7. RESOLUTIONS

Having considered and deliberated extensively on the main Budget and APP for Environmental Affairs, the Committee members from various Parties voted as follows:

- ANC supported the budget;
- IFP supported the budget;

- DA abstained;
- EFF supported the budget and
- Minority Front supported the budget

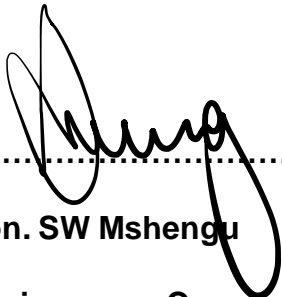
8. CONCLUSION

In conclusion, I would like to thank all Hon Members of the Committee for their commitment and dedication to the work of the Committee.

On behalf of the Committee, I would also like to thank the MEC, the HOD and management of both the department and Ezemvelo for their continued cooperation with the Committee. I would also like to thank Treasury and Committee support staff for their continued support.

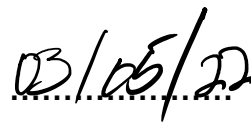
The Committee recommends that the House votes in support of this budget.

Thank you.



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Hon. SW Mshengu



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Date

Chairperson: Conservation and Environmental Affairs Portfolio Committee