

Report of the Portfolio Committee on Justice and Correctional Service on Budget Vote 18: Correctional Services, dated 12 July 2019

The Portfolio Committee on Justice and Correctional Services, having considered the Department of Correctional Services' 2019/20 budget (Vote 18) and the annual performance plan, reports as follows:

1. INTRODUCTION

- 1.1 The Minister of Justice and Correctional Services, Mr Ronald Lamola, tabled in the National Assembly, the Annual Performance Plan (APP) of the Department of Correctional Services (DCS) for consideration and report.
- 1.2 The Committee received a political overview by the Minister on 03 July, accompanied by the two Deputy Ministers, Inkosi Phathekile Holomisa (Correctional Services) and Mr. John Jeffery (Justice and Constitutional Development). On 04 July the Committee received a briefing from the Deputy Minister responsible for the Correctional Services portfolio and the Commissioner of Correctional Services, Mr Arthur Fraser, accompanied by senior management of the Department. The briefing focussed on the 2019/20 Annual Performance Plan and the budget allocation as per Budget Vote 18.
- 1.3 The DCS's mandate is derived from the Correctional Services Act (No. 111 of 1998), as well as the white papers on Correctional Services (2005) and Remand Detention Management in South Africa (2014). The legislation and policies inform all the efforts towards achieving the safe and humane detention of offenders and remand detainees, rehabilitation and social reintegration.
- 1.4 The DCS's planning documents are also informed by the government-wide Medium-Term Strategic Framework (MTSF) 2014-19, which is geared towards the implementation of the National Development Plan's Vision 2030 (NDP).

2. POLITICAL OVERVIEW BY THE MINISTER OF JUSTICE AND CORRECTIONAL SERVICES

- 2.1 After making some introductory remarks, the Minister informed the Committee that he had a handover briefing from the outgoing Minister and senior officials of the Department. He highlighted that the Departmental plans were in a transitional phase towards the new Medium Term Strategic Framework(MTSF). He said that the new MTSF will be infused by the priorities that were outlined by the President in his State of the Nation Address.
- 2.2 The Minister said that the July month is important in the calendar of South Africa's constitutional democracy as South Africa will be celebrating the role of Nelson Mandela, a global icon and statesman and first democratic President of South Africa. He said that in his honour, the United Nations had adopted the Revised Standard Minimum Rules for the Treatment of Prisoners; the Mandela Rules. He said that the Mandela Rules provided a set of universally acknowledged minimum standard which the Department was translating into daily lived reality of inmates in South Africa's 243 correctional centres.
- 2.3 Minister Lamola said that over the medium-term, the Department of Correctional Services (DCS) will prioritise providing appropriate services for safe, secure and humane that the DCS has embarked on projects aimed at equipping inmates with agricultural skills and training in the cultivation of vegetables and fruits, milk and meat production leading to more than 3300 inmates opting for agriculture as their career of choice. He also emphasised the need to transform South African correctional centres from being havens of drugs and gang syndicates into proper rehabilitation centres.
- 2.4 The Minister reported that the number of inmates as at 31 March 2019 was 162 857, leading to 37 percent over-crowding as the DCS had bed-spaces for 118 572 inmates. He said that the DSC was mindful of the challenges of overcrowding in correctional and remand detention facilities which continue to undermine the creation and maintenance of

safe and secure environment for inmates and personnel. This environment further undermined the delivering of effective and efficient rehabilitation. He said that the down-management of the inmate population required an integrated approach which takes into consideration external factors that indirectly and directly drive the population levels including such factors as the criminal culture across society, the increased focus on implementing effective measures to combat and prosecute crime, high unemployment rates and the economic climate in the country.

- 2.5 The Minister highlighted that the Correctional Services Act, which was now 13 years old, required a review given the new developments in such fields as restorative justice, child justice, rehabilitation and social reintegration and victim empowerment.
- 2.6 The Minister announced that the DCS had insourced the provision of nutrition to inmates in its 26 kitchens that had been serviced by African Global Operations (AGO-formerly known as Bosasa), as the contract was terminated in March 2019 after it was implicated in the State Capture Commission of Inquiry. He said that the insourcing of food services has opened doors for local businesses to supply food to the DCS.
- 2.7 On 04 July, the Deputy Minister responsible for Correctional Services, Inkosi Holomisa, added that following the insourcing of nutrition services following the cancellation of the AGO/Bosasa contract, the DCS was working with the Office of the Chief Procurement Officer (OCPO) at National Treasury to overhaul the procurement of food items in all its correctional facilities.
- 2.8 The Deputy Minister further highlighted that in the 2017/18 financial year, the DCS had incurred an irregular expenditure of R1,897 billion. He said that the main contributing transaction for this irregular expenditure related to the procurement of high security fences at various correctional centres which amounted to R1,724 billion (90 percent of the irregular expenditure for the year). This irregular expenditure was a result of non-compliance with Supply Chain Management (SCM) prescripts as well as significant expansion of scope by the implementing agent (the Independent Development Trust), he said. He told members of the Committee that the procurement of the fencing programme is currently a subject of investigation by the Special Investigating Unit (SIU).
- 2.9 The Deputy Minister concluded his briefing by assuring the Committee that as the country celebrated its 25 years of freedom and democracy, the DCS will amplify its efforts of making the 243 correctional facilities real centres of rehabilitation and learning.

3. DEPARTMENT OF CORRECTIONAL SERVICES' STRATEGIC GOALS

3.1 The DCS's mission is to contribute to a just, peaceful and safer South Africa through the effective and humane incarceration of inmates, and the rehabilitation and social reintegration of offenders. The DCS committed to playing its role to ensure that the MTSF and the NDP's strategic outcomes are achieved. The overarching goal is to build a safer South Africa where all people are and feel safe.

3.2 To this end the DCS has committed to:

- 3.2.1 providing all remand detainees and sentenced offenders with safe, secure and human conditions of detention and incarceration;
- 3.2.2 ensuring that remand detainees attend court as prescribed/required, and that they are provided with services responding to their needs, including personal wellbeing programmes; and
- 3.2.3 attending to sentenced offenders' health care, rehabilitation and social reintegration needs.

4. OVERVIEW OF THE DCS BUDGET: 2019/20

4.1 The DCS will receive R25 407 billion in 2019/20, an increase of 7 percent from 2018/19. The allocation is projected to increase to R28 962 billion over the medium term (2021/22). Of the total 2019/20 budget, 74 percent (R18 213.6 billion) will go towards the Compensation of Employees.

TABLE 1: SUMMARY OF ALLOCATION FOR 2019/20

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Average growth rate (%)
R'000	Audited outcome	Audited outcome	Audited outcome	Original Budget	Medium-term estimates			
Administration	4,015,015	3,879,599	3,912,772	4,283,755	4,786,272	5,100,990	5,427,057	5.2%
Incarceration	12,289,172	13,097,338	13,949,901	14,529,263	15,139,582	16,214,671	17,317,655	5.9%
Rehabilitation	1,395,043	1,476,416	1,695,311	1,861,252	1,994,849	2,141,962	2,270,717	8.5%
Care	2,088,481	2,235,094	2,322,675	2,275,301	2,444,582	2,601,688	2,758,946	4.7%
Social Reintegration	800,964	853,727	907,919	898,939	1,042,353	1,117,809	1,188,189	6.8%
Total	20,588,675	21,542,174	22,788,578	23,848,510	25,407,638	27,177,120	28,962,564	5.9%
Current payments	19,236,312	20,528,963	21,949,534	23,040,930	24,621,200	26,355,422	28,095,974	6.5%
Compensation of employees	13,189,485	14,417,167	15,613,459	16,994,941	18,213,635	19,594,290	20,947,052	8.0%
Goods and services	6,045,168	6,111,482	6,331,609	6,045,989	6,407,565	6,761,132	7,148,922	2.8%
Interest on land	1,659	314	4,466					
Transfers and subsidies	109,225	131,448	161,656	132,719	163,629	171,751	180,897	8.8%
Payment of Capital assets	1,243,138	874,405	620,118	674,861	622,809	649,947	685,693	-9.4%
Payment of financial assets		7,358	57,270					
Total	20,588,675	21,542,174	22,788,578	23,848,510	25,407,638	27,177,120	28,962,564	5.9%

SOURCE: ESTIMATES OF NATIONAL EXPENDITURE 2019, PAGE 2-8.

4.2 The DCS budget is distributed across the following five programmes: Administration (R4.7 billion), Incarceration (R15.1 billion), Rehabilitation (R1.9 billion), Care (2.4 billion), and Social Reintegration (R1.0 billion).

4.3 As in the previous years, about 78 percent of the total DCS budget goes towards the Administration and Incarceration programmes. The Rehabilitation and Social Reintegration programmes will together receive only 12 percent of the total budget for 2019/20, while the Care programme receives 10 percent. Allocations to the Care and Social Reintegration will increase by 4.80 percent and 7.69 percent respectively.

4.4 The Judicial Inspectorate of Correctional Services will receive transfers from the DSC Vote of R77,2 million in 2019/20, R81.5 million in 2020/21 and R86 million in 2021/22.

4.5 Despite a 5.9% average growth to the DCS budget, there has been some baseline reductions to the budget over the medium term.

4.6 For 2019/20, there is a baseline reduction of R79.9 million, and R74,3 million in 2020/21, affecting the Compensation of Employees. Since 2015/16 to 2020/21, the reduction would amount to R3,15 billion, leading to a reduction of funded posts from 42 006, before the budget cuts, to 39 191 funded posts over the 2019/20 MTEF.

4.7 Budget baseline cuts for Goods and Services from 2015/16 to 2020/21 would be R2,2 billion, putting immense budgetary pressure on the operational budgets for correctional centres and administration. The DCS has identified pressures to be on its ageing fleet of vehicles which transport inmates to courts and hospitals for medical treatments, and to consumables and food items for inmates, municipal services such as water and electricity bills.

4.8 On Capital Assets, baseline cuts between 2015/16 and 2020/21 are expected to be R847 million, affecting the infrastructure delivery programme that seeks to address overcrowding through construction and upgrading of correctional facilities.

5. OVERVIEW OF ALLOCATIONS PER PROGRAMME

5.1. PROGRAMME 1: ADMINISTRATION

5.1.1. The Administration programme provides for the functions that underpin the DCS's service delivery and comprises administrative, management, financial, information communication and technology, research, policy co-ordination and good governance support functions. The sub-programmes under this programme are: Ministry, Judicial Inspectorate for Correctional

Services (JICS), Management, Human Resources, Finance, Internal Audit, Information Technology and Office Accommodation.

5.1.2. In terms of budget allocation for sub-programmes, the Human Resources sub-programme has been allocated 43 percent of the total budget of the Administration programme, while the Finance sub-programme is allocated 24 percent of the programme's budget. The Management sub-programme has been allocated 20 percent, the Information Technology sub-programme comprises only 6 percent, the Assurance Services sub-programme and Office Accommodation sub-programme have been allocated only 2 percent respectively. The Judicial Inspectorate for Correctional Services also received 2 percent while Ministry sub-programme received 0.61 percent.

5.1.3. This is the second largest programme in the Department in terms of budget allocation and has been increased by 9 percent as compared to 3.20 percent in the 2018/19 financial year. An amount of R4.7 billion has been allocated to the Administration programme for the 2019/20 financial year. This amounts to 19 percent of the total Departmental budget.

	2018/19 (R'000)	2019/20 (R'000)	Nominal % changes	Real % change	Nominal Rand change	Real Rand change
Programme 1: Administration	4 487.8	4 786.3	9.08	3.69	398.5	161.9
Sub-programmes						
Ministry	27.3	29.5	8.06	2,72	2.2	0.7
JICS	72.3	77.2	6.78	1,50	4.9	1.1
Management	830.1	985.9	18.77	12,90	155.8	107.1
Human Resources	1 872.7	2 039.8	8.92	3,54	167.1	66.3
Finance	1 130.9	1 186.8	4.98	-0.24	55.9	-2.8
Assurance Services	87.9	99.8	13.54	7.93	11.9	7.0
Information Technology	284.0	280.3	-1.30	-6.18	-3.7	-17.6
Office Accommodation	82.6	87.0	5.33	0.12	4.4	0.1

TABLE 2: ADMINISTRATION PROGRAMME

5.2.PROGRAMME 2: INCARCERATION

5.2.1. The Incarceration programme provides for services and physical infrastructure that support secure conditions of incarceration of inmates. The Incarceration programme has four (4) sub-programmes. The largest allocation of the budget under this programme goes to the Security Operations sub-programme which received R8.4 billion, constituting 32 percent of the total allocation for the programme. The Facilities sub-programme has been allocated R3.8 billion, which translates to 15 percent of the total allocation for this programme. The Remand Detention sub-programme has been allocated an amount of R622 million which is the smallest allocation under this Programme and only comprises 2 percent of the total allocation for the programme. The Offender Management sub-programme has been allocated R2.3 billion which translates to 9 percent of the total allocation to this programme.

5.2.2. Being the largest DSC programme, the Incarceration programme's budget is (R15, 139.6 billion) for 2019/20, an increase by 6 percent when compared to the previous financial year. This amounts to 60 percent of the total budget allocation for the Department. 79 percent (R11,944 billion) of the allocation for this programme goes towards Compensation of Employees.

	2018/19 (R'000)	2019/20 (R'000)	Nominal % changes	Real % change	Nominal Rand Change	Real Rand change
Programme 2: Incarceration	14 350.4	15 139.6	5.50	0.28	789.2	40.9
Sub-programmes						
Security Operations	7 965.5	8 350.5	4.83	-0.35	385.0	-27.8

Facilities	3 767.9	3 877.0	2.90	-2.19	109.1	-82.5
Remand Detention	697.4	622.0	-10.81%	-15.22	-75.4	-106.1
Offender Management	1 919.6	2 290.1	19.30%	13.40%	370.5	257.3

TABLE 3: INCARCERATION PROGRAMME

5.3 PROGRAMME 3: REHABILITATION

5.3.1 The Rehabilitation programme provides for needs-based programmes and interventions to facilitate offenders' rehabilitation and eventual reintegration to society. It comprises three sub-programmes: Correctional Programmes, Offender Development and Psychological, Social and Spiritual Services.

5.3.2 The Rehabilitation Programme's comprises only 8 percent of the total allocation to the Department in 2019/20. For the 2019/20 financial year, this programme has been allocated an amount of R1, 994.8 billion which is a nominal increase of 10.20 percent as compared to the 2018/19 allocation. In monetary terms, this programme received R185 million more than in 2018/19. A total of 79 percent of this allocation goes to Compensation of Employees.

5.3.3 In terms of budget allocations to sub-programmes, the largest allocation is to Offender Development (R1, 037.6 billion or 52 percent), followed by Psychological, Social and Spiritual programme (R523.7 million or 26 percent) and Correctional programme (R433.6 million or 22 percent).

	2018/19 (R'000)	2019/20 (R'000)	Nominal % Changes	Real % change	Nominal Rand change	Real Rand change
Programme 3: Rehabilitation	1 810.1	1 994.8	10.20	4.76	184.7	86.1
Sub-programmes						
Correctional Programmes	403.5	433.6	7.46	2.15	30.1	8.7
Offender Development	921.4	1 037.6	12.61	7.04	116.2	64.9
Psychological, Social and Spiritual Services	485.3	523.7	7.91	2.58	38.4	12.5

TABLE 4: REHABILITATION PROGRAMME

5.4 PROGRAMME 4: CARE

5.4.1 The Care programme provides for needs-based programmes and services aimed at maintaining the personal well-being of offenders. It comprises two sub-programmes; Nutritional Services and Health and Hygiene Services.

5.4.2 The allocation for this programme has increased by 4.80 percent (13.84% increase in 2018/19) in 2019/20 financial year, which resulted in this programme being allocated a total amount of R2, 275.3 billion. This translates to 9.6 percent of the total budget of the Department in the current financial year. Nutritional Services are allocated R1, 437.5 billion and Health and Hygiene Services, R1, 007.1 billion. In terms of expenditure trends, this programme has consistently managed to spend 100 percent of its allocation both in 2017/18 and 2016/17.

	2018/19 (R'000)	2019/20 (R'000)	Nominal % changes	Real % change	Nominal Rand change	Real Rand change
Programme 4: Care	2 332,6	2 444,6	4.80	-0.38	112.0	-8.8
Sub-programmes						
Nutritional Services	1 410.3	1 437.5	1.93	-3.11	27.2	-43.9
Health & Hygienic Services	922.3	1 007.1	9.19	3.80	84.8	35.0

TABLE 5: CARE PROGRAMME

5.5 PROGRAMME 5: SOCIAL REINTEGRATION

- 5.5.1 The Social Reintegration programme provides for services focussed on offenders' preparation for release, for the effective supervision of parolees, and for offenders' reintegration into society upon their release. It comprises three sub-programmes: Supervision, Community Reintegration, and Office Accommodation (Community Corrections).
- 5.5.2 This programme has been allocated an amount of R1, 042.4 billion for the 2019/20 financial year, which is an increase of 7.69 percent as compared to the previous financial year. This programme comprises only 4 percent of the total budget of the Department for this financial year. In terms of expenditure trends, this programme's expenditure has consistently been 100 percent for both 2017/18 and 2016/17. The bulk of this Programme's allocation is directed towards Supervision (91%), followed by Community Reintegration (5%), and Office Accommodation: Community Corrections (4%).

	2018/19 (R'000)	2019/20 (R'000)	Nominal % Changes	Real % change	Nominal Rand change	Real Rand change
Programme 5: Social Reintegration	968.0	1 042.4	7.69	2.36	74.4	22.9
Sub-programmes						
Supervision	882.0	949.9	7.70	2.37	67.9	20.9
Community Reintegration	49.1	53.5	8.96	3.58	4.4	1.8
Office Accommodation: Community Corrections	36.8	39.0	5.98	0.74	2.2	0.3

TABLE 6: SOCIAL REINTEGRATION PROGRAMME

6. COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

- 6.1. The Committee notes and welcomes the commitment of the Minister and the Deputy Minister on turning correctional centres into centres for learning and skills development. The Committee notices that there is a growing interest from inmates on skills development training such as agriculture, wood and steel production, textile, bakery and other artisan skills. The Committee encourages the Department to partner with TVET colleges and Sectoral Education and Training Authorities in ensuring that offenders are issued with some qualification for their acquired skills. The Committee believes that this will go a long way in ensuring rehabilitation and social reintegration, thus reducing re-offending.
- 6.2. While understanding the pressing need to curtail spending as a result of the government-wide fiscal consolidation measures, the Committee notes the baseline reductions on Compensation of Employees, which started in 2015/16, would reach R3,15 billion by 2020/21. The Committee believes that this would have some negative effects on services delivery as funded posts would be cut to 39 191 over the 2019/20 MTEF, from 42 006 in 2015/16.
- 6.3. The Committee notes further that over the same period (2015/16 to 2020/21), budget baseline cuts for Goods and Services would be R2,2 billion, putting immense pressures on the maintenance of the Department's ageing fleet of vehicles which is used to transport inmates to courts and hospitals for medical treatment, on consumables and food items, and on municipal service accounts for water and electricity.
- 6.4. The Committee notes and welcomes the cancellation of the AGO/Bosasa contracts and the insourcing of nutrition services in the 26 centres in which this company operated. The Committee wishes to congratulate the Ministry for acting swiftly in cancelling this contract following the allegations of corruption in the Zondo Commission of Inquiry. The Committee welcomes that the cancellation of this contract will offer opportunities for small local businesses to supply food to the Department.
- 6.5. The Committee notes that there are a number of investigations being conducted by the Special Investigations Unit (SIU) into DCS contracts. Some of these received Presidential Proclamations as far back as 2016. The investigations relate to procurement of the Electronic Monitoring System (EMS), the Integrated Inmate Management System (IIMS), Project Management Services and Fencing. These contracts combined are valued at more than R2 billion and have led to irregular expenditure of more than R1,5 billion. There has also been

delays in the implementation of key projects in the DCS, pending the finalisation of investigations. The Committee will continue to monitor developments in these investigations and expects to see action being taken against all those implicated in any wrongdoing. The Committee expects to be updated quarterly on the developments in these investigations.

- 6.6. The Committee is concerned about the irregular expenditure of R1,897 billion incurred by the DCS in 2017/18. The Committee expects the Minister to heighten his oversight on the governance and internal control environment of the DCS to ensure that audit action plans and the Auditor General's remedial measures are implemented. The Committee further recommends that the Department considers developing some measurable performance indicators and targets for the Assurance Services sub-programme. This could assist the DCS to implement its audit action plans and to achieve clean audits in the future.
- 6.7. The Committee notes the increase in allocations to the Incarceration programme and will monitor more closely the spending and achievement of targets especially those relating to safety and security for both inmates, personnel as well as for members of the public. The Committee is concerned that the Department has continuously failed to achieve many of its targets that are directed at improving security conditions by reducing the number of escapes, violence and unnatural deaths. Failure to achieve these targets attest to poor conditions of incarceration, particularly in the urban centres that are highly overcrowded.
- 6.8. The Committee recommends that the Department gives serious consideration to the use of technology to increase safety within its facilities. The Committee requests an update on the progress made in initiating and implementing such interventions as CCTV and cellphone detection technology in correctional and remand detention facilities.
- 6.9. The Committee is concerned about the increasing inmate population, which stood 37 percent overcrowding as of March 2019. The Committee has been informed about the increasing crime rate and certain challenges in the criminal justice system. The increase in the population of correctional centers means that the Department should create more new bed spaces and implement other measures to control overcrowding, including electronic monitoring (which has now been discontinued), bail protocols and section 49G (maximum incarceration period of a remand detainees), where applicable.
- 6.10. The Committee is therefore concerned that the electronic monitoring system has been discontinued. Electronic tagging is one of the tools that could assist the Department in dealing with overcrowding.
- 6.11. The Committee notes the targets to roll out the Integrated Inmate Management System(IIMS) over the MTEF. The Committee urges that more practical steps be taken to achieve these targets.
- 6.12. The Committee notes the new target of creating 435 new bed spaces by 2020/21. This target has been shifted over the years because the Department could not achieve it. In last years' annual performance plan, the Department told the previous Committee that it aims to create 18 000 new bed spaces over the next ten years. The Committee believes that the target of 435 new bed spaces is too low and that more bed spaces should be created if the Department is serious about creating 18 000 bed spaces over ten years and is committed to effectively down-manage overcrowding. The Committee also emphasizes the need for more cooperation and co-ordination between the DCS and the implementing agents; the Department of Public Works and the Independent Development Trust. The Committee requests a detailed report on the delayed infrastructural upgrades, detailing the challenges and steps that have been undertaken to resolve them. The report should also detail how much has been spent to date on those projects and the expected completion dates.
- 6.13. The Committee notes that the Department only has four Halfway houses across the country. The Committee believes that lessons in establishing Halfway Houses in Johannesburg, Limpopo, North West and Western Cape should be drawn upon to expand the programme to other provinces.

- 6.14. The Committee requires the DCS to supply it with more information on the services that are supplied to female inmates in Correctional Centres as its briefing to the Committee lacked any gender specific programmes or services.
- 6.15. The Committee urges the new Minister to pay particular attention to issues related to the financial independence of JICS. The Committee supports JICS' financial and operational independence from the DCS, as it plays an oversight role over the work of the Department. In the next quarter the Committee will schedule a briefing from the Inspecting Judge on the detailed plans of the Inspectorate.

7. Conclusion

- 7.1. The Committee, having considered the Budget Vote 18: *Correctional Services*, supports it and recommends that it be approved.

Report to be considered.