



NORTH WEST PROVINCIAL LEGISLATURE

NEGOTIATING MANDATE

TO : HON. T.R MODISE
CHAIRPERSON OF THE NATIONAL COUNCIL OF
PROVINCES

NAME OF BILL : DIVISION OF REVENUE AMENDMENT BILL

NUMBER OF BILL : B24 - 2017

DATE OF DELIBERATION : 16 NOVEMBER 2017

VOTE OF THE LEGISLATURE : The North West Provincial Legislature votes in
favour of the Division of Revenue Amendment Bill
[B24 - 2017]



HON. M. L. MATSEMELA

CHAIRPERSON: PREMIER, FINANCE, ECONOMY AND ENTERPRISE DEVELOPEMMENT
NORTH WEST PROVINCIAL LEGISLATURE

16/11/2017

DATE

**PORTFOLIO COMMITTEE ON PREMIER, FINANCE, ECONOMY AND
ENTERPRISE DEVELOPMENT**



NORTH WEST PROVINCIAL LEGISLATURE

**REPORT ON DIVISION OF REVENUE AMENDMENT BILL
[B 24 – 2017]**

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ACRONYMS

MEC Member of Executive Council

1. INTRODUCTION

The Constitution of the Republic of South Africa entrusts Legislatures with the responsibility to make laws. Section 76 of the Constitution of the Republic of South Africa further details the process to be followed in processing Bills that affect provinces. This is on the basis on which Public Hearings for the Division of Revenue Amendment Bill [B24 – 2017] were conducted.

2. PROCESS FOLLOWED

The Division of Revenue Amendment Bill [B24 - 2017] was formally referred by the Speaker, Honourable S.R. Dantjie to the Portfolio Committee on Premier, Finance, Economy and Enterprise Development for consideration and reporting.

The Portfolio Committee received a presentation from the National Council of Provinces, Permanent Delegate, Hon. Motlashuping and National Treasury on the Division of Revenue Amendment Bill, 2017 at a meeting held on 15 November 2017. Following the National Treasury briefing, the Committee embarked on Public Hearings throughout the province on 15 November 2017 as follows; Ngaka Modiri Molema District (Mabule Community Hall - Mabule), Bojanala District (Mamerotse Community Hall - Mamerotse), Dr Kenneth Kaunda District (Lebaleng Community Hall - Makwassie) and Dr Ruth Segomotsi Mompati District (Depot Hall - Taung). A total of **973** people were reached in various districts throughout the Province.

3. OBJECTIVE OF THE DIVISION OF REVENUE AMENDMENT BILL, 2017

To amend the Division of Revenue Act, 2017, in accordance with the Money Bills Amendment Procedure and Related Matters Act, 2009; and to provide for matters connected therewith.

4. ADVERTISEMENT OF THE BILL

The Bill started being advertised on 9 November 2017. It was advertised on print media: Mafikeng Mail and broadcast media such as SABC radio stations , North West FM, and community radio stations, Vaaaltar FM, and Star FM. The language that is used in all advertisements is English. Setswana and Afrikaans.

5. PRESENTATION BY NATIONAL TREASURY

• PROVINCIAL ALLOCATIONS

ADJUSTMENTS TO PROVINCIAL CONDITIONAL GRANTS

Addition to the comprehensive HIV, AIDS and TB grant

- ✓ R19.8 million will be added to comprehensive HIV, AIDS and TB grant for Limpopo and Mpumalanga in order to support the national response programme and arrest the recent malaria outbreak.
- ✓ Monthly malaria cases have substantially increased and the intervention will see an intensification of support for provincial prevention efforts.

Conversion of health facility revitalisation grant allocation

- ✓ R30 million of the health facility revitalisation grant will be converted from Schedule 6, Part A (indirect) to Schedule 5, Part A (direct) for North West.
- ✓ Health infrastructure projects that, though previously funded through indirect grant, are now being implemented by the North West provincial Department of Health.

Declared unspent funds from the school infrastructure backlogs grant

- ✓ R415 million in unspent funds has been declared as savings on the (indirect) school infrastructure backlogs grant due to the poor spending performance as a result of delays in appointing contractors, finalising the merger and rationalisation of schools in the Eastern Cape and in reappointing contractors where the services of non-performing contractors were terminated.

NORTH WEST

	R'000	R'000	R'000
EQUITABLE SHARE	30 329 643	-	30 329 643
CONDITIONAL GRANTS:	7 552 353	30 000	7 582 353
Agriculture, Forestry and Fisheries	240 383	-	240 383
Comprehensive Agricultural Support Programme Grant	169 167	-	169 167
Ilima/Letsema Projects Grant	63 178	-	63 178
Land Care Programme Grant: Poverty Relief and Infrastructure Development	8 038	-	8 038
Arts and Culture	141 092	-	141 092
Community Library Services Grant	141 092	-	141 092
Basic Education	1 560 790	-	1 560 790
Education Infrastructure Grant	1 074 331	-	1 074 331
HIV and AIDS (Life Skills Education) Grant	17 825	-	17 825
Learners With Profound Intellectual Disabilities Grant	2 274	-	2 274
Maths, Science and Technology Grant	35 384	-	35 384
National School Nutrition Programme Grant	430 976	-	430 976
Cooperative Governance and Traditional Affairs	-	-	-
Provincial Disaster Grant	-	-	-
Health	2 241 762	30 000	2 271 762
Comprehensive HIV, AIDS and TB Grant	1 296 769	-	1 296 769
Health Facility Revitalisation Grant	558 261	30 000	588 261
Health Professions Training and Development Grant	119 194	-	119 194
Human Papillomavirus Vaccine Grant	-	-	-
National Tertiary Services Grant	267 538	-	267 538

Human Settlements	2 186 679	-	2 186 679
Human Settlements Development Grant	2 186 679	-	2 186 679
Public Works	46 391	-	46 391
Expanded Public Works Programme Integrated Grant for Provinces	14 383	-	14 383
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	32 008	-	32 008
Social Development	53 656	-	53 656
Early Childhood Development Grant	32 686	-	32 686
Subsidy Component	27 935	-	27 935
Maintenance Component	4 751	-	4 751
Social Worker Employment Grant	6 732	-	6 732
Substance Abuse Treatment Grant	14 238	-	14 238
Sport and Recreation South Africa	41 762	-	41 762
Mass Participation and Sport Development Grant	41 762	-	41 762
Transport	1 039 838	-	1 039 838
Provincial Roads Maintenance Grant	932 884	-	932 884
Public Transport Operations Grant	106 954	-	106 954
TOTAL: ADJUSTED NATIONAL TRANSFERS	37 881 996	30 000	37 911 996

• LOCAL GOVERNMENT ALLOCATIONS

ADJUSTMENTS TO LOCAL GOVERNMENT CONDITIONAL GRANTS

Roll-over of local government Municipal Demarcation Transition Grant

- ✓ R27.9 million will be rolled-over for the municipal demarcation transition grant for funds originally allocated to municipalities in KwaZulu-Natal in 2015/16.
- ✓ The funds were rolled-over in 2016/17 as an indirect grant but went unspent and in 2017/18 they will now be rolled-over as a direct grant.

Additional allocation to support disaster relief and recovery

- ✓ R26.1 million has been allocated through the municipal disaster recovery grant for the repair of sinkholes and the damage to infrastructure resulting from sinkholes in the area of Merafong City Local Municipality (municipal disaster recovery grant is reactivated in the 2017 Division of Revenue Amendment Bill)
- ✓ R200 million has been added to the indirect regional bulk infrastructure grant for Butterworth's emergency water supply scheme to respond to drought pressures.

Additional allocation for bucket eradication

- ✓ R265 million will be added to the bucket eradication programme to allow the Department of Water and Sanitation to continue bucket eradication projects that the department had already identified and committed to implementing.

There are no changes in allocations for local government conditional grants in the North West province.

5. **DELIBERATIONS ON THE PRESENTATION**

The Portfolio Committee received a presentation from the National Council of Provinces, Permanent Delegate, Hon. Motlashuping and National Treasury on the Division of Revenue Amendment Bill [B24 – 2017].

The Committee deliberated as follows;

- 5.1 Section 12(4) of the Money Bills Amendment Procedure and Related Matters Act, afforded a R 30 million allocation for the North West.
- 5.2 The Department of Health is the only department in the province that is receiving an additional appropriation, other departments and municipalities are not appropriated anything in addition.
- 5.3 The National Health Insurance was piloted in Dr Kenneth Kaunda District, in prior years what was happening in relation to this indirect grant.
- 5.4 The current appropriations reflect that in 2018/19 the appropriations will remain the same.adjust

- 5.5 There may be no adjustments in provincial allocations, having said so how can the economy of the North west be revived.
- 5.6 The Financial & Fiscal Commission are stakeholders of the Committee, none of their recommendations have been effected into the adjustment of the Division of Revenue 2017.
- 5.7 The Financial & Fiscal Commission's recommendations should play a pivotal role in informing the division fo revenue and its adjustments.
- 5.8 There is 0% expenditure on the Early Childhood Grant for the North West.

6. PUBLIC INPUTS/CONCERNS

The public raised the following concerns at Public Hearings:

- 6.1 Members of the community raised a concern about the R30m funding which is not enough to address all health problems around the province, a breakdown on how the Department of Health is going to use this funding was required.
- 6.2 A concern was also raised with regards to maintenance of hospitals and clinics around the Bojanala.
- 6.3 The Department of Public Works & Roads budget allocation should have been increased to deal with the bad state of roads in communiites.
- 6.4 There has to be a consultative process that involves communities in the decision making of how dpartments are appropriated funds.
- 6.5 The R30 million that has been allocated to the Department of Health has to provide a navigation system for ambulances.
- 6.6 Mafikeng Nursing College should be considered out of the R30 million budget for North West Province.

7. RECOMMENDATIONS OF THE PORTFOLIO COMMITTEE

The Committee recommends as follows:

- 7.1 The conditional grants that have not been spent by provincial departments, be spent in accordance as they affect the province being appropriated additional budgets.
- 7.2 The recommendations of the Financial & Fiscal Commission be taken into consideration in the division of revenue and its amendments.
- 7.3 The Department of Finance and National Treasury collaborate and form consultative workshops with communities, to enlighten them on appropriations per department and municipalities. Communities need to be guided too on how rollovers and unspent budgets are dealt with.

8. ACKNOWLEDGMENTS

The Chairperson of the Committee thanked all the present Members of the Portfolio Committee for their commitment to the oversight process of the Division of Revenue Amendment Bill [B 24 – 2017].

The cooperation of the MEC for Finance, Economy and Enterprise Development, Head of Department as well as senior officials from the department is highly appreciated.

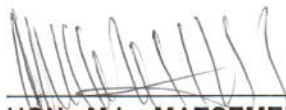
In addition, the Chairperson of the Committee extends a word of thanks to Hon. Motlashuping, National Council of Provinces permanent delegate and officials from National Treasury.

The Chairperson of the Committee thanked the support staff for contributing to the compiling of this report.

9. ADOPTION OF THE REPORT

The Portfolio Committee recommends that the House approve the passing of the Division of Revenue Amendment Bill, 2017 and mandate the North West Permanent Delegate in the National Council of Provinces to vote in support of the Division of Revenue Amendment Bill [B 24 - 2017] as tabled by the Minister of Finance.

I therefore present to this House, the report of the Portfolio Committee on Premier, Finance, Economy and Enterprise Development for consideration and adoption.



HON. M.L. MATSEMELA

CHAIRPERSON: PREMIER, FINANCE, ECONOMY AND ENTERPRISE DEVELOPMENT

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ANNEXURE

Service delivery related concerns

DEPARTMENT OF HEALTH

- 1.1 Boitekong clinic is overpopulated with huge staff challenge and medication shortage, the community requested to be assisted with a mobile clinic,
- 1.2 the community of Mamerotse requested to be prioritized in terms of maintenance on health facilities.
- 1.3 Bosplan clinic in Moretele is reported to be dilapidated and running short of staff.
- 1.3 Bapong clinic operates 24 hours, but has poor health facilities and patients are being offered polluted water from Madibeng.
- 1.4 Majakaneng clinic opens at 09h00 in the morning closes at 15hrs on a daily basis.
- 1.5 Due to poor health facilities at Brits hospital there is a high rate of death due to pregnancy.
- 1.6 Members of the community raised a concern with regard to Mathibestad hospital which is not yet in operation, but ambulances drives in and out of the hospital on a daily base.
- 1.7 There is only one clinic at Carousal- Moretele, and is also located outside the village, patients travel long distances for consultation and that impacts badly on their safety.
- 1.8 Mamerotse clinic should also benefit from the R30m funding. The clinic does not have kits for HIV/Aids patients.
- 1.9 Makwasi Hills needs more clinics and Ambulances
- 1.10 Homosexuals must also taken into consideration by the Health department they must also be given protection.
- 1.11 Department of Health must acknowledge the NGO's because they work very hard.
- 1.12 A Hospital should be build, which will cater for communities in the surrounding areas. That would enable communities to be assisted easily and not be transferred to Bophelong Hospital, which is very far from communities of Mabule and nearby villages.
- 1.13 Communities in the surrounding villages are travelling more than 10 km to access clinics.
- 1.14 A clinic should be built in Makgori Village. Communities in the village are suffering and dying due to the fact that they travel long distances to access clinics.
- 1.15 Clinics do not operate 24 hours. More nurses should be deployed in the clinics, and clinics should operate for longer hours / 24 hours

- 1.16 There is shortage of medication in most clinics in the surrounding areas.
- 1.17 Bodibe Clinic has only 2 nurses and are not able to assist communities effectively and adequately.

DEPARTMENT OF EDUCATION

- 1.1 Not enough schools in Lebaleng there is 1 Secondary School and 3 primary schools in Lebaleng.